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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**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 20, 2009

**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**  
(Address of principal  
executive offices)

**77002**  
(Zip Code)

Registrant's telephone number, including area code: (713) 646-4100

(Former name or former address, if changed since last report): Not applicable

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 (see General Instruction A.2. below):

- 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))
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**ITEM 1.01 Entry into a Material Definitive Agreement.**

On July 20, 2009, Plains All American Pipeline, L.P. (the "Partnership"), PAA Finance Corp. ("PAA Finance," and together with the Partnership, the "Issuers"), PAA GP LLC, Plains AAP, L.P., Plains All American GP LLC, and certain Subsidiary Guarantors, entered into an underwriting agreement (the "Underwriting Agreement") with J.P. Morgan Securities Inc., BNP Paribas Securities Corp., Wells Fargo Securities, LLC, BMO Capital Markets Corp., Daiwa Securities America Inc., Mizuho Securities USA Inc. and RBC Capital Markets Corporation (collectively, the "Underwriters"), relating to the issuance and sale to the Underwriters of \$500 million aggregate principal amount of 4.25% Senior Notes due 2012 (the "Notes"), subject to the terms and conditions therein.

The Notes are being offered and sold under the Issuers' shelf registration statement on Form S-3 (Registration No. 333-155671) filed with the Securities and Exchange Commission on November 25, 2008 (the "Registration Statement"), and are described in a Prospectus Supplement dated July 20, 2009 (the "Prospectus Supplement") to the Prospectus, dated December 11, 2008, included in the Registration Statement.

The terms of the Notes are more fully described in the Sixteenth Supplemental Indenture (the "Supplemental Indenture"), to be dated July 23, 2009, between the Issuers, the Subsidiary Guarantors named therein and U.S. Bank National Association (successor to Wachovia Bank, National Association), as trustee (the "Trustee"). The Supplemental Indenture will be entered into in accordance with the provisions of the Indenture dated September 25, 2002 among the Issuers and the Trustee.

The closing of the underwritten public offering of the Notes is scheduled to occur on July 23, 2009.

The Underwriting Agreement, the form of Supplemental Indenture and the form of the Notes are filed as Exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

**ITEM 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit Number	Description
1.1	Underwriting Agreement, dated July 20, 2009, by and among Plains All American Pipeline, L.P., PAA Finance Corp., PAA GP LLC, Plains AAP, L.P., Plains All American GP LLC, the Subsidiary Guarantors named therein, and J.P. Morgan Securities Inc., BNP Paribas Securities Corp., Wells Fargo Securities, LLC, BMO Capital Markets Corp., Daiwa Securities America Inc., Mizuho Securities USA Inc. and RBC Capital Markets Corporation, as Underwriters.
4.1	Form of Sixteenth Supplemental Indenture, to be dated July 23, 2009, among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and U.S. Bank National Association, as trustee.
4.2	Form of 4.25% Senior Notes due 2012 (included in Exhibit 4.1).
5.1	Opinion of Vinson & Elkins L.L.P.
23.1	Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1).

**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: PAA GP LLC, its general partner

By: PLAINS AAP, L.P., its sole member

By: PLAINS ALL AMERICAN GP LLC,  
its general partner

By: /s/ Tim Moore \_\_\_\_\_

Name: Tim Moore

Title: Vice President

Date: July 23, 2009

## EXHIBIT INDEX

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**PLAINS ALL AMERICAN PIPELINE, L.P.  
PAA FINANCE CORP.**

\$500,000,000 4.25% Senior Notes due 2012

**UNDERWRITING AGREEMENT**

July 20, 2009

J.P. Morgan Securities Inc.  
BNP Paribas Securities Corp.  
Wells Fargo Securities, LLC  
BMO Capital Markets Corp.  
Daiwa Securities America Inc.  
Mizuho Securities USA Inc.  
RBC Capital Markets Corporation

c/o J.P. Morgan Securities Inc.  
270 Park Avenue  
New York, New York 10017

Ladies and Gentlemen:

Plains All American Pipeline, L.P., a Delaware limited partnership (the "**Partnership**"), and PAA Finance Corp., a Delaware corporation ("**PAA Finance**," and together with the Partnership, the "**Issuers**"), propose to issue and sell to the several underwriters named in Schedule I hereto (the "**Underwriters**") \$500,000,000 aggregate principal amount of 4.25% Senior Notes due September 1, 2012 (the "**Notes**"). The Notes are to be issued under an indenture dated as of September 25, 2002 (the "**Base Indenture**"), among the Issuers and U.S. Bank National Association, as successor trustee (the "**Trustee**"), as amended by the Sixteenth Supplemental Indenture, to be dated as of July 23, 2009, among the Issuers, the Subsidiary Guarantors (as defined herein) and the Trustee (the Base Indenture, as so amended, the "**Indenture**"), and will be guaranteed on an unsecured basis by each of the Subsidiary Guarantors (the "**Guarantees**").

PAA GP LLC, a Delaware limited liability company (the "**General Partner**"), is the general partner of the Partnership. Plains AAP, L.P., a Delaware limited partnership ("**Plains AAP**"), owns a 100% membership interest in the General Partner. Plains All American GP LLC, a Delaware limited liability company ("**GP LLC**"), is the general partner of Plains AAP.

Plains Marketing GP Inc., a Delaware corporation ("**GP Inc.**"); Plains Marketing, L.P., a Texas limited partnership ("**Plains Marketing**"); Plains Pipeline, L.P., a Texas limited partnership ("**Plains Pipeline**"); Pacific Energy Group LLC, a Delaware limited liability company ("**Pacific Energy Group**"); Pacific L.A. Marine Terminal LLC, a Delaware limited

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liability company (“**Pacific LA**”); Rocky Mountain Pipeline System LLC, a Delaware limited liability company (“**Rocky Mountain**”); Plains Products Terminals LLC, a Delaware limited liability company (“**Plains Products**”); Plains Towing LLC, a Delaware limited liability company (“**Plains Towing**”); Plains Marketing Canada LLC, a Delaware limited liability company (“**PMC LLC**”); Plains LPG Services GP LLC, a Delaware limited liability company (“**LPG LLC**”); PICSCO LLC, a Delaware limited liability company (“**PICSCO**”); Plains LPG Services, L.P., a Delaware limited partnership (“**LPG Services LP**”); Plains Midstream GP LLC, a Delaware limited liability company (“**Plains Midstream GP**”); Plains Midstream, L.P., a Delaware limited partnership (“**Plains Midstream LP**”); Lone Star Trucking, LLC, a California limited liability company (“**Lone Star**”); and Rancho LPG Holdings LLC, a Delaware limited liability company (“**Rancho LLC**”), are collectively referred to herein as the “**Domestic Subsidiary Guarantors.**”

Aurora Pipeline Company Ltd., a corporation incorporated under the laws of Canada (“**Aurora**”); Plains Midstream Canada ULC, an Alberta unlimited liability company (“**Plains Midstream Canada**”); Plains Marketing Canada, L.P., an Alberta limited partnership (“**PMC LP**”); and PMC (Nova Scotia) Company, a Nova Scotia unlimited liability company (“**PMC NS**”), are collectively referred to herein as the “**Canadian Subsidiary Guarantors.**”

Pacific Energy GP, LP, a Delaware limited partnership; Pacific Energy Management LLC, a Delaware limited liability company; Pacific Pipeline System LLC, a Delaware limited liability company; Plains West Coast Terminals LLC, a Delaware limited liability company; Plains Marketing Bondholder, LLC, a Delaware limited liability company (“**Plains Marketing Bondholder**”); CDM Max, LLC, a Texas limited liability company (“**CDM Max**”); and SLC Pipeline LLC, a Delaware limited liability company (“**SLC Pipeline**”), are collectively referred to herein as the “**Non-Guarantor Subsidiaries.**”

The Domestic Subsidiary Guarantors and the Canadian Subsidiary Guarantors are collectively referred to herein as the “**Subsidiary Guarantors.**” The Non-Guarantor Subsidiaries, the Subsidiary Guarantors and PAA Finance are collectively referred to herein as the “**Subsidiaries.**” The Issuers, the General Partner, Plains AAP, GP LLC and the Subsidiary Guarantors are collectively referred to herein as the “**Plains Parties.**” The Plains Parties, the Non-Guarantor Subsidiaries and PAA/Vulcan Gas Storage, LLC, a Delaware limited liability company (the “**Joint Venture**”), are collectively referred to herein as the “**Plains Entities.**”

The Plains Parties wish to confirm as follows their agreement with the Underwriters in connection with the several purchases of the Notes by the Underwriters.

1. Representations and Warranties of the Plains Parties. The Plains Parties, jointly and severally, represent and warrant to the Underwriters that:

(a) A registration statement on Form S-3 relating to the Notes (File No. 333-155671) (i) has been prepared by the Issuers in conformity with the requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), and the rules and regulations (the “**Rules and Regulations**”) of the Securities and Exchange Commission (the “**Commission**”) thereunder; (ii) has been filed with the Commission under the Securities Act; and (iii) is effective under the Securities Act. Copies of such registration

statement and any amendment thereto have been delivered by the Issuers to J.P. Morgan Securities Inc. (the “**Representative**”). As used in this Agreement:

(i) “**Applicable Time**” means 4:30 p.m., New York City time, on July 20, 2009, which the Underwriters have informed the Issuers and their counsel is a time prior to the first sale of the Notes;

(ii) “**Base Prospectus**” means the base prospectus included in the Registration Statement at the Applicable Time.

(iii) “**Effective Date**” means any date as of which any part of such registration statement relating to the Notes became, or is deemed to have become, effective under the Securities Act in accordance with the Rules and Regulations;

(iv) “**Issuer Free Writing Prospectus**” means each “free writing prospectus” (as defined in Rule 405 of the Rules and Regulations) or “issuer free writing prospectus” (as defined in Rule 433 of the Rules and Regulations) prepared by or on behalf of the Issuers or used or referred to by the Issuers in connection with the offering of the Notes;

(v) “**Preliminary Prospectus**” means any preliminary prospectus relating to the Notes included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, including the Base Prospectus and any preliminary prospectus supplement thereto relating to the Notes;

(vi) “**Pricing Disclosure Package**” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with (A) each Issuer Free Writing Prospectus filed or used by the Issuers on or before the Applicable Time, other than a road show that is an Issuer Free Writing Prospectus under Rule 433 of the Rules and Regulations, and (B) the final term sheet attached hereto as Schedule II;

(vii) “**Prospectus**” means the final prospectus relating to the Notes, including the Base Prospectus and any prospectus supplement thereto relating to the Notes, as filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations; and

(viii) “**Registration Statement**” means the registration statement on Form S-3 (File No. 333-155671), as amended as of the Effective Date, including any Preliminary Prospectus or the Prospectus and all exhibits to such registration statement.

Any reference to any Preliminary Prospectus, the Pricing Disclosure Package or the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Form S-3 under the Securities Act as of the date of such Preliminary Prospectus or the Prospectus, as the case may be. Any reference to the “**most recent Preliminary Prospectus**” shall be deemed to refer to the latest Preliminary Prospectus included

in the Registration Statement or filed pursuant to Rule 424(b) of the Rules and Regulations prior to or on the date hereof (including, for purposes hereof, any documents incorporated by reference therein prior to or on the date hereof). Any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be. Any reference to any amendment to the Registration Statement shall be deemed to include any periodic report of the Partnership filed with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act after the Effective Date that is incorporated by reference in the Registration Statement. As used herein, the term “**Incorporated Documents**” means the documents that at the time are incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus or any amendment or supplement thereto. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding for such purpose has been instituted or, to the Plains Parties’ knowledge, threatened by the Commission. The Commission has not notified the Issuers of any objection to the use of the form of the Registration Statement.

(b) *Form of Documents.* The Registration Statement conformed and will conform in all material respects on the Effective Date and on the Delivery Date (as defined herein), and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the applicable requirements of the Securities Act and the Rules and Regulations. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) and on the Delivery Date to the requirements of the Securities Act and the Rules and Regulations. The Incorporated Documents conformed and will conform, when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the Commission thereunder. The Registration Statement and the Prospectus conform in all material respects to the requirements applicable to them under the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”).

(c) *Registration Statement.* The Registration Statement did not, as of its most recent Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Issuers through the Representative by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 12.

(d) *Prospectus.* The Prospectus will not, as of its date and on the Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Issuers through the Representative by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 12.



(e) *Documents Incorporated by Reference.* The Incorporated Documents, when filed with the Commission, did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Pricing Disclosure Package.* The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to the Issuers through the Representative by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 12.

(g) *Issuer Free Writing Prospectus and Pricing Disclosure Package.* Each Issuer Free Writing Prospectus (including, without limitation, any road show that is a free writing prospectus under Rule 433 of the Rules and Regulations), when considered together with the Pricing Disclosure Package as of the Applicable Time, did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Issuers through the Representative by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 12.

(h) *Each Issuer Free Writing Prospectus.* Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations on the date of first use, and the Issuers have complied with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. The Issuers have not made any offer relating to the Notes that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representative. The Issuers have retained in accordance with the Rules and Regulations all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Rules and Regulations. The Issuers have taken all actions necessary so that any road show (as defined in Rule 433 of the Rules and Regulations) in connection with the offering of the Notes will not be required to be filed pursuant to the Rules and Regulations.

(i) *Not an Ineligible Issuer.* At (i) the time of initial filing of the Registration Statement and (ii) the earliest time after the initial filing of the Registration Statement that the Issuers or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Notes, neither of the Issuers was an “ineligible issuer,” as defined in Rule 405 under the Securities Act.

(j) *Formation and Qualification of the Plains Parties and Joint Venture.* Each of the Plains Parties and the Joint Venture has been duly formed or incorporated and is validly existing in good standing as a limited partnership, limited liability company, corporation or unlimited liability company under the laws of its respective jurisdiction of formation or

incorporation with full corporate, partnership, limited liability company or unlimited liability company power and authority, as the case may be, to own or lease its properties and to conduct its business, in each case in all material respects. Each of the Plains Parties and the Joint Venture is duly registered or qualified as a foreign corporation, limited partnership, limited liability company or unlimited liability company, as the case may be, for the transaction of business under the laws of each jurisdiction (as set forth on [Exhibit A](#) to this Agreement) in which the character of the business conducted by it or the nature or location of the properties owned or leased by it makes such registration or qualification necessary, except where the failure to register or qualify would not have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(k) *General Partners.* GP LLC has full limited liability company power and authority to act as the general partner of Plains AAP; the General Partner has full limited liability company power and authority to act as the general partner of the Partnership; GP Inc. has full corporate power and authority to act as the general partner of Plains Marketing and Plains Pipeline; PMC NS has full unlimited liability company power and authority to act as the general partner of PMC LP; LPG LLC has full limited liability company power and authority to act as the general partner of LPG Services LP; and Plains Midstream GP has full limited liability company power and authority to act as the general partner of Plains Midstream LP, in each case in all material respects.

(l) *Ownership of the Partnership.* The General Partner is the sole general partner of the Partnership, with a 2.0% general partner interest in the Partnership; such general partner interest has been duly authorized and validly issued in accordance with the Third Amended and Restated Agreement of Limited Partnership of the Partnership (as the same may be amended or restated prior to the Delivery Date, the "**Partnership Agreement**"); and the General Partner owns such general partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(m) *Ownership of the General Partner.* Plains AAP is the sole member of the General Partner, with a 100% membership interest in the General Partner; such membership interest has been duly authorized and validly issued in accordance with the Limited Liability Company Agreement of the General Partner (as the same may be amended or restated prior to the Delivery Date, such agreement being referred to herein as the "**General Partner LLC Agreement**") and is fully paid (to the extent required under the General Partner LLC Agreement) and nonassessable (except as such nonassessability may be affected by matters described in Section 18-607 and 18-804 of the Delaware Limited Liability Company Act (the "**Delaware LLC Act**")); and Plains AAP owns such membership interest free and clear of all liens, encumbrances, security interests, equities, charges or claims, except as provided in the Credit Agreement dated January 3, 2008 (as amended, the "**Plains AAP Facility**"), by and among Plains AAP, the lenders party thereto and Citibank, N.A., as Administrative Agent.

(n) *Ownership of Plains AAP.* GP LLC is the sole general partner of Plains AAP, with a 1.0% general partner interest in Plains AAP; such general partner interest has been duly authorized and validly issued in accordance with the Fifth Amended and Restated Limited Partnership Agreement of Plains AAP (as the same may be amended or restated prior to the

Delivery Date, such agreement being referred to herein as the “**Plains AAP Partnership Agreement**”); and GP LLC owns such general partner interest free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(o) *Ownership of Plains Marketing and Plains Pipeline.* GP Inc. is the sole general partner of Plains Marketing, with a 0.001% general partner interest in Plains Marketing, and the sole general partner of Plains Pipeline, with a 0.001% general partner interest in Plains Pipeline; such general partner interests have been duly authorized and validly issued in accordance with the agreement of limited partnership of Plains Marketing and the agreement of limited partnership of Plains Pipeline, respectively (in each case, as in effect on the date hereof and as the same may be amended or restated prior to the Delivery Date, such agreements being referred to herein as the “**Plains Marketing Partnership Agreement**” and the “**Plains Pipeline Partnership Agreement**,” respectively); and GP Inc. owns such general partner interests free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(p) *Ownership of Subsidiaries.* All of the outstanding shares of capital stock or other equity interests (other than general partner interests) of each Subsidiary and the Joint Venture (a) have been duly authorized and validly issued (in the case of an interest in a limited partnership or limited liability company, in accordance with the agreement or certificate of limited partnership, limited liability company agreement, certificate of formation, certificate or articles of incorporation, bylaws or other similar organizational documents (in each case as in effect on the date hereof and as the same may be amended or restated prior to the Delivery Date) (the “**Organizational Documents**”) of such Subsidiary or the Joint Venture), are fully paid (in the case of an interest in a limited partnership or limited liability company, to the extent required under the Organizational Documents of such Subsidiary or the Joint Venture) and nonassessable (except (i) in the case of an interest in a Delaware limited partnership or Delaware limited liability company, as such nonassessability may be affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act (the “**Delaware LP Act**”) or Section 18-607 and 18-804 of the Delaware LLC Act), as applicable, (ii) in the case of an interest in a limited partnership or limited liability company formed under the laws of another domestic state, as such nonassessability may be affected by similar provisions of such state’s limited partnership or limited liability company statute, as applicable, and (iii) in the case of an interest in an entity formed under the laws of a foreign jurisdiction, as such nonassessability may be affected by similar provisions of such jurisdiction’s corporate, partnership or limited liability company statute, if any, as applicable) and (b) except for a 50% membership interest in the Joint Venture owned by Vulcan Gas Storage LLC and a 25% membership interest in SLC Pipeline owned by an affiliate of Holly Energy Partners-Operating, L.P., are owned, directly or indirectly, by the Partnership, free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(q) *General Partner Interests in Subsidiary Guarantors.* All outstanding general partner interests in each Subsidiary Guarantor that is a partnership have been duly authorized and validly issued in accordance with the Organizational Documents of such Subsidiary Guarantor and are owned, directly or indirectly, by the Partnership, free and clear of all liens, encumbrances, security interests, equities, charges or claims.

(r) *Majority Owned Subsidiaries.* The Partnership has no direct or indirect majority owned subsidiaries other than (i) CDM Max and Plains Marketing Bondholder, (ii) those disclosed on Exhibit 21.1 on the Partnership's Annual Report on Form 10-K filed with the Commission on February 26, 2009 (the "**Form 10-K**") and (iii) those who would not, considered in the aggregate as a single subsidiary, constitute a significant subsidiary (as defined in Rule 1-02(w) of Regulation S-X) as of the year end covered by the Partnership's Form 10-K. The Issuers have no material independent assets or operations and the Guarantees of the Subsidiary Guarantors are full and unconditional and joint and several.

(s) *No Registration Rights.* The offering and sale of the Notes as contemplated by this Agreement do not give rise to any rights for or relating to the registration of any other securities of the Issuers, except such rights as have been waived or satisfied.

(t) *Conformity to Description of Notes.* The Notes, when issued and delivered against payment therefor as provided herein and in the Indenture, the Guarantees and the Indenture will conform in all material respects to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus (and any amendment or supplement thereto).

(u) *Authority.* Each of the Issuers has all requisite power and authority to issue, sell and deliver the Notes, and each of the Subsidiary Guarantors has all requisite power and authority to issue and deliver the Guarantees, in accordance with and upon the terms and conditions set forth in this Agreement, their respective Organizational Documents, the Indenture, the Registration Statement, the Pricing Disclosure Package and the Prospectus. All action required to be taken by the Plains Parties or any of their stockholders, partners or members for (i) the due and proper authorization, execution and delivery of this Agreement and the Indenture, (ii) the authorization, issuance, sale and delivery of the Notes and the Guarantees and (iii) the consummation of the transactions contemplated hereby and thereby shall have been duly and validly taken.

(v) *Authorization, Execution and Delivery of Agreement.* The execution and delivery of, and the performance by each of the Plains Parties of their respective obligations under, this Agreement have been duly and validly authorized by each of the Plains Parties, and this Agreement has been duly executed and delivered by each of the Plains Parties, and constitutes the valid and legally binding agreement of each of the Plains Parties, enforceable against each of the Plains Parties in accordance with its terms; provided that the enforceability hereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as rights to indemnity and contribution hereunder may be limited by federal or state securities laws.

(w) *Enforceability of the Indenture.* The execution and delivery of, and the performance by each of the Plains Parties of their respective obligations under, the Indenture have been duly and validly authorized by each of the Plains Parties that are parties thereto; the Indenture has been duly qualified under the Trust Indenture Act and, assuming due authorization, execution and delivery of the Base Indenture and the Sixteenth Supplemental Indenture thereto by the Trustee, when such Sixteenth Supplemental Indenture is executed and delivered by each

of the Plains Parties that are parties thereto, will constitute the valid and legally binding agreement of each of the Plains Parties that are parties thereto, enforceable against each of the Plains Parties that are parties thereto in accordance with its terms; provided that the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as rights to indemnity and contribution thereunder may be limited by federal or state securities laws.

(x) *Valid Issuance of the Notes.* The Notes have been duly authorized, and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters, will have been duly executed and delivered by each of the Issuers and will constitute the valid and legally binding obligations of the Issuers, enforceable against the Issuers in accordance with their terms and entitled to the benefits of the Indenture; provided that the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as rights to indemnity and contribution thereunder may be limited by federal or state securities laws.

(y) *Valid Issuance of the Guarantees.* The Guarantees have been duly authorized by each of the Subsidiary Guarantors and, when the Notes have been duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be valid and legally binding obligations of each of the Subsidiary Guarantors, enforceable against each of the Subsidiary Guarantors in accordance with their terms and will be entitled to the benefits of the Indenture, provided that the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as rights to indemnity and contribution thereunder may be limited by federal or state securities laws.

(z) *Authorization, Execution and Enforceability of Formation Agreements.* Each limited liability company agreement or limited partnership agreement, as applicable, of the Plains Parties that is a limited liability company or a limited partnership has been duly authorized, executed and delivered by the parties thereto and is a valid and legally binding agreement of such parties, enforceable against such parties in accordance with its terms; provided that, with respect to each such agreement, the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(aa) *Authorization, Execution and Enforceability of Joint Venture Agreement.* The limited liability company agreement of the Joint Venture has been duly authorized, executed and delivered by the Partnership and, assuming due authorization, execution and delivery by the other parties thereto, is a valid and legally binding agreement of the Partnership, enforceable against it in accordance with its terms; provided that the enforceability thereof may be limited by

bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(bb) *No Conflicts or Violations.* None of the offering, issuance and sale by the Issuers of the Notes or the Subsidiary Guarantors of the Guarantees, the execution, delivery and performance of this Agreement by the Plains Parties, the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby (i) conflicts or will conflict with or constitutes or will constitute a violation of the Organizational Documents of any of the Plains Parties, (ii) conflicts or will conflict with or constitutes or will constitute a breach or violation of, a change of control or a default under (or an event which, with notice or lapse of time or both, would constitute such an event), any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which any of the Plains Parties is a party or by which any of them or any of their respective properties may be bound, (iii) violates or will violate any statute, law or regulation or any order, judgment, decree or injunction of any court or governmental agency or body directed to any of the Plains Parties or any of their properties in a proceeding to which any of them or their property is a party or (iv) will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Plains Parties or the Joint Venture, which conflicts, breaches, violations or defaults, in the case of clauses (ii), (iii) or (iv), would have a material adverse effect upon the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(cc) *No Consents.* No permit, consent, approval, authorization, order, registration, filing or qualification of or with any court, governmental agency or body (a "governmental consent") is required in connection with the offering, issuance and sale by the Issuers of the Notes or the Subsidiary Guarantors of the Guarantees, the execution, delivery and performance of, or the consummation by the Plains Parties of the transactions contemplated by, this Agreement, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby, except for such governmental consents required under the Securities Act, the Exchange Act, the Trust Indenture Act and state securities or "Blue Sky" laws.

(dd) *No Default.* None of the Plains Parties is in (i) violation of its Organizational Documents, or of any law, statute, ordinance, administrative or governmental rule or regulation applicable to it or of any decree of any court or governmental agency or body having jurisdiction over it or (ii) breach, default (or an event that, with notice or lapse of time or both, would constitute such an event) or violation in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any agreement, indenture, lease or other instrument to which it is a party or by which it or any of its properties may be bound, which breach, default or violation would, if continued, have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole, or could materially impair the ability of any of the Plains Parties to perform its obligations under this Agreement. To the knowledge of the Plains Parties, no third party to any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any of the

Plains Parties is a party or by which any of them is bound or to which any of their properties are subject, is in default under any such agreement, which breach, default or violation would, if continued, have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(ee) *Independent Registered Public Accounting Firm.* The accountants, PricewaterhouseCoopers LLP, who have certified or shall certify the audited financial statements included or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus and the Prospectus (and any amendment or supplement thereto), are independent registered public accountants with respect to the Plains Parties as required by the Securities Act and the Rules and Regulations.

(ff) *Financial Statements.* At March 31, 2009, the Partnership would have had, on an as adjusted basis as indicated in the Prospectus (and any amendment or supplement thereto), a total capitalization as set forth therein. The financial statements (including the related notes and supporting schedules) and other financial information included or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus and the Prospectus (and any amendment or supplement thereto) present fairly in all material respects the financial position, results of operations and cash flows of the entities purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except to the extent disclosed therein. The summary and selected historical financial information included or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus and the Prospectus (and any amendment or supplement thereto) is accurately presented in all material respects and prepared on a basis consistent with the audited and unaudited historical consolidated financial statements from which it has been derived, except as described therein. The pro forma financial statements and other pro forma financial information, if any, included or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus and the Prospectus (and any amendment or supplement thereto) (i) present fairly in all material respects the information shown therein, (ii) have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and (iii) have been properly computed on the bases described therein. The assumptions used in the preparation of the pro forma financial statements and other pro forma financial information, if any, included or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus and the Prospectus (and any amendment or supplement thereto) are reasonable, and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein. No other financial statements or schedules of the Issuers are required by the Securities Act or the Exchange Act to be included in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus.

(gg) *Certain Transactions.* Except as disclosed in the Pricing Disclosure Package and the Prospectus, subsequent to the respective dates as of which such information is given in the Pricing Disclosure Package and the Prospectus, (i) none of the Plains Parties has incurred any liability or obligation, indirect, direct or contingent, or entered into any transactions, not in the ordinary course of business, that, singly or in the aggregate, is material to the Plains Entities, taken as a whole, (ii) there has not been any material change in the capitalization, or material increase in the short-term debt or long-term debt, of the Plains Parties and (iii) there has

not been any material adverse change, or any development involving or that may reasonably be expected to involve, singly or in the aggregate, a prospective material adverse change in the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(hh) *Litigation*. There are no legal or governmental proceedings pending or, to the knowledge of the Plains Parties, threatened, against any of the Plains Parties, or to which any of the Plains Parties is a party, or to which any of their respective properties is subject, that are required to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus but are not described as required, and there are no agreements, contracts, indentures, leases or other instruments that are required to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus or to be filed as an exhibit to the Registration Statement that are not described or filed as required by the Securities Act or the Exchange Act.

(ii) *Title to Properties*. The Plains Parties have good and indefeasible title to all real property and good title to all personal property described in the Pricing Disclosure Package and the Prospectus as being owned by them, free and clear of all liens, claims, security interests or other encumbrances except (i) as provided in the Second Restated Credit Agreement dated November 6, 2008 (as amended, the “**Restated Facility**”) among Plains Marketing, Bank of America, N.A., as administrative agent thereunder and the lenders from time to time party thereto, described in the Pricing Disclosure Package and the Prospectus, (ii) as provided in the Plains AAP Facility, and (iii) such as do not materially interfere with the use of such properties taken as a whole as described in the Pricing Disclosure Package and the Prospectus; and all real property and buildings held under lease by any of the Plains Parties are held under valid and subsisting and enforceable leases with such exceptions as do not materially interfere with the use of such properties taken as a whole as described in the Pricing Disclosure Package and the Prospectus.

(jj) *Permits*. Each of the Plains Parties has such permits, consents, licenses, franchises, certificates and authorizations of governmental or regulatory authorities (“**permits**”) as are necessary to own its properties and to conduct its business in the manner described in the Pricing Disclosure Package and the Prospectus, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the Prospectus and except for such permits the failure of which to have obtained would not have, individually or in the aggregate, a material adverse effect upon the ability of the Plains Entities considered as a whole to conduct their businesses in all material respects as currently conducted and as contemplated by the Pricing Disclosure Package and the Prospectus to be conducted; each of the Plains Parties has fulfilled and performed all of its material obligations with respect to such permits and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any impairment of the rights of the holder of any such permit, except for such failures to perform, revocations, terminations and impairments that would not have a material adverse effect upon the ability of the Plains Entities considered as a whole to conduct their businesses in all material respects as currently conducted and as contemplated by the Pricing Disclosure Package and the Prospectus to be conducted, subject in each case to such qualification as may be set forth in the Pricing Disclosure Package and the Prospectus; and, except as described in the Pricing Disclosure Package and the Prospectus, none of such permits contains any restriction that is materially burdensome to the Plains Entities, considered as a whole.



(kk) *Rights-of-Way*. Each of the Plains Parties has such consents, easements, rights-of-way or licenses from any person (“**rights-of-way**”) as are necessary to conduct its business in the manner described in the Pricing Disclosure Package and the Prospectus, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the Prospectus and except for such rights-of-way the failure of which to have obtained would not have, individually or in the aggregate, a material adverse effect upon the ability of the Plains Entities considered as a whole to conduct their businesses in all material respects as currently conducted and as contemplated by the Pricing Disclosure Package and the Prospectus to be conducted; each of the Plains Parties has fulfilled and performed all its material obligations with respect to such rights-of-way and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such rights-of-way, except for such failures to perform, revocations, terminations and impairments that will not have a material adverse effect upon the ability of the Plains Entities considered as a whole to conduct their businesses in all material respects as currently conducted and as contemplated by the Pricing Disclosure Package and the Prospectus to be conducted, subject in each case to such qualification as may be set forth in the Prospectus; and, except as described in the Pricing Disclosure Package and the Prospectus, none of such rights-of-way contains any restriction that is materially burdensome to the Plains Entities, considered as a whole.

(ll) *Investment Company*. None of the Plains Parties is now, and after sale of the Notes to be sold by the Issuers hereunder and application of the net proceeds from such sale as described in the Pricing Disclosure Package and the Prospectus under the caption “Use of Proceeds,” none of the Plains Parties will be, (i) an “investment company” within the meaning of the Investment Company Act of 1940, as amended, (ii) a “gas utility,” within the meaning of Tex. Util. Code § 121.001 or (iii) a “public utility” or “utility” within the meaning of the Public Utility Regulatory Act of Texas or under similar laws of any state in which any such Plains Party does business; other than in respect of any subsidiary of Pacific Energy Group that is under the jurisdiction of the California Public Utility Commission.

(mm) *No Material Losses or Interference*. None of the Plains Parties has sustained since the date of the latest audited financial statements included in the Pricing Disclosure Package and the Prospectus (and any amendment or supplement thereto) any material loss or interference with its business from fire, explosion, flood or other calamity whether or not covered by insurance, or from any labor dispute or court or governmental action, investigation, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus (and any amendment or supplement thereto), which in each case would have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(nn) *Environmental Compliance*. Except as described in the Pricing Disclosure Package and the Prospectus, none of the Plains Parties has violated any environmental, safety, health or similar law or regulation applicable to its business relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”), or lacks any permits, licenses or other approvals required of them under applicable Environmental Laws to own, lease or operate their properties and conduct their business as described in the Pricing Disclosure Package and the Prospectus or

is violating any terms and conditions of any such permit, license or approval, which in each case would have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(oo) *No Labor Disputes.* No labor dispute by the employees of any of the Plains Parties exists or, to the knowledge of the Plains Parties, is imminent, which might reasonably be expected to have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole.

(pp) *Insurance.* The Plains Parties maintain insurance covering their properties, operations, personnel and businesses against such losses and risks as are reasonably adequate to protect them and their businesses in a manner consistent with other businesses similarly situated. None of the Plains Parties has received notice from any insurer or agent of such insurer that substantial capital improvements or other expenditures will have to be made in order to continue such insurance, and all such insurance is outstanding and duly in force on the date hereof and will be outstanding and duly in force on the Delivery Date.

(qq) *Absence of Certain Actions.* Except as described in the Pricing Disclosure Package and the Prospectus, there is (i) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to the knowledge of the Plains Parties, threatened, to which any of the Plains Parties, or any of their respective subsidiaries, is or may be a party or to which the business or property of any of the Plains Parties, or any of their respective subsidiaries, is or may be subject, (ii) no statute, rule, regulation or order that has been enacted, adopted or issued by any governmental agency or, to the knowledge of the Plains Parties, that has been proposed by any governmental body and (iii) no injunction, restraining order or order of any nature issued by a federal or state court or foreign court of competent jurisdiction to which any of the Plains Parties, or any of their respective subsidiaries, is or may be subject, that, in the case of clauses (i), (ii) and (iii) above, is reasonably expected to (A) singly or in the aggregate have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole, (B) prevent or result in the suspension of the offering and issuance of the Notes or (C) in any manner draw into question the validity of this Agreement, the Indenture or the Notes.

(rr) *Subsidiary Guarantor Actions.* No Subsidiary Guarantor is currently prohibited, directly or indirectly, from paying any dividends to the Partnership, from making any other distribution on such Subsidiary Guarantor's capital stock or partnership or limited liability company interests, from repaying to the Partnership any loans or advances to such Subsidiary Guarantor from the Partnership or from transferring any of such Subsidiary Guarantor's property or assets to the Partnership or any other Subsidiary Guarantor of the Partnership, except as described in or contemplated by the Pricing Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto).

(ss) *No Distribution of Other Offering Materials.* None of the Plains Parties has distributed and, prior to the later to occur of (i) the Delivery Date and (ii) completion of the distribution of the Notes, as the case may be, will not distribute, any prospectus (as defined under

the Securities Act) in connection with the offering and sale of the Notes other than any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, subject to the conditions in Section 1(h) of this Agreement, or other materials, if any, permitted by the Securities Act, including Rule 134 of the Rules and Regulations.

(tt) *Books and Records; Accounting Controls.* The Partnership maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(uu) *Sarbanes-Oxley Act.* The Partnership and, to the knowledge of the Plains Parties, the directors and officers of GP LLC in their capacities as such, are in compliance in all material respects with all applicable and effective provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

(vv) *Disclosure Controls.* The Partnership maintains disclosure controls and procedures (as such term is defined in Rules 13a-15 and 15d-15 under the Exchange Act), that (i) are designed to provide reasonable assurance that material information relating to the Partnership, including its consolidated subsidiaries, is recorded, processed, summarized and communicated to the principal executive officer, the principal financial officer and other appropriate officers of GP LLC to allow for timely decisions regarding required disclosure, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated for effectiveness as of the end of the Partnership's most recent fiscal quarter; and (iii) are effective in all material respects to perform the functions for which they are established.

(ww) *No Deficiency in Internal Controls.* Based on the evaluation of its disclosure controls and procedures conducted in connection with the preparation and filing of the Partnership's Annual Report on Form 10-K for the period ended December 31, 2008, the Partnership is not aware of (i) any significant deficiency or material weakness in the design or operation of internal controls over financial reporting that are likely to adversely affect its ability to record, process, summarize and report financial data; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls over financial reporting of the Partnership.

(xx) *FCPA.* None of the Plains Entities nor, to the knowledge of the Plains Parties, any director, officer, agent, employee or affiliate of the Plains Entities is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

(yy) *Money Laundering Laws.* No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Plains Entities

that involve allegations of money laundering is pending or, to the knowledge of the Plains Parties, threatened.

(zz) OFAC. None of the Plains Entities nor, to the knowledge of the Plains Parties, any director, officer or employee of the Plains Entities has received notice that it is subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Any certificate signed by any officer of the Plains Parties and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Notes shall be deemed a representation and warranty by the Plains Parties, as to matters covered thereby, to the Underwriters.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Issuers agree to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Issuers the principal amount of Notes set forth opposite such Underwriter's name on Schedule I hereto at a purchase price of 99.452% of the principal amount thereof, plus accrued interest, if any, from the Delivery Date.

3. Delivery and Payment. Delivery of and payment for the Notes shall be made at the office of Vinson & Elkins L.L.P., 1001 Fannin, Houston, Texas 77002 at 9:00 a.m., Houston time, on July 23, 2009, or at such time on such later date not more than three business days after the foregoing date as the Representative shall designate, which date and time may be postponed by agreement between the Representative and the Issuers or as provided in Section 9 hereof (such date and time of delivery and payment for the Notes being herein called the "**Delivery Date**"). Payment for the Notes shall be made by wire transfer in immediately available funds to the account(s) specified by the Issuers to the Representative against delivery to the nominee of The Depository Trust Company ("**DTC**"), for the account of the Underwriters, of one or more global notes representing the Notes (collectively, the "**Global Note**").

4. Offering by the Underwriters. It is understood that the several Underwriters propose to offer the Notes for sale to the public as set forth in the Prospectus.

5. Agreements of the Plains Parties. Each of the Plains Parties, jointly and severally, acknowledges and agrees with the Underwriters that:

(a) *Post-effective Amendments.* If, at the Applicable Time, it is necessary for a post-effective amendment to the Registration Statement to be declared effective before the offering of the Notes may commence, the Plains Parties will endeavor to cause such post-effective amendment to become effective as soon as possible and will advise the Representative promptly and, if requested by the Representative, will confirm such advice in writing when such post-effective amendment has become effective.

(b) *Preparation of Prospectus and Registration Statement.* The Issuers will advise the Representative promptly and, if requested by the Representative, will confirm such advice in writing: (i) of any request by the Commission for amendment of or a supplement to the Registration Statement, the Preliminary Prospectus or the Prospectus or

for additional information; (ii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the suspension of qualification of the Notes for offering or sale in any jurisdiction or the initiation of any proceeding for such purpose; and (iii) within the period of time referred to in paragraph (e) below, of any change in the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole, or of the happening of any event that makes any statement of a material fact made in the Registration Statement, the Pricing Disclosure Package or the Prospectus (as then amended or supplemented) untrue or that requires the making of any additions to or changes in the Registration Statement, the Pricing Disclosure Package or the Prospectus (as then amended or supplemented) in order to state a material fact required by the Securities Act or the regulations thereunder to be stated therein or necessary in order to make the statements therein (in the case of any Preliminary Prospectus or the Prospectus, in the light of the circumstances under which any such statements were made) not misleading, or of the necessity to amend or supplement the Prospectus (as then amended or supplemented) to comply with the Securities Act or any other applicable law. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, the Issuers, the General Partner, Plains AAP and GP LLC will make every commercially reasonable effort to obtain the withdrawal of such order at the earliest possible time.

(c) *Final Term Sheet and Issuer Free Writing Prospectuses.* The Issuers agree to (i) prepare a final term sheet, containing a description of the final terms of the Notes and the offering thereof, in the form approved by the Representative and attached as Schedule II hereto, and to file such term sheet pursuant to Rule 433 under the Securities Act within the time required by such Rule and (ii) not to make any offer relating to the Notes that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representative.

(d) *Copies of Registration Statement.* The Issuers will furnish to the Underwriters, without charge, (i) one copy of the manually signed copy of the registration statement corresponding to the Commission's electronic data gathering, analysis and retrieval system ("EDGAR") or interactive data electronic applications ("IDEA") version filed with the Commission and of each amendment thereto, including financial statements and all exhibits to the registration statement, (ii) such number of conformed copies of the registration statement as originally filed and of each amendment thereto, but without exhibits, as the Underwriters or counsel for the Underwriters may reasonably request, (iii) such number of copies of the Incorporated Documents, without exhibits, as the Underwriters may request, and (iv) such number of copies of the exhibits to the Incorporated Documents as the Underwriters may request.

(e) *Filing of Amendment or Supplement.* For such period as in the opinion of counsel for the Underwriters a prospectus is required by the Securities Act to be delivered in connection with sales by any Underwriter or dealer, the Issuers will not file any amendment to the Registration Statement, supplement to the Prospectus (or any other prospectus relating to the Notes filed pursuant to Rule 424(b) of the Rules and Regulations that differs from the Prospectus as filed pursuant to such Rule 424(b)), or

any Preliminary Prospectus or Issuer Free Writing Prospectus of which the Underwriters shall not previously have been advised or to which the Underwriters shall have reasonably objected in writing after being so advised unless the Issuers shall have determined based upon the advice of counsel that such amendment, supplement or other filing is required by law; and the Issuers will promptly notify the Representative after they shall have received notice thereof of the time when any amendment to the Registration Statement becomes effective or when any supplement to the Prospectus has been filed.

(f) *Copies of Documents to the Underwriters.* As soon after the Applicable Time as possible and thereafter from time to time for such period as in the opinion of counsel for the Underwriters a prospectus is required by the Securities Act to be delivered in connection with sales by any Underwriter or dealer, the Issuers will expeditiously deliver to each Underwriter and each dealer that the Underwriters may specify, without charge, as many copies of the Prospectus (and of any amendment or supplement thereto) as the Underwriters may reasonably request. At any time after nine months after the time of issuance of the Prospectus, upon request and without charge, the Issuers will deliver as many copies of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Securities Act as the Underwriters may reasonably request, provided that a prospectus is required by the Securities Act to be delivered in connection with sales of Notes by any Underwriter or dealer. The Issuers consent to the use of the Prospectus (and of any amendment or supplement thereto) in accordance with the provisions of the Securities Act and with the securities or Blue Sky laws of the jurisdictions in which the Notes are offered by the Underwriters and by all dealers to whom Notes may be sold, both in connection with the offering and sale of the Notes and for such period of time thereafter as the Prospectus is required by the Securities Act to be delivered in connection with sales by any Underwriter or dealer. If during such period of time any event shall occur that in the judgment of the Issuers or in the opinion of counsel for the Underwriters and the Issuers is required to be set forth in the Prospectus (as then amended or supplemented) or should be set forth therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to supplement or amend the Prospectus (or to file under the Exchange Act any document which, upon filing, becomes an Incorporated Document) to comply with the Securities Act or any other law, the Issuers will forthwith prepare and, subject to the provisions of paragraph (e) above, file with the Commission an appropriate supplement or amendment thereto (or to such document), and will expeditiously furnish to the Underwriters and dealers a reasonable number of copies thereof; provided that, if any such event necessitating a supplement or amendment to the Prospectus occurs at any time after nine months after the time of issuance of the Prospectus, such supplement or amendment shall be prepared at the Underwriters' expense. In the event that the Issuers and the Underwriters agree that the Prospectus should be amended or supplemented, the Issuers, if requested by the Underwriters, will promptly issue a press release announcing or disclosing the matters to be covered by the proposed amendment or supplement unless the Issuers shall have determined, based on the advice of counsel, that the issuance of such press release would not be required by law.

(g) *Blue Sky Laws.* The Issuers and the Subsidiary Guarantors will cooperate with the Underwriters and with counsel for the Underwriters in connection with the registration or qualification of the Notes and the Guarantees, respectively, for offering and sale by the Underwriters and by dealers under the securities or Blue Sky laws of such jurisdictions, as the Underwriters may reasonably designate and will file such consents to service of process or other documents reasonably necessary or appropriate in order to effect such registration or qualification; provided that in no event shall any Plains Party be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Notes, in any jurisdiction where it is not now so subject. The Issuers and Subsidiary Guarantors will promptly notify the Underwriters of the receipts by the Issuers and Subsidiary Guarantors of any notifications with respect to the suspension of the qualifications of the Notes and Guarantees, respectively, for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(h) *Reports to Security Holders.* In accordance with Section 11(a) of the Securities Act and Rule 158 of the Rules and Regulations, the Issuers will make generally available to their security holders an earnings statement (which need not be audited) in reasonable detail covering the 12-month period beginning not later than the first day of the month next succeeding the month in which occurred the effective date (within the meaning of Rule 158) of the Registration Statement as soon as practicable after the end of such period.

(i) *Copies of Reports.* Unless otherwise available on EDGAR, during the period of two years hereafter, the Issuers will furnish or make available to the Underwriters (i) as soon as publicly available, a copy of each report of the Issuers mailed to unitholders or filed with the Commission or the principal national securities exchange or automated quotation system upon which the Notes may be listed, and (ii) from time to time such other information concerning the Issuers as the Underwriters may reasonably request.

(j) *Termination Expenses.* If this Agreement shall terminate or shall be terminated after execution pursuant to any provisions hereof (otherwise than pursuant to Section 9 hereof or Section 10 hereof (except pursuant to the first clause of Section 10(i))) or if this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of any of the Plains Parties to comply with the terms or fulfill any of the conditions of this Agreement, the Plains Parties, jointly and severally, agree to reimburse the Underwriters for all reasonable out-of-pocket expenses (including reasonable fees and expenses of counsel for the Underwriters) incurred by the Underwriters in connection herewith.

(k) *Application of Proceeds.* The Issuers will apply the net proceeds from the sale of the Notes in accordance with the description set forth under the caption "Use of Proceeds" in the Pricing Disclosure Package and Prospectus.

(l) *Filing of Prospectus.* The Issuers will timely file the Prospectus, and any amendment or supplement thereto, pursuant to Rule 424(b) of the Rules and Regulations and will advise the Underwriters of the time and manner of such filing.

(m) *Stabilization.* Except as stated in this Agreement and the Prospectus, none of the Plains Parties has taken, or will take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Issuers to facilitate the sale or resale of the Notes.

(n) *Investment Company.* Each of the Plains Parties will take such steps as shall be necessary to ensure that none of them shall become an “investment company” within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(o) *Exchange Act Reports.* The Issuers, during the period when the Prospectus is required to be delivered under the Securities Act, will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act.

(p) *Free Writing Prospectuses.* The Issuers have complied and will comply with the requirements of Rule 433 under the Securities Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending. The Issuers represent that they have satisfied and agree that they will satisfy the conditions under Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show. The Issuers agree that if at any time following issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Issuers will give prompt notice thereof to the Representative and, if requested by the Representative, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus or other document that will correct such conflict, statement or omission; provided, however, that this representation and warranty shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished in writing to the Issuers by an Underwriter through the Representative expressly for use therein, which information is specified in Section 12.

(q) *Clear Market.* During the period from the date hereof through and including the business day following the Delivery Date, the Issuers will not, without the prior written consent of the Representative, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Plains Parties and having a tenor of more than one year.



## 6. Indemnification and Contribution.

(a) Each of the Plains Parties, jointly and severally, agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation), to which they or any of them became subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any Preliminary Prospectus or the Prospectus, in the light of the circumstances under which any such statements were made), and shall reimburse each Underwriter and each such director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Underwriter, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Plains Parties shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto, in reliance upon and in conformity with written information concerning such Underwriter furnished to the Issuers through the Representative by or on behalf of any Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 12. The foregoing indemnity agreement is in addition to any liability that the Plains Parties may otherwise have to any Underwriter or to any director, officer, employee or controlling person of that Underwriter.

(b) If any action, suit or proceeding shall be brought against any Underwriter, any director, officer, employee or agent of any Underwriter or any person controlling any Underwriter in respect of which indemnity may be sought against a Plains Party, such Underwriter or such director, officer, employee, agent or controlling person shall promptly notify the Partnership in writing, and the Issuers, the General Partner, Plains AAP and GP LLC shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all reasonable fees and expenses. The failure to notify the indemnifying party shall not relieve it from liability that it may have to an indemnified party unless the indemnifying party is foreclosed by reason of such delay from asserting a defense otherwise available to it. Such Underwriter or any such director, officer, employee, agent or controlling person shall have the right to employ separate counsel in any such action, suit or proceeding and to participate in (but not control) the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such director, officer, employee, agent or controlling person unless (i) the Issuers, the General Partner, Plains AAP and/or GP LLC has agreed

in writing to pay such fees and expenses, (ii) the Issuers, the General Partner, Plains AAP and GP LLC have failed to assume the defense and employ counsel within a reasonable period of time in light of the circumstances or (iii) such indemnified party or parties shall have reasonably concluded, based on the advice of counsel, that there may be defenses available to it or them that are different from, additional to or in conflict with those available to the Issuers, the General Partner, Plains AAP and/or GP LLC (in which case the Issuers, the General Partner, Plains AAP and GP LLC shall not have the right to direct the defense of such action, suit or proceeding on behalf of the indemnified party or parties), in any of which events the Issuers, the General Partner, Plains AAP and/or GP LLC shall pay the reasonable fees and expenses of such counsel as such fees and expenses are incurred (it being understood, however, that the Issuers, the General Partner, Plains AAP and GP LLC shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one action, suit or proceeding or series of related actions, suits or proceedings in the same jurisdiction representing the indemnified parties who are parties to such action, suit or proceeding). None of the Plains Parties shall be liable for any settlement of any such action, suit or proceeding effected without its written consent, but if settled with such written consent, or if there be a final judgment for the plaintiff in any such action, suit or proceeding, the Plains Parties agree, jointly and severally, to indemnify and hold harmless any Underwriter, to the extent provided in the preceding paragraph, and any such controlling person from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Plains Parties, their respective directors and the officers who sign the Registration Statement, and any person who controls the Plains Parties within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Plains Parties to each Underwriter, but only with respect to information furnished in writing by or on behalf of such Underwriter through the Underwriters expressly for use in the Registration Statement, any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto, which information is limited to the information set forth in Section 12. If any action, suit or proceeding shall be brought against a Plains Party, any of such directors and officers or any such controlling person based on the Registration Statement, any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto, and in respect of which indemnity may be sought against any Underwriter pursuant to this paragraph (c), such Underwriter shall have the rights and duties given to the Plains Parties by paragraph (b) above (except that if the Issuers, the General Partner, Plains AAP or GP LLC shall have assumed the defense thereof such Underwriter shall not be required to do so, but may employ separate counsel therein and participate in (but not control) the defense thereof, but the fees and expenses of such counsel shall be at such Underwriter's expense), and the Plains Parties, any of such directors and officers and any such controlling person shall have the rights and duties given to the Underwriters by paragraph (b) above. The foregoing indemnity agreement shall be in addition to any liability that the Underwriters may otherwise have.

(d) If the indemnification provided for in this Section 6 is unavailable to an indemnified party under paragraph (a) or (c) hereof in respect of any losses, claims, damages, liabilities or expenses referred to therein, then an indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the Plains Parties on the one hand and the Underwriters on the other hand from the offering of the Notes, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Plains Parties on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Plains Parties on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuers bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Plains Parties on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Plains Parties or any other affiliate of the Plains Parties on the one hand, or by the Underwriters on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Plains Parties and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by a pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities and expenses referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating any claim or defending any such action, suit or proceeding. Notwithstanding the provisions of this Section 6, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price of the Notes underwritten by it and distributed to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 6 are several and not joint.

(f) No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or

threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include any findings of fact or admissions of fault or culpability as to the indemnified party, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(g) Any losses, claims, damages, liabilities or expenses for which an indemnified party is entitled to indemnification or contribution under this Section 6 shall be paid by the indemnifying party to the indemnified party as such losses, claims, damages, liabilities or expenses are incurred. The indemnity and contribution agreements contained in this Section 6 and the covenants, representations and warranties of the Plains Parties set forth in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter, the Plains Parties or any of their respective directors or officers or any person controlling the Plains Parties, (ii) acceptance of any Notes and payment therefor in accordance with the terms of this Agreement, and (iii) any termination of this Agreement. A successor to any Underwriter or any person controlling any Underwriter, or to the Plains Parties or any of their respective directors or officers or any person controlling a Plains Party shall be entitled to the benefits of the indemnity, contribution and reimbursement agreements contained in this Section 6.

7. Conditions to the Obligations of the Underwriters. The several obligations of the Underwriters to purchase the Notes are subject to the following conditions:

(a) All filings required by Rule 424 and Rule 430A of the Rules and Regulations shall have been made. All material required to be filed by the Issuers pursuant to Rule 433(d) under the Securities Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433 under the Securities Act. No stop order (i) suspending the effectiveness of the Registration Statement or (ii) suspending or preventing the use of the most recent Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding for that purpose shall have been instituted or, to the knowledge of the Plains Parties or any Underwriter, threatened by the Commission, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Representative.

(b) Subsequent to the Applicable Time, there shall not have occurred (i) any change, or any development involving a prospective change, in or affecting the condition (financial or other), business, prospects, properties, net worth or results of operations of any of the Plains Parties not contemplated by the Prospectus, which in the Underwriters'

opinion, would materially adversely affect the market for the Notes, or (ii) any event or development relating to or involving any of the Plains Parties or any executive officer or director of any of such entities that makes any statement made in the Prospectus untrue or which, in the opinion of the Issuers and their counsel or the Underwriters and their counsel, requires the making of any addition to or change in the Prospectus in order to state a material fact required by the Securities Act or any other law to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, if amending or supplementing the Prospectus to reflect such event or development would, in the Underwriters' opinion, materially adversely affect the market for the Notes.

(c) The Underwriters shall have received an opinion of Vinson & Elkins L.L.P., special counsel for the Plains Parties, dated the Delivery Date and addressed to the Underwriters, to the effect that:

(i) Each of the Plains Parties (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion) and the Joint Venture has been duly formed or incorporated and is validly existing in good standing as a limited partnership, limited liability company or corporation under the laws of its respective jurisdiction of formation or incorporation with full corporate, partnership or limited liability company power and authority, as the case may be, to own or lease its properties and to conduct its business, in each case in all material respects.

(ii) GP LLC has full limited liability company power and authority to act as the general partner of Plains AAP; the General Partner has full limited liability company power and authority to act as the general partner of the Partnership; GP Inc. has full corporate power and authority to act as the general partner of Plains Marketing and Plains Pipeline; PMC NS has full unlimited liability company power and authority to act as the general partner of PMC LP; LPG LLC has full limited liability company power and authority to act as the general partner of LPG Services LP; and Plains Midstream GP has full limited liability company power and authority to act as the general partner of Plains Midstream LP, in each case in all material respects.

(iii) The General Partner is the sole general partner of the Partnership, with a 2.0% general partner interest in the Partnership; such general partner interest has been duly authorized and validly issued in accordance with the Partnership Agreement; and the General Partner owns such general partner interest free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware or Texas naming the General Partner as debtor is on file in the office of the Secretary of State of the States of Delaware or Texas or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the Delaware LP Act.

(iv) Plains AAP is the sole member of the General Partner, with a 100% membership interest in the General Partner; such membership interest has been duly authorized and validly issued in accordance with the General Partner LLC Agreement and is fully paid (to the extent required under the General Partner LLC Agreement) and nonassessable (except as such nonassessability may be affected by matters described in Sections 18-607 and 18-804 of the Delaware LLC Act).

(v) GP LLC is the sole general partner of Plains AAP, with a 1.0% general partner interest in Plains AAP; such general partner interest has been duly authorized and validly issued in accordance with the Plains AAP Partnership Agreement; and GP LLC owns such general partner interest free and clear of all liens, encumbrances, security interests, charges or claims, (A) in respect of which a financing statement under the Uniform Commercial Code of the State of Delaware or Texas naming GP LLC as debtor is on file in the office of the Secretary of State of the States of Delaware or Texas or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the Delaware LP Act.

(vi) GP Inc. is the sole general partner of Plains Marketing, with a 0.001% general partner interest in Plains Marketing, and the sole general partner of Plains Pipeline, with a 0.001% general partner interest in Plains Pipeline; such general partner interests have been duly authorized and validly issued in accordance with the Plains Marketing Partnership Agreement and the Plains Pipeline Partnership Agreement, respectively; and GP Inc. owns such general partner interests free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the States of Delaware or Texas naming GP Inc. as debtor is on file in the office of the Secretary of State of the States of Delaware or Texas or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the Texas LP Act.

(vii) All of the outstanding shares of capital stock or other equity interests (other than general partner interests) of each Domestic Subsidiary Guarantor (other than Lone Star, as to which such counsel need not express an opinion) and the Joint Venture (a) have been duly authorized and validly issued (in the case of an interest in a limited partnership or limited liability company, in accordance with the Organizational Documents of such Domestic Subsidiary Guarantor or the Joint Venture), are fully paid (in the case of an interest in a limited partnership or limited liability company, to the extent required under the Organizational Documents of such Domestic Subsidiary Guarantor or the Joint Venture) and nonassessable (except (i) in the case of an interest in a Delaware limited partnership or Delaware limited liability company, as such nonassessability may be affected by Section 17-607 of the Delaware LP Act or Sections 18-607 and 18-804 of the Delaware LLC Act, as applicable, (ii) in the case of an interest in a limited partnership or limited liability company formed under the laws of another domestic state, as such nonassessability may be affected

by similar provisions of such state's limited partnership or limited liability company statute, as applicable) and (b) except for a 50% membership interest in the Joint Venture owned by Vulcan Gas Storage LLC, are owned, directly or indirectly, by the Partnership, free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the States of Delaware or Texas naming the Partnership as debtor or, in the case of capital stock or other equity interests of a Domestic Subsidiary Guarantor (other than Lone Star, as to which such counsel need not express an opinion) owned directly by one or more other Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion), naming any such other Domestic Subsidiary Guarantors as debtor(s), is on file in the office of the Secretary of State of the States of Delaware or Texas or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the corporate, limited liability company or partnership laws of the jurisdiction of formation or incorporation of the respective Domestic Subsidiary Guarantor or the Joint Venture, as the case may be.

(viii) All outstanding general partner interests in each Domestic Subsidiary Guarantor that is a partnership have been duly authorized and validly issued in accordance with the Organizational Documents of such Domestic Subsidiary Guarantor and are owned, directly or indirectly, by the Partnership, free and clear of all liens, encumbrances, security interests, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the States of Delaware or Texas naming the Partnership as debtor or, in the case of general partner interests of a Domestic Subsidiary Guarantor owned directly by one or more other Domestic Subsidiary Guarantors, naming any such other Domestic Subsidiary Guarantors as debtor(s), is on file in the office of the Secretary of State of the States of Delaware or Texas or (B) otherwise known to such counsel, without independent investigation, other than those created by or arising under the partnership laws of the jurisdiction of formation of the respective Domestic Subsidiary Guarantor, as the case may be.

(ix) Each of the Issuers has the requisite power and authority to issue, sell and deliver the Notes, and each of the Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion) has all requisite power and authority to issue and deliver the Guarantees, in accordance with and upon the terms and conditions set forth in this Agreement, its respective Organizational Documents, the Indenture, the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(x) To such counsel's knowledge, neither the filing of the Registration Statement nor the offering or sale of the Notes as contemplated by this Agreement gives rise to any rights for or relating to the registration of any Notes or other securities of the Plains Parties or the Joint Venture, except such rights as have been waived or satisfied.

(xi) The Indenture has been duly qualified under the Trust Indenture Act.

(xii) This Agreement has been duly authorized, executed and delivered by each of the Plains Parties (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion).

(xiii) The Base Indenture and the Sixteenth Supplemental Indenture thereto have been duly authorized, executed and delivered by each of the Plains Parties that is a party thereto (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion), and (assuming the due authorization, execution and delivery thereof by the Canadian Subsidiary Guarantors, Lone Star and the Trustee) the Indenture is a valid and legally binding agreement of such Plains Parties, enforceable against each of them in accordance with its terms; provided that the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xiv) The Notes are in the form contemplated by the Indenture and have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters under this Agreement, will constitute legal, valid, binding and enforceable obligations of the Issuers entitled to the benefits of the Indenture; provided that the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xv) The Guarantees have been duly authorized by each of the Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion) and, when the Notes have been duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be valid and legally binding obligations of each of the Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion), enforceable against each of the Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion) in accordance with their terms, provided that the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally and by general principles of equity



(regardless of whether such principles are considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xvi) Each limited liability company agreement or limited partnership agreement, as applicable, of the Issuers, the General Partner, Plains AAP, GP LLC and each Domestic Subsidiary Guarantor (other than Lone Star, as to which such counsel need not express an opinion) that is a limited liability company or a limited partnership has been duly authorized, executed and delivered by the parties thereto and is a valid and legally binding agreement of such parties, enforceable against such parties in accordance with its terms; provided that, with respect to each such agreement, the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xvii) The limited liability company agreement of the Joint Venture has been duly authorized, executed and delivered by the Partnership and, assuming due authorization, execution and delivery by the other parties thereto, is a valid and legally binding agreement of the Partnership, enforceable against it in accordance with its terms; provided that the enforceability thereof may be limited by (A) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xviii) None of the offering, issuance and sale by the Issuers of the Notes or the Domestic Subsidiary Guarantors (other than Lone Star, as to which such counsel need not express an opinion) of the Guarantees, the execution, delivery and performance of this Agreement by the Plains Parties (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion), the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion) that are parties thereto or the consummation of the transactions contemplated thereby (A) constitutes or will constitute a violation of the Organizational Documents of any of the Plains Parties (other than the Organizational Documents of the Canadian Subsidiary Guarantors or Lone Star, as to which such counsel need not express an opinion), (B) conflicts or will conflict with or constitutes or will constitute a breach or violation of, a change of control or a default under (or an event which, with notice or lapse of time or both, would constitute such an event), any agreement filed as an exhibit to any

document incorporated by reference into the Pricing Disclosure Package or the Prospectus (other than the Revolving Agreement and the Restated Facility, as to which such counsel need not express an opinion), (C) results or will result in any violation of the Delaware LP Act, the Delaware LLC Act, the Delaware General Corporation Law (the “DGCL”), the laws of the State of Texas or federal law, or (D) results or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of any of the Plains Parties (other than the Canadian Subsidiary Guarantors and Lone Star, as to which such counsel need not express an opinion) or the Joint Venture, which conflicts, breaches, violations or defaults in the case of clauses (B), (C) or (D) would reasonably be expected to have a material adverse effect on the financial condition, business or results of operations of the Plains Entities, taken as a whole, it being understood that such counsel need not express an opinion in clause (C) of this paragraph (xviii) with respect to any securities or other anti-fraud law.

(xix) No permit, consent, approval, authorization, order, registration, filing or qualification of or with any federal, Delaware or Texas court, governmental agency or body having jurisdiction over the Plains Parties or any of their respective properties is required for the offering, issuance and sale by the Issuers of the Notes or the Subsidiary Guarantors of the Guarantees, the execution, delivery and performance of this Agreement by the Plains Parties, the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby, except as have been obtained under the Securities Act and the Trust Indenture Act and as may be required under the Exchange Act and state securities or “Blue Sky” laws, as to which such counsel need not express an opinion.

(xx) The statements under the caption “Material U.S. Federal Income Tax Consequences” in relation to the Notes in each of the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of documents and legal matters referred to therein, fairly summarize such provisions and legal matters in all material respects, subject to the qualifications and assumptions stated therein; and the Indenture and the Notes conform in all material respects to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus.

(xxi) The Registration Statement was declared effective under the Securities Act on December 11, 2008; to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened by the Commission; and any required filing of the Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by such Rule.

(xxii) The Registration Statement, the Pricing Disclosure Package and the Prospectus (except for the financial statements and the notes and the schedules thereto and the other financial information included or incorporated by reference

in the Registration Statement, the Pricing Disclosure Package or the Prospectus, as to which such counsel need not express an opinion) comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder.

(xxiii) None of the Plains Parties is an “investment company” as such term is defined in the Investment Company Act.

(xxiv) To the knowledge of such counsel, there are no agreements, contracts or other documents to which any of the Plains Parties is a party that are required to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement or to the Incorporated Documents that are not described or filed as required.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Plains Parties and the independent public accountants of the Partnership and the Underwriters’ representatives, at which the contents of the Registration Statement, the Pricing Disclosure Package and the Prospectus and related matters were discussed, and although such counsel has not independently verified, is not passing on, and is not assuming any responsibility for the accuracy, completeness or fairness of the statements contained in, the Registration Statement, the Pricing Disclosure Package and the Prospectus (except to the extent specified in the foregoing opinion), on the basis of the foregoing, no facts have come to the attention of such counsel that lead them to believe that:

(A) the Registration Statement, as of the most recent Effective Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(B) the Pricing Disclosure Package, as of the Applicable Time, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(C) the Prospectus, as of its date and as of the Delivery Date, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading,

it being understood that such counsel need not express any statement or belief with respect to (i) the financial statements and related schedules, including the notes and schedules thereto and the auditor’s report thereon, included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus or (ii) any other financial or statistical information, included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees of the Plains Parties, to the extent they deem

proper, and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to them conform to the originals thereof, and that the signatures on all documents examined by them are genuine, (C) state that their opinion is limited to federal laws, the Delaware LP Act, the Delaware LLC Act, the DGCL, the laws of the State of Texas and the laws of the State of New York and (D) state that they express no opinion with respect to (i) any permits to own or operate any real or personal property or (ii) state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the Plains Entities may be subject.

(d) The Underwriters shall have received an opinion of Fulbright & Jaworski L.L.P., special counsel for the Plains Parties, dated the Delivery Date and addressed to the Underwriters, to the effect that none of the offering, issuance or sale by the Issuers of the Notes, the execution, delivery and performance of this Agreement by the Plains Parties, the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby, results in a breach of, or constitutes a default under (or an event which, with notice or lapse of time or both, would constitute such an event) the provisions of any Credit Facility (as defined in Annex A to such opinion, which shall include the Revolving Agreement, the Restated Facility and the Plains AAP Facility).

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees of the Plains Parties, to the extent they deem proper, and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to them conform to the originals thereof, and that the signatures on all documents examined by them are genuine and (C) state that such opinions are limited to the laws of the State of Texas, excepting therefrom municipal and local ordinances and regulations.

In rendering such opinion, such counsel shall state that such opinion letter may be relied upon only by the Underwriters and their counsel in connection with the transactions contemplated by this Agreement and no other use or distribution of such opinion letter may be made without such counsel's prior written consent.

(e) The Underwriters shall have received an opinion of Tim Moore, general counsel for GP LLC, dated the Delivery Date and addressed to the Underwriters, to the effect that:

(i) To the knowledge of such counsel, none of the Plains Parties is in (A) breach or violation of the provisions of its Organizational Documents or (B) default (and no event has occurred which, with notice or lapse of time or both, would constitute such a default) or violation in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any agreement, indenture, lease or other instrument to which it is a party or by which it or any of its properties may be bound, which breach, default or violation, if continued, would reasonably be expected to have a

material adverse effect on the condition, business or operations of the Plains Entities, taken as a whole, or would reasonably be expected to materially impair the ability of any of the Plains Parties to perform their obligations under this Agreement.

(ii) None of the offering, issuance and sale by the Issuers of the Notes or the Subsidiary Guarantors of the Guarantees, the execution, delivery and performance by the Plains Parties of this Agreement, the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby (A) constitutes or will constitute a breach or violation of, a change of control or a default (or an event which, with notice or lapse of time or both, would constitute such an event) under any bond, debenture, note or any other evidence of indebtedness, indenture or any other material agreement or instrument known to such counsel to which any Plains Party is a party or by which any one of them may be bound (other than any other agreement filed as an exhibit to the Registration Statement (including any amendment or supplement thereto), as an exhibit to any Incorporated Documents or any Credit Agreement (as defined in Annex A to such opinion)) or (B) violates or will violate any statute, law or regulation or any order, judgment, decree or injunction of any court or governmental agency or body directed to any of the Plains Parties or any of their properties in a proceeding to which any of them is a party, which would, in the case of either (A) or (B), reasonably be expected to have a material adverse effect on the condition, business or operations of the Plains Entities, taken as a whole.

(iii) To the knowledge of such counsel, each of the Plains Parties has such permits, consents, licenses, franchises and authorizations (“permits”) issued by the appropriate federal, state or local governmental or regulatory authorities as are necessary to own or lease its properties and to conduct its business in the manner described in the Pricing Disclosure Package and the Prospectus, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the Prospectus, and except for such permits which, if not obtained, would not reasonably be expected to have, individually or in the aggregate, a material adverse effect upon the operations conducted by the Plains Entities, taken as a whole; and, to the knowledge of such counsel, none of the Plains Parties has received any notice of proceedings relating to the revocation or modification of any such permits which, individually or in the aggregate, would reasonably be expected to have a material adverse effect upon the operations conducted by the Plains Entities, taken as a whole.

(iv) To the knowledge of such counsel, there is no legal or governmental proceeding pending or threatened to which any of the Plains Parties is a party or to which any of their respective properties is subject that is required to be disclosed in the Pricing Disclosure Package or the Prospectus and is not so disclosed.

In addition, such counsel shall state that he has participated in discussions with officers and other representatives of the Plains Parties and the independent public accountants of the Partnership and the Underwriters' representatives, at which the contents of the Registration Statement, the Pricing Disclosure Package and the Prospectus and related matters were discussed, and although such counsel has not independently verified, is not passing on, and is not assuming any responsibility for the accuracy, completeness or fairness of the statements contained in, the Registration Statement, the Pricing Disclosure Package and the Prospectus, on the basis of the foregoing, no facts have come to the attention of such counsel that lead him to believe that:

(A) the Registration Statement, as of the most recent Effective Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(B) the Pricing Disclosure Package, as of the Applicable Time, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(C) that the Prospectus, as of its date and as of the Delivery Date, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading,

it being understood that such counsel need not express any statement or belief with respect to (i) the financial statements and related schedules, including the notes and schedules thereto and the auditor's report thereon, included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus or (ii) any other financial or statistical information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees of the Plains Parties, to the extent he deems proper, and upon information obtained from public officials, (B) assume that all documents submitted to him as originals are authentic, that all copies submitted to him conform to the originals thereof, and that the signatures on all documents examined by him are genuine, (C) state that such opinions are limited to federal laws and the Delaware LP Act, the Delaware LLC Act, the DGCL and the laws of the State of Texas and (D) state that he expresses no opinion with respect to either federal or state securities laws in clause (B) of paragraph (ii) above or state or local taxes or tax statutes.

(f) The Underwriters shall have received an opinion of Bennett Jones LLP with respect to the Province of Alberta, the Province of Nova Scotia and the federal laws of Canada, dated the Delivery Date and addressed to the Underwriters, to the effect that:

(i) Each of the Canadian Subsidiary Guarantors has been duly formed and is validly existing in good standing as a corporation, limited

partnership or unlimited liability company under the laws of its jurisdiction of formation with all necessary partnership or corporate power and authority to own or lease its properties, as the case may be, in all material respects as described in the Pricing Disclosure Package and the Prospectus, and to conduct its business as currently conducted and as proposed in the Pricing Disclosure Package and the Prospectus to be conducted. PMC NS has all necessary corporate power and authority to act as general partner of PMC LP in all material respects as described in the Pricing Disclosure Package and the Prospectus. Each of the Canadian Subsidiary Guarantors is duly registered extra-provincially for the transaction of business and is in good standing under the laws of the jurisdictions set forth on Exhibit A to this Agreement.

(ii) PMC NS is the sole general partner of PMC LP with a 0.01% interest in PMC LP; such interest has been duly authorized and validly issued in accordance with the agreement of limited partnership of PMC LP (as in effect on the date hereof and as the same may be amended or restated prior to the Delivery Date, the “**PMC LP Partnership Agreement**”); and PMC NS owns such interest free and clear of all liens, encumbrances, security interests, charges or claims in respect of which a financing statement under the laws of the Provinces of Nova Scotia or Alberta naming PMC NS as debtor is on file.

(iii) Plains Marketing is the sole limited partner of PMC LP with a 99.99% limited partner interest in PMC LP; such limited partner interest has been duly authorized and validly issued in accordance with the PMC LP Partnership Agreement and is fully paid (to the extent required under the PMC LP Partnership Agreement) and nonassessable (except as such nonassessability may be affected by matters described in the PMC LP Partnership Agreement).

(iv) PMC LLC is the registered holder of 100% of the issued and outstanding capital stock of PMC NS; such share capital has been duly authorized and validly issued in accordance with the PMC NS Memorandum and Articles of Association, as fully paid and nonassessable shares (except as such nonassessability may be affected by the laws of the Province of Nova Scotia).

(v) Plains Midstream Canada is the registered holder of 100% of the issued and outstanding capital stock of Aurora; such share capital has been duly authorized and validly issued in accordance with the Aurora Memorandum and Articles of Association, as fully paid and nonassessable shares (except as such nonassessability may be affected by the laws of the Province of Alberta).

(vi) Plains Midstream LP is the registered holder of 100% of the issued and outstanding capital stock of Plains Midstream Canada; such share capital has been duly authorized and validly issued in accordance with the Plains Midstream Canada Articles of Incorporation, as fully paid and nonassessable shares (except as such nonassessability may be affected by the laws of the Province of Alberta).

(vii) This Agreement has been duly authorized and validly executed and delivered by each of PMC LP, PMC NS, Plains Midstream Canada and Aurora.

(viii) The Indenture has been duly authorized, executed and delivered by each of PMC LP, PMC NS, Plains Midstream Canada and Aurora. The laws of the Province of Alberta would permit an action to be brought against PMC LP, PMC NS, Plains Midstream Canada or Aurora before a court of competent jurisdiction in the Province of Alberta to enforce a final and conclusive in personam judgment for a sum certain obtained in a New York court relating to the Indenture, the Guarantees of the Canadian Subsidiary Guarantors, or any of them that is not impeachable as void or voidable under the internal laws of the State of New York, which action is predicated solely upon civil liability, subject to certain exceptions set forth in such opinion.

(ix) No permit, consent, approval, authorization, order, registration, filing or qualification of or with any court, governmental agency or body of the federal government of Canada or the Province of Alberta is required for the offering, issuance and sale by the Issuers of the Notes or the execution, delivery and performance of the Indenture by the Plains Parties.

(x) The PMC LP Partnership Agreement has been duly authorized, executed and delivered by PMC NS and is a valid and legally binding agreement of PMC NS and Plains Marketing enforceable against each of them in accordance with its terms; provided that, with respect to such agreement, the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law) and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(xi) None of the offering, issuance and sale by the Issuers of the Notes or the Subsidiary Guarantors of the Guarantees, the execution, delivery and performance of this Agreement by the Plains Parties, the consummation of the transactions contemplated hereby, the execution, delivery and performance of the Indenture by the Plains Parties that are parties thereto or the consummation of the transactions contemplated thereby constitutes or will constitute a violation of the Organizational Documents of the Canadian Subsidiary Guarantors.

(xii) To the knowledge of such counsel, each of the Canadian Subsidiary Guarantors has such permits, consents, licenses, franchises and authorizations ("**permits**") issued by the appropriate federal or provincial or regulatory authorities as are necessary to own or lease its properties and to conduct its business as currently conducted and as proposed in the Pricing Disclosure Package and the Prospectus to be conducted, subject to such qualifications as may be set forth in the Pricing Disclosure Package and the



Prospectus, and except for such permits, consents, licenses, franchises and authorizations which, if not obtained would not reasonably be expected to have, individually or in the aggregate, a material adverse effect upon the operations conducted by the Canadian Subsidiary Guarantors, taken as a whole.

In rendering such opinion, such counsel may (A) rely in respect of matters of fact upon certificates of officers and employees of the Plains Parties, to the extent they deem proper, and upon information obtained from public officials, (B) assume that all documents submitted to them as originals are authentic, that all copies submitted to them conform to the originals thereof, and that the signatures on all documents examined by them are genuine, (C) state that such opinions are limited to federal laws of Canada and the laws of the Provinces of Alberta and Nova Scotia, excepting therefrom municipal and local ordinances and regulations and (D) state that they express no opinion with respect to state or local taxes or tax statutes to which any of the limited partners of the Partnership or any of the Plains Parties may be subject.

In rendering such opinion, such counsel shall state that (A) Vinson & Elkins L.L.P. is thereby authorized to rely upon such opinion letter in connection with the transactions contemplated by this Agreement as if such opinion letter were addressed and delivered to them on the date thereof and (B) subject to the foregoing, such opinion letter may be relied upon only by the Underwriters and their counsel in connection with the transactions contemplated by this Agreement and no other use or distribution of such opinion letter may be made without such counsel's prior written consent.

(g) The Underwriters shall have received an opinion of Baker Botts L.L.P., counsel for the Underwriters, dated the Delivery Date and addressed to the Underwriters, with respect to the offering, issuance and sale by the Issuers of the Notes and the Subsidiary Guarantors of the Guarantees, the Indenture, the Registration Statement, the Pricing Disclosure Package, the Prospectus (together with any amendment or supplement thereto) and other related matters the Underwriters may reasonably require.

(h) At the time of the execution of this Agreement, the Representative shall have received from PricewaterhouseCoopers LLP, independent public accountants, letters dated such date, in form and substance satisfactory to the Representative, together with signed or reproduced copies of such letters for each of the other Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus; provided that the cut-off date for the procedures performed by such accountants and described in such letters shall be a date not more than five days prior to the date of such letter.

(i) On the Delivery Date, the Representative shall have received from PricewaterhouseCoopers LLP a letter, dated as of the Delivery Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to paragraph (h) of this Section 7, except that the date referred to in the proviso in Section 7(h) hereof shall be a date not more than three business days prior to the Delivery Date.

(j) (A) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or taken or, to the knowledge of the Plains Parties, shall be threatened by the Commission at or prior to the Delivery Date; (B) there shall not have been any material change in the partners' capital or stockholder's or members' equity of the Plains Entities, taken as a whole, or the General Partner, Plains AAP or GP LLC, as the case may be, nor any material increase in the short-term or the long-term debt of the Plains Entities, taken as a whole (other than in the ordinary course of business) from that set forth or contemplated in the Registration Statement, the Pricing Disclosure Package or the Prospectus (or any amendment or supplement thereto); (C) there shall not have been, since the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus (or any amendment or supplement thereto), except as may otherwise be stated in the Registration Statement, the Pricing Disclosure Package and the Prospectus (or any amendment or supplement thereto), any material adverse change in or affecting the condition (financial or other), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole; (D) the Plains Entities shall not have any liabilities or obligations, direct or contingent (whether or not in the ordinary course of business), that are material to the Plains Entities taken as a whole other than those reflected in the Registration Statement, the Pricing Disclosure Package or the Prospectus (or any amendment or supplement thereto); and (E) all the representations and warranties of the Plains Parties contained in this Agreement shall be true and correct on and as of the date hereof and on and as of each applicable Delivery Date as if made on and as of each such Delivery Date.

(k) The Plains Parties shall not have failed at or prior to the Delivery Date to have performed or complied in all material respects with any of their agreements herein contained and required to be performed or complied with by them hereunder at or prior to the Delivery Date.

(l) The Plains Parties shall have furnished or caused to be furnished to the Underwriters such further certificates and documents as the Underwriters shall have reasonably requested.

(m) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of the Partnership by the President or any Vice President and the Chief Financial Officer of GP LLC to the effect that: (A) the representations and warranties of each of the Partnership, the General Partner, Plains AAP and GP LLC contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; (B) each of the Partnership, the General Partner, Plains AAP and GP LLC, has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date; (C) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or taken or, to the knowledge of the Plains Parties, threatened by the Commission, and all requests for additional information on the part of the Commission have been complied with or otherwise satisfied; (D) no event contemplated

by paragraph (j) of this Section 7 in respect of the Plains Parties or the Joint Venture shall have occurred; (E) there has been no document required to be filed under the Exchange Act that upon such filing would be deemed to be incorporated by reference into the Prospectus that has not been so filed; and (F) since the date of the most recent financial statements included or incorporated by reference in the Pricing Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto), there has been no material adverse change in the condition (financial or otherwise), business, prospects, properties, net worth or results of operations of the Plains Entities, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated by the Pricing Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto).

(n) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of GP Inc. by the President or any Vice President of GP Inc. to the effect that: (A) the representations and warranties of each of GP Inc., Plains Marketing, Plains Pipeline, Plains Towing, PMC LLC, Rancho LLC, LPG LLC, LPG Services LP, PICSCO, Lone Star, Plains Midstream GP, Plains Midstream LP and Plains Products contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) each of GP Inc., Plains Marketing, Plains Pipeline, Plains Towing, PMC LLC, Rancho LLC, LPG LLC, LPG Services LP, PICSCO, Lone Star, Plains Midstream GP, Plains Midstream LP and Plains Products has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(o) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of PAA Finance by the President or any Vice President of PAA Finance to the effect that: (A) the representations and warranties of PAA Finance contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) PAA Finance has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(p) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of Pacific Energy Group by the President or any Vice President of Pacific Energy Group to the effect that: (A) the representations and warranties of each of Pacific Energy Group, Pacific LA and Rocky Mountain contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) each of Pacific Energy Group, Pacific LA and Rocky Mountain has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(q) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of PMC NS by the President or any Vice President of PMC NS to the effect that: (A) the representations and warranties of each of PMC NS and PMC LP contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) each of PMC NS and PMC LP has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(r) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of Plains Midstream Canada by the President or any Vice President of Plains Midstream Canada to the effect that: (A) the representations and warranties of Plains Midstream Canada contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) Plains Midstream Canada has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(s) There shall have been furnished to the Underwriters at the Delivery Date a certificate reasonably satisfactory to the Underwriters, signed on behalf of Aurora by the President or any Vice President of Aurora to the effect that: (A) the representations and warranties of Aurora contained in this Agreement were true and correct at and as of the Applicable Time and are true and correct at and as of the Delivery Date as though made at and as of the Delivery Date; and (B) Aurora has in all material respects performed all obligations and satisfied all conditions required to be performed or satisfied by it pursuant to the terms of this Agreement at or prior to the Delivery Date.

(t) At the Delivery Date, the Notes shall be rated at least "Baa3" by Moody's Investors Services, Inc. ("**Moody's**") and "BBB-" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), and the Issuers shall have delivered to the Underwriters a letter dated near the Delivery Date, from each such rating agency, or other evidence satisfactory to the Underwriters, confirming that the Notes have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to (A) the Notes below "Baa3" by Moody's and "BBB-" by S&P or (B) any of the Issuers' other debt securities by any "nationally recognized statistical rating agency;" as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, and no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its ratings of the Notes or any of the Issuers' other debt securities.

(u) The Issuers, the Subsidiary Guarantors and the Trustee shall have executed and delivered the Sixteenth Supplemental Indenture, and the Issuers shall have executed and delivered the Global Note.

All such opinions, certificates, letters and other documents referred to in this Section 7 will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to the Underwriters and counsel for the Underwriters. The Issuers shall furnish to the Underwriters conformed copies of such opinions, certificates, letters and other documents in such number as they shall reasonably request.

If any of the conditions specified in this Section 7 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriters and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be cancelled at, or at any time prior to, the Delivery Date by the Underwriters. Notice of such cancellation shall be given to the Issuers in writing or by telephone or facsimile confirmed in writing.

8. Expenses Generally. The Issuers agree to pay the following costs and expenses and all other costs and expenses incident to the performance by it of its obligations hereunder: (i) the preparation, printing or reproduction, and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus, the Incorporated Documents and all amendments or supplements to any of them as may be reasonably requested for use in connection with the offering and sale of the Notes; (iii) the preparation, printing, authentication, issuance and delivery of certificates for the Notes, including any stamp taxes in connection with the original issuance and sale of the Notes; (iv) the printing (or reproduction) and delivery of this Agreement, the preliminary and supplemental Blue Sky Memoranda, and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Notes; (v) any applicable listing or other similar fees; (vi) the registration or qualification of the Notes for offer and sale under the securities or Blue Sky laws of the several states as provided in Section 5(g) hereof (including the reasonable fees, expenses and disbursements of counsel for the Underwriters relating to the preparation, printing or reproduction, and delivery of the preliminary and supplemental Blue Sky Memoranda and such registration and qualification); (vii) any filing fees in connection with any filings required to be made with the Financial Industry Regulatory Authority, Inc.; (viii) the transportation and other expenses incurred by or on behalf of officers and employees of GP LLC or the Issuers in connection with presentations to prospective purchasers of the Notes; (ix) the fees and expenses of the Partnership's accountants and the fees and expenses of counsel (including local and special counsel) for the Issuers and Guarantors; (x) any fees charged by rating agencies for rating the Notes; and (xi) the fees and expenses of the Trustee and paying agent (including related fees and expenses of any counsel for such parties).

It is understood, however, that except as otherwise provided in this Section 8 or Section 5(j) hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on any resale of the Notes by any Underwriter, any advertising expenses connected with any offers they may make and the transportation and other

expenses incurred by the Underwriters on their own behalf in connection with presentations to prospective purchasers of the Notes.

9. **Default by an Underwriter.** If any one or more of the Underwriters shall fail or refuse to purchase Notes that it or they are obligated to purchase hereunder on the Delivery Date, and the aggregate principal amount of Notes that such defaulting Underwriter or Underwriters are obligated but fail or refuse to purchase is not more than one-tenth of the aggregate principal amount of the Notes that the Underwriters are obligated to purchase on the Delivery Date, each non-defaulting Underwriter shall be obligated, severally, in the proportion that the principal amount of Notes set forth opposite its name in Schedule I hereto bears to the aggregate principal amount of Notes set forth opposite the names of all non-defaulting Underwriters or in such other proportion as the Underwriters may specify in accordance with the Agreement Among Underwriters of J.P. Morgan Securities Inc., to purchase the Notes that such defaulting Underwriter or Underwriters are obligated, but fail or refuse, to purchase. If any one or more of the Underwriters shall fail or refuse to purchase Notes that it or they are obligated to purchase on the Delivery Date and the aggregate principal amount of Notes with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Notes that the Underwriters are obligated to purchase on the Delivery Date and arrangements satisfactory to the Underwriters and the Issuers for the purchase of such Notes by one or more non-defaulting Underwriters or other party or parties approved by the Underwriters and the Issuers are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any party hereto (other than any defaulting Underwriter). In any such case that does not result in termination of this Agreement, either the Underwriters or the Issuers shall have the right to postpone the Delivery Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and the Prospectus or any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any such default of any such Underwriter under this Agreement. The term “**Underwriter**” as used in this Agreement includes, for all purposes of this Agreement, any party not listed in Schedule I hereto who, with the approval of the Underwriters and the approval of the Issuers, purchases Notes that a defaulting Underwriter is obligated, but fails or refuses, to purchase.

Any notice under this Section 9 may be given by telegram, telecopy or telephone but shall be subsequently confirmed by letter.

10. **Termination of Agreement.** This Agreement shall be subject to termination in the Underwriters’ absolute discretion, without liability on the part of any of the Underwriters to any Plains Party, by notice to the Issuers prior to delivery of and payment for the Notes, if at any time prior to such time (i) trading in the Partnership’s Common Units shall have been suspended by the Commission or the NYSE or trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market shall have been suspended or limited or minimum prices shall have been established; (ii) a banking moratorium shall have been declared either by federal or New York or Texas state authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States or with respect to Euroclear S.A./N.V. and Clearstream Banking, société anonyme shall have occurred; or (iii) there shall have occurred any outbreak or escalation of hostilities or acts of terrorism, declaration by the United States of a national emergency or war or other calamity or

crisis or any change in financial, political or economic conditions in the United States or elsewhere, the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriters, impractical or inadvisable to proceed with the offering or delivery of the Notes as contemplated by the Prospectus (exclusive of any amendment or supplement thereto). Notice of such termination may be given to the Issuers by telegram, teletype or telephone and shall be subsequently confirmed by letter.

11. Notice; Successors. Except as otherwise provided in Sections 5, 9 and 10 hereof, all communications hereunder will be in writing and effective only on receipt, and, if sent to the Underwriters, will be mailed, delivered or telefaxed to J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017, Attention: High Grade Syndicate Desk, Facsimile: 212-834-6081; or, if sent to any of the Plains Parties, will be mailed, delivered or telefaxed to (713) 646-4313 and confirmed to it at 333 Clay St., Suite 1600, Houston, Texas 77002, Attention: Tim Moore.

This Agreement has been and is made solely for the benefit of the several Underwriters, the Plains Parties, their directors and officers, and the other controlling persons referred to in Section 6 hereof and their respective successors and assigns, to the extent provided herein, and no other person shall acquire or have any right under or by virtue of this Agreement. Neither the term “successor” nor the term “successors and assigns” as used in this Agreement shall include a purchaser from any Underwriter of any of the Notes in his status as such purchaser.

12. Information Furnished by the Underwriters. The statements set forth in the first paragraph under “Underwriting — Commissions and discounts,” in the paragraph under “Underwriting — Stabilization and short positions,” and in the first, second and third paragraphs under “Underwriting — Other relationships” in the Preliminary Prospectus and the Prospectus constitute the only information furnished by or on behalf of the Underwriters through you as such information is referred to in Sections 1(c), 1(d), 1(f), 1(g), 5(p), 6(a) and 6(c) hereof.

13. Research Analyst Independence. The Plains Parties acknowledge that the Underwriters’ research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters’ research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Issuers and/or the offering that differ from the views of their respective investment banking divisions. The Plains Parties hereby waive and release, to the fullest extent permitted by law, any claims that the Plains Parties may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Plains Parties by such Underwriters’ investment banking divisions. The Plains Parties acknowledge that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

14. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Plains Parties and the Underwriters, or any of them, with respect to the subject matter hereof.

15. Headings. The Section headings used herein are for convenience only and shall not affect the construction hereof.

16. Effective Date of Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

17. No Fiduciary Duty. The Plains Parties acknowledge and agree that in connection with this offering, sale of the Notes or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (i) no fiduciary or agency relationship between the Plains Parties and any other person, on the one hand, and the Underwriters, on the other hand, exists; (ii) the Underwriters are not acting as advisors, expert or otherwise, to any of the Plains Parties, including, without limitation, with respect to the determination of the public offering price of the Notes, and such relationship between the Plains Parties, on the one hand, and the Underwriters, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Underwriters may have to the Plains Parties shall be limited to those duties and obligations specifically stated herein; and (iv) the Underwriters and their respective affiliates may have interests that differ from those of the Plains Parties. The Plains Parties hereby waive any claims that they may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering.

18. Applicable Law; Counterparts. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York. This Agreement may be signed in various counterparts that together constitute one and the same instrument. If signed in counterparts, this Agreement shall not become effective unless at least one counterpart hereof shall have executed and delivered on behalf of each party hereto.

*[Signature Pages Follow]*



Please confirm that the foregoing correctly sets forth the agreement among the Plains Parties and the Underwriters.

Very truly yours,

**PLAINS ALL AMERICAN PIPELINE, L.P.**

By: PAA GP LLC  
its General Partner

By: PLAINS AAP, L.P.  
its Sole Member

By: PLAINS ALL AMERICAN GP LLC  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PAA FINANCE CORP.**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PAA GP LLC**

By: PLAINS AAP, L.P.  
its Sole Member

By: PLAINS ALL AMERICAN GP LLC  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS AAP, L.P.**

By: PLAINS ALL AMERICAN GP LLC  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS ALL AMERICAN GP LLC**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MARKETING GP INC.**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MARKETING, L.P.**

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS PIPELINE, L.P.**

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MARKETING CANADA LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS LPG SERVICES GP LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS TOWING LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PICSCO LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MIDSTREAM GP LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MIDSTREAM, L.P.**

By: PLAINS MIDSTREAM GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS LPG SERVICES, L.P.**

By: PLAINS LPG SERVICES GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS PRODUCTS TERMINALS LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**RANCHO LPG HOLDINGS LLC**

By: PLAINS LPG SERVICES, L.P.  
its Sole Member

By: PLAINS LPG SERVICES GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**LONE STAR TRUCKING, LLC**

By: PLAINS LPG SERVICES, L.P.  
its Sole Member

By: PLAINS LPG SERVICES GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PACIFIC ENERGY GROUP LLC**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PACIFIC L.A. MARINE TERMINAL LLC**

By: PACIFIC ENERGY GROUP LLC  
its Sole Member

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**ROCKY MOUNTAIN PIPELINE SYSTEM LLC**

By: PACIFIC ENERGY GROUP LLC  
its Sole Member

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer



**PLAINS MIDSTREAM CANADA ULC**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Vice President — Finance

**AURORA PIPELINE COMPANY LTD.**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Vice President — Finance

**PMC (NOVA SCOTIA) COMPANY**

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Vice President — Finance

**PLAINS MARKETING CANADA, L.P.**

By: PMC (NOVA SCOTIA) COMPANY  
its General Partner

By: /s/ Al Swanson  
Name: Al Swanson  
Title: Vice President — Finance

The foregoing Agreement is hereby confirmed and accepted by the Underwriters as of the date first above written.

J.P. Morgan Securities Inc.

BNP Paribas Securities Corp.

Wells Fargo Securities, LLC

BMO Capital Markets Corp.

Daiwa Securities America Inc.

Mizuho Securities USA Inc.

RBC Capital Markets Corporation

**By: J.P. Morgan Securities Inc.**

By: /s/ Robert Bottamedi

Name: Robert Bottamedi

Title: Vice President

*Underwriters' Signature Page to Underwriting Agreement*

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**SCHEDULE I**

<b>Underwriters</b>	<b>Principal Amount of Notes to be Purchased</b>
J.P. Morgan Securities Inc.	\$ 175,000,000
BNP Paribas Securities Corp.	112,500,000
Wells Fargo Securities, LLC	112,500,000
BMO Capital Markets Corp.	25,000,000
Daiwa Securities America Inc.	25,000,000
Mizuho Securities USA Inc.	25,000,000
RBC Capital Markets Corporation	25,000,000
Total	\$ 500,000,000

*Schedule I to Underwriting Agreement*

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**FINAL TERM SHEET****4.25% Senior Notes due September 1, 2012**

<b>Issuers:</b>	Plains All American Pipeline, L.P. and PAA Finance Corp.
<b>Guarantee:</b>	Unconditionally guaranteed by certain subsidiaries of Plains All American Pipeline, L.P.
<b>Trade Date:</b>	July 20, 2009
<b>Expected Settlement Date:</b>	July 23, 2009
<b>Note Type:</b>	Senior Unsecured Notes
<b>Legal Format:</b>	SEC Registered
<b>Size:</b>	\$500,000,000
<b>Maturity Date:</b>	September 1, 2012
<b>Coupon:</b>	4.25%
<b>Yield to Maturity:</b>	4.317%
<b>Interest Payment Dates:</b>	March 1 and September 1, commencing March 1, 2010
<b>Record Dates:</b>	February 15 and August 15
<b>Price to Public:</b>	99.802%
<b>Benchmark Treasury:</b>	1.500% due July 15, 2012
<b>Spread to Benchmark Treasury:</b>	+275 bps
<b>Benchmark Treasury Yield:</b>	1.567%
<b>Make-Whole Call:</b>	T + 40 bps
<b>CUSIP:</b>	72650RAV4
<b>ISIN:</b>	US72650RAV42
<b>Ratings*:</b>	Baa3 (stable) by Moody's Investors Service, Inc. BBB- (stable) by Standard & Poor's Ratings Services
<b>Joint Book-Running Managers:</b>	J.P. Morgan Securities Inc. BNP Paribas Securities Corp. Wells Fargo Securities, LLC
<b>Co-Managers:</b>	BMO Capital Markets Corp. Daiwa Securities America Inc. Mizuho Securities USA Inc. RBC Capital Markets Corporation

\* **Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

**The issuers have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement**

*Schedule II to Underwriting Agreement*

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and other documents the issuers have filed with the SEC for more complete information about the issuers and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuers, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling J.P. Morgan Securities Inc. at 1-212-834-4533, BNP Paribas Securities Corp. at 1-800-854-5674 or Wells Fargo Securities, LLC at 1-800-326-5897.

#### Use of Proceeds

We expect to receive net proceeds of approximately \$497 million from the sale of the Notes we are offering, after deducting underwriters' discounts and commissions and our estimated offering expenses.

#### Pro Forma Ratio of Earnings to Fixed Charges

Giving effect to our public offering of \$350 million of senior notes in April 2009 and the application of the net proceeds therefrom and this offering and the application of the net proceeds therefrom, as of the beginning of each pro forma period presented, our ratio of earnings to fixed charges would have been as follows:

	Pro Forma	
	Year ended December 31, 2008	Three months ended March 31, 2009
Ratio of Earnings to Fixed Charges <sup>(1)</sup>	2.38x	3.65x

(1) Includes interest costs attributable to borrowings for inventory stored in a contango market of \$9 million for the year ended December 31, 2008.

#### Revised Capitalization Disclosure

In the "As further adjusted for this offering" column of the capitalization table on page S-14 of the preliminary prospectus supplement, Cash and cash equivalents is \$259 million, Hedged inventory facility is \$0 million, Total short-term debt is \$176 million, Senior Notes offered hereby is \$500 million, Unamortized premium/(discount), net is \$(7) million, Total long-term debt is \$3,894 million and Total capitalization is \$7,634 million.

*Schedule II to Underwriting Agreement*

**EXHIBIT A**

<u>Entity</u>	<u>Jurisdiction in which registered or qualified</u>
Plains All American Pipeline, L.P.	Texas
PAA GP LLC	Texas
Plains AAP, L.P.	Texas
Plains All American GP LLC	California, Illinois, Louisiana, Oklahoma, Texas
Plains Marketing GP Inc.	California, Illinois, Louisiana, Oklahoma, Texas
Plains Marketing, L.P.	California, Illinois, Louisiana, Oklahoma
Plains Pipeline, L.P.	California, Illinois, Louisiana, Oklahoma
Pacific Energy Group LLC	California
PAA Finance Corp.	Texas
Pacific L.A. Marine Terminal LLC	None
Rocky Mountain Pipeline System LLC	Utah
Plains Products Terminals LLC	California
Plains Towing LLC	None
Plains Marketing Canada LLC	None
Plains LPG Services GP LLC	Illinois, Texas
PICSCO LLC	Louisiana, Texas
Plains LPG Services, L.P.	California, Illinois, Oklahoma, Texas
Plains Midstream GP LLC	None
Plains Midstream, L.P.	None
Lone Star Trucking, LLC	None
Rancho LPG Holdings LLC	California, Texas
Aurora Pipeline Company Ltd.	Alberta
Plains Midstream Canada ULC	None
Plains Marketing Canada, L.P.	Saskatchewan, California, Louisiana, Maryland, Michigan, North Dakota, Oklahoma, Texas
PMC (Nova Scotia) Company	Alberta, Saskatchewan
PAA/Vulcan Gas Storage, LLC	Texas

*Exhibit A to Underwriting Agreement*

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PLAINS ALL AMERICAN PIPELINE, L.P.  
PAA FINANCE CORP.  
as Issuers

and

THE SUBSIDIARY GUARANTORS NAMED HEREIN  
as Guarantors

\$500,000,000

4.25% SENIOR NOTES DUE 2012

SIXTEENTH

SUPPLEMENTAL

INDENTURE

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Dated as of July 23, 2009

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U.S. BANK NATIONAL ASSOCIATION  
as Trustee

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EXHIBIT A:	Form of Note	
EXHIBIT B:	Form of Supplemental Indenture	

SIXTEENTH SUPPLEMENTAL INDENTURE dated as of July 23, 2009 (this "Supplemental Indenture") among PLAINS ALL AMERICAN PIPELINE, L.P., a Delaware limited partnership (the "Partnership"), PAA FINANCE CORP., a wholly owned subsidiary of the Partnership and a Delaware corporation ("PAA Finance" and, together with the Partnership, the "Issuers"), and the subsidiary guarantors signatory hereto (the "Subsidiary Guarantors"), and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuers have heretofore entered into an Indenture, dated as of September 25, 2002 (the "Original Indenture"), with U.S. Bank National Association (successor to Wachovia Bank, National Association), as trustee;

WHEREAS, the Original Indenture, as supplemented by this Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under the Original Indenture, a new series of Debt Securities may at any time be established by the Boards of Directors of the Managing General Partner and PAA Finance in accordance with the provisions of the Original Indenture and the form and terms of such series may be established by a supplemental Indenture executed by the Issuers and the Trustee;

WHEREAS, also under the Original Indenture, guarantors with respect to a series of Debt Securities may be added as parties to the Indenture by a supplemental indenture executed by themselves, the Issuers and the Trustee;

WHEREAS, the Issuers propose to create under the Indenture a new series of Debt Securities, such series to be guaranteed by the Subsidiary Guarantors;

WHEREAS, additional Debt Securities of other series hereafter established, except as may be limited in the Original Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Original Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make it a valid and binding obligation of the Issuers and the Subsidiary Guarantors have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

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## ARTICLE I

Section 1.01. Establishment. (a) There is hereby established a new series of Debt Securities to be issued under the Indenture, to be designated as the Issuers' 4.25% Senior Notes due 2012 (the "Notes").

(b) There are to be authenticated and delivered \$500,000,000 principal amount of Notes on the Issue Date, and from time to time thereafter there may be authenticated and delivered an unlimited principal amount of Additional Notes.

(c) The Notes shall be issued initially in the form of one or more Global Securities in substantially the form set out in Exhibit A hereto. The Depository with respect to the Notes shall be The Depository Trust Company.

(d) Each Note shall be dated the date of authentication thereof and shall bear interest from the date of original issuance thereof or from the most recent date to which interest has been paid or duly provided for.

(e) If and to the extent that the provisions of the Original Indenture are duplicative of, or in contradiction with, the provisions of this Supplemental Indenture, the provisions of this Supplemental Indenture shall govern.

## ARTICLE II

### DEFINITIONS AND INCORPORATION BY REFERENCE

Section 2.01. Definitions. All capitalized terms used herein and not otherwise defined below shall have the meanings ascribed thereto in the Original Indenture. The following are additional definitions used in this Supplemental Indenture:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession directly or indirectly of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; and the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"Attributable Indebtedness," when used with respect to any Sale-leaseback Transaction, means, as at the time of determination, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale-leaseback Transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, such amount shall be the lesser of the amount determined assuming termination upon the first date such lease may be terminated (in which case the amount

shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the amount determined assuming no such termination.

“Capital Interests” means any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, including, without limitation, with respect to partnerships, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such Person.

“Consolidated Net Tangible Assets” means, at any date of determination, the total amount of assets after deducting therefrom: (1) all current liabilities (excluding (a) any current liabilities that by their terms are extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed; and (b) current maturities of long-term debt); and (2) the amount, net of any applicable reserves, of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth on the consolidated balance sheet of the Partnership for its most recently completed fiscal quarter, prepared in accordance with GAAP.

“Debt” means any obligation created or assumed by any Person for the repayment of money borrowed, any purchase money obligation created or assumed by such Person, and any guarantee of the foregoing.

“Funded Debt” means all Debt maturing one year or more from the date of the creation thereof, all Debt directly or indirectly renewable or extendible, at the option of the debtor, by its terms or by the terms of any instrument or agreement relating thereto, to a date one year or more from the date of the creation thereof, and all Debt under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more.

“Guarantee” means a guarantee of the Notes given by a Subsidiary Guarantor pursuant to the Indenture, including all obligations under Article IX hereof.

“General Partner” means PAA GP LLC, a Delaware limited liability company, and its successors and permitted assigns as general partner of the Partnership.

“Issue Date” means, with respect to the Notes, the date on which the Notes are initially issued.

“Managing General Partner” means (i) Plains All American GP LLC, a Delaware limited liability company, and its successors and permitted assigns as the general partner of the sole member of the General Partner or (ii) the business entity with the ultimate authority to manage the business and operations of the Partnership.

“Notes” has the meaning assigned to it in Section 1.01(a) hereof, and includes both the Notes issued on the Issue Date and any Additional Notes issued thereafter.

“Obligations” means any principal, interest, liquidated damages, penalties, fees, indemnifications, reimbursement obligations, damages and other liabilities payable under the documentation governing any Debt.

“Pari Passu Debt” means any Funded Debt of either of the Issuers, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Funded Debt, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Funded Debt shall be subordinated in right of payment to the Notes.

“Partnership Agreement” means the Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., amended and restated effective as of June 27, 2001, as amended by Amendment No. 1 thereto dated as of April 15, 2004, Amendment No. 2 thereto dated as of November 15, 2006, Amendment No. 3 thereto dated as of August 16, 2007, Amendment No. 4 thereto dated April 14, 2008, to be effective as of January 1, 2007, Amendment No. 5 thereto dated as of May 28, 2008 and as such may be otherwise amended, modified or supplemented from time to time.

“Permitted Liens” means:

- (1) Liens upon rights-of-way for pipeline purposes;
- (2) any statutory or governmental Lien or Lien arising by operation of law, or any mechanics’, repairmen’s, materialmen’s, suppliers’, carriers’, landlords’, warehousemen’s or similar Lien incurred in the ordinary course of business which is not yet due or which is being contested in good faith by appropriate proceedings and any undetermined Lien which is incidental to construction, development, improvement or repair;
- (3) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any property;
- (4) Liens of taxes and assessments which are (A) for the then current year, (B) not at the time delinquent, or (C) delinquent but the validity of which is being contested at the time by an Issuer or any Restricted Subsidiary in good faith;
- (5) Liens of, or to secure performance of, leases, other than capital leases;
- (6) any Lien upon, or deposits of, any assets in favor of any surety company or clerk of court for the purpose of obtaining indemnity or stay of judicial proceedings;
- (7) any Lien upon property or assets acquired or sold by an Issuer or any Restricted Subsidiary resulting from the exercise of any rights arising out of defaults on receivables;

(8) any Lien incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance, temporary disability, social security, retiree health or similar laws or regulations or to secure obligations imposed by statute or governmental regulations;

(9) any Lien in favor of an Issuer or any Restricted Subsidiary;

(10) any Lien in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial, progress, advance, or other payments pursuant to any contract or statute, or any Debt incurred by an Issuer or any Restricted Subsidiary for the purpose of financing all or any part of the purchase price of, or the cost of constructing, developing, repairing or improving, the property or assets subject to such Lien;

(11) any Lien securing industrial development, pollution control or similar revenue bonds;

(12) any Lien securing Debt of an Issuer or any Restricted Subsidiary, all or a portion of the net proceeds of which are used, substantially concurrently with the funding thereof (and for purposes of determining such "substantial concurrence," taking into consideration, among other things, required notices to be given to Holders of Outstanding Debt Securities (including the Notes) in connection with such refunding, refinancing or repurchase, and the required corresponding durations thereof), to refinance, refund or repurchase all Outstanding Debt Securities (including the Notes), including the amount of all accrued interest thereon and reasonable fees and expenses and premium, if any, incurred by the Issuers or any Restricted Subsidiary in connection therewith;

(13) Liens in favor of any Person to secure obligations under the provisions of any letters of credit, bank guarantees, bonds or surety obligations required or requested by any governmental authority in connection with any contract or statute;

(14) any Lien upon or deposits of any assets to secure performance of bids, trade contracts, leases or statutory obligations;

(15) any Lien or privilege vested in any grantor, lessor or licensor or permittor for rent or other charges due or for any other obligations or acts to be performed, the payment of which rent or other charges or performance of which other obligations or acts is required under leases, easements, rights-of-way, licenses, franchises, privileges, grants or permits, so long as payment of such rent or the performance of such other obligations or acts is not delinquent or the requirement for such payment or performance is being contested in good faith by appropriate proceedings;

(16) easements, exceptions or reservations in any property of the Partnership or any of the Restricted Subsidiaries granted or reserved for the purpose of pipelines, roads, the removal of oil, gas, coal or other minerals, and other like purposes for the joint or common use of real property, facilities and equipment, which are incidental to, and do

not materially interfere with, the ordinary conduct of its business or the business of the Partnership and its Subsidiaries, taken as a whole;

(17) Liens arising under operating agreements, joint venture agreements, partnership agreements, oil and gas leases, farmout agreements, division orders, contracts for sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements and other agreements arising in the ordinary course of the Partnership's or any Restricted Subsidiary's business that are customary in the business of marketing, transportation and terminalling of crude oil and/or marketing of liquefied petroleum gas; or

(18) any obligations or duties to any municipality or public authority with respect to any lease, easement, right-of-way, license, franchise, privilege, permit or grant.

"Principal Property" means, whether owned or leased on the Issue Date or thereafter acquired: (1) any of the pipeline assets of the Partnership or the pipeline assets of any Subsidiary of the Partnership, including any related facilities employed in the transportation, distribution, terminalling, gathering, treating, processing, marketing or storage of crude oil or refined petroleum products, natural gas, natural gas liquids, fuel additives or petrochemicals, and (2) any processing or manufacturing plant or terminal owned or leased by the Partnership or any Subsidiary of the Partnership; except, in the case of either clause (1) or (2), (a) any such assets consisting of inventories, furniture, office fixtures and equipment, including data processing equipment, vehicles and equipment used on, or useful with, vehicles, and (b) any such assets, plant or terminal which, in the good faith opinion of the Board of Directors, is not material in relation to the activities of the Partnership or the activities of the Partnership and its Subsidiaries, taken as a whole.

"Restricted Subsidiary" means any Subsidiary of the Partnership owning or leasing, directly or indirectly through ownership in another Subsidiary, any Principal Property.

"Sale-leaseback Transaction" means the sale or transfer by an Issuer or any Subsidiary of the Partnership of any Principal Property to a Person (other than an Issuer or a Subsidiary of the Partnership) and the taking back by an Issuer or any Subsidiary of the Partnership, as the case may be, of a lease of such Principal Property.

"Subsidiary" means, with respect to any Person: (1) any other Person of which more than 50% of the total voting power of shares or other Capital Interests entitled, without regard to the occurrence of any contingency, to vote in the election of directors, managers or trustees (or equivalent persons) thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof; or (2) in the case of a partnership, more than 50% of the partners' Capital Interests, considering all partners' Capital Interests as a single class, is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof.

“Subsidiary Guarantors” means each of:

- (1) the Subsidiaries of the Partnership named as the “Subsidiary Guarantors” on the signature pages of this Supplemental Indenture;
- (2) any other Subsidiary that executes a supplemental Indenture to provide a Guarantee in accordance with the provisions of the Indenture; and
- (3) their respective successors and assigns.

Notwithstanding anything in the Indenture to the contrary, PAA Finance, Pacific Pipeline System LLC, Plains West Coast Terminals LLC, Pacific Energy Management LLC, Pacific Energy GP, LP, SLC Pipeline LLC, Plains Marketing Bondholder, LLC and CDM Max, LLC shall not be Subsidiary Guarantors.

Section 2.02. Other Definitions.

Term	Defined in Section
“Additional Notes”	3.02
“Covenant Defeasance”	8.03
“Event of Default”	7.01
“Legal Defeasance”	8.02
“Note Obligations”	9.01
“Payment Default”	7.01
“Required Filing Dates”	5.04
“Successor Company”	6.01

ARTICLE III  
THE NOTES

Section 3.01. Form. The Notes shall be issued initially in the form of one or more Global Securities. The Notes and Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto, the terms of which are incorporated in and made a part of this Supplemental Indenture, and the Issuers and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby.

Section 3.02. Issuance of Additional Notes. The Issuers may, from time to time, issue an unlimited amount of additional Notes (“Additional Notes”) under the Indenture, which shall be issued in the same form as the Notes issued on the Issue Date and which shall have identical terms as the Notes issued on the Issue Date other than with respect to the issue date, the date of first payment of interest, if applicable, and the payment of interest accruing prior to the issue date. The Notes issued on the Issue Date shall be limited in aggregate principal amount to \$500,000,000. The Notes issued on the Issue Date and any Additional Notes subsequently



issued shall be treated as a single series for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase.

Section 3.03. Global Security Legend. Each of the Global Securities shall bear a legend in substantially the following form:

THIS GLOBAL SECURITY IS HELD BY OR ON BEHALF OF THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (A) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREOF AS MAY BE REQUIRED PURSUANT TO SECTION 2.08 OF THE ORIGINAL INDENTURE, (B) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.15 OF THE ORIGINAL INDENTURE, (C) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.10 OF THE ORIGINAL INDENTURE AND (D) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY OR ITS NOMINEE WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS.

ARTICLE IV  
REDEMPTION AND PREPAYMENT

Section 4.01. Optional Redemption.

(a) At their option at any time prior to maturity, the Issuers may choose to redeem all or any portion of the Notes, at once or from time to time.

(b) To redeem the Notes, the Issuers must pay a redemption price in an amount determined in accordance with the provisions of paragraph number 5 of the form of Note in Exhibit A hereto, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date).

(c) Any redemption pursuant to this Section 4.01 shall otherwise be made pursuant to the provisions of Sections 3.01 through 3.03 of the Original Indenture. The actual redemption price shall be set forth in an Officers' Certificate delivered to the Trustee no later than two Business Days prior to each redemption date.

ARTICLE V  
COVENANTS

Section 5.01. Compliance Certificate. (a) In lieu of the Officers' Certificate required by Section 4.05 of the Original Indenture, the Issuers and Subsidiary Guarantors shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Partnership and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers (one of whom shall be the principal executive, financial or accounting officer of each Issuer and Subsidiary Guarantor)

with a view to determining whether the Issuers have kept, observed, performed and fulfilled their obligations under the Indenture, and further stating, as to each such person signing such certificate, that to the best of his or her knowledge the Issuers have kept, observed, performed and fulfilled each and every covenant contained in the Indenture and are not in default in the performance or observance of any of the terms, provisions and conditions of the Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuers are taking or propose to take with respect thereto).

(a) The Issuers shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith and in any event within five days upon any officer of an Issuer becoming aware of any Default or Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Issuers are taking or propose to take with respect thereto.

Section 5.02. Limitations on Liens. The Issuers will not, nor will they permit any Subsidiary of the Partnership to, create, assume, incur or suffer to exist any Lien upon any Principal Property or upon any Capital Interests of any Restricted Subsidiary, whether owned or leased on the Issue Date or thereafter acquired, to secure any Debt of an Issuer or any other Person (other than Debt Securities), without in any such case making effective provision whereby all of the Notes shall be secured equally and ratably with, or prior to, such Debt so long as such Debt shall be so secured. This restriction shall not apply to:

(a) Permitted Liens;

(b) any Lien upon any property or assets created at the time of acquisition of such property or assets by an Issuer or any Restricted Subsidiary or within one year after such time to secure all or a portion of the purchase price for such property or assets or Debt incurred to finance such purchase price, whether such Debt was incurred prior to, at the time of or within one year after the date of such acquisition;

(c) any Lien upon any property or assets to secure all or part of the cost of construction, development, repair or improvements thereon or to secure Debt incurred prior to, at the time of, or within one year after completion of such construction, development, repair or improvements or the commencement of full operations thereof (whichever is later), to provide funds for any such purpose;

(d) any Lien upon any property or assets existing thereon at the time of the acquisition thereof by an Issuer or any Restricted Subsidiary (whether or not the obligations secured thereby are assumed by an Issuer or any Restricted Subsidiary); provided, however, that such Lien only encumbers the property or assets so acquired;

(e) any Lien upon any property or assets of a Person existing thereon at the time such Person becomes a Restricted Subsidiary by acquisition, merger or otherwise; provided, however, that such Lien only encumbers the property or assets of such Person at the time such Person becomes a Restricted Subsidiary;

(f) any Lien upon any property or assets of an Issuer or any Restricted Subsidiary in existence on December 10, 2003 or provided for pursuant to agreements existing on December 10, 2003;

(g) Liens imposed by law or order as a result of any proceeding before any court or regulatory body that is being contested in good faith, and Liens which secure a judgment or other court-ordered award or settlement as to which an Issuer or the applicable Restricted Subsidiary, as the case may be, has not exhausted its appellate rights;

(h) any extension, renewal, refinancing, refunding or replacement (or successive extensions, renewals, refinancings, refundings or replacements) of Liens, in whole or in part, referred to in clauses (a) through (g), inclusive, of this Section 5.02; provided, however, that any such extension, renewal, refinancing, refunding or replacement Lien shall be limited to the property or assets covered by the Lien extended, renewed, refinanced, refunded or replaced and that the obligations secured by any such extension, renewal, refinancing, refunding or replacement Lien shall be in an amount not greater than the amount of the obligations secured by the Lien extended, renewed, refinanced, refunded or replaced and any expenses of the Issuers and the Restricted Subsidiaries (including any premium) incurred in connection with such extension, renewal, refinancing, refunding or replacement; or

(i) any Lien resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing Debt of an Issuer or any Restricted Subsidiary.

Notwithstanding the foregoing provisions of this Section 5.02, the Issuers may, and may permit any Restricted Subsidiary to, create, assume, incur or suffer to exist any Lien upon any Principal Property or Capital Interests of a Restricted Subsidiary to secure Debt of an Issuer or any Person (other than Debt Securities) that is not excepted by clauses (a) through (i), inclusive, of this Section 5.02 without securing the Notes, provided that the aggregate principal amount of all Debt then outstanding secured by such Lien and all other Liens not excepted by clauses (a) through (i), inclusive, of this Section 5.02, together with all Attributable Indebtedness from Sale-leaseback Transactions (excluding Sale-leaseback Transactions permitted by clauses (a) through (d), inclusive, of Section 5.03), does not exceed 10% of Consolidated Net Tangible Assets.

Section 5.03. Restriction of Sale-leaseback Transactions. The Issuers will not, and will not permit any Subsidiary of the Partnership to, engage in a Sale-leaseback Transaction, unless:

(a) such Sale-leaseback Transaction occurs within one year from the date of completion of the acquisition of the Principal Property subject thereto or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on such Principal Property, whichever is later;

(b) the Sale-leaseback Transaction involves a lease for a period, including renewals, of not more than three years;

(c) the Attributable Indebtedness from that Sale-leaseback Transaction is an amount equal to or less than the amount the Issuers or such Subsidiary would be allowed to incur as Debt secured by a Lien on the Principal Property subject thereto without equally and ratably securing the Notes under Section 5.02; or

(d) the Issuers or such Subsidiary, within a one-year period after such Sale-leaseback Transaction, applies or causes to be applied an amount not less than the net sale proceeds from such Sale-leaseback Transaction to (A) the prepayment, repayment, redemption, reduction or retirement of any Pari Passu Debt of an Issuer or any Subsidiary of the Partnership, or (B) the expenditure or expenditures for Principal Property used or to be used in the ordinary course of business of the Partnership or its Subsidiaries.

Notwithstanding the foregoing provisions of this Section 5.03, the Issuers may, and may permit any Subsidiary of the Partnership to, effect any Sale-leaseback Transaction that is not excepted by clauses (a) through (d), inclusive, of this Section 5.03, provided that the Attributable Indebtedness from such Sale-leaseback Transaction, together with the aggregate principal amount of then outstanding Debt (other than Debt Securities) secured by Liens upon Principal Properties not excepted by clauses (a) through (i), inclusive, of Section 5.02, does not exceed 10% of Consolidated Net Tangible Assets.

Section 5.04. SEC Reports; Financial Statements.

(a) Whether or not the Partnership is then subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Partnership shall electronically file with the Commission, so long as the Notes are Outstanding, the annual, quarterly and other periodic reports that the Partnership is required to file (or would otherwise be required to file) with the Commission pursuant to Sections 13 and 15(d) of the Exchange Act, and such documents shall be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which the Partnership is required to file (or would otherwise be required to file) such documents, unless, in each case, such filings are not then permitted by the Commission.

(b) If such filings are not then permitted by the Commission, or such filings are not generally available on the Internet free of charge, the Issuers shall provide the Trustee with, and the Trustee will mail to any Holder of Notes requesting in writing to the Trustee copies of, such annual, quarterly and other periodic reports specified in Sections 13 and 15(d) of the Exchange Act within 15 days after the respective Required Filing Dates.

(c) [Intentionally omitted.]

(d) The Partnership shall provide the Trustee with a sufficient number of copies of all reports and other documents and information that the Trustee may be required to deliver to Holders of Notes under clause (b) of this Section 5.04.

(e) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein,

including the Partnership's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 5.05. Additional Subsidiary Guarantees. If any Subsidiary (or its successor) of the Partnership that is not then a Subsidiary Guarantor guarantees Debt of either of the Issuers or any other Subsidiary of the Partnership, in either case after the Issue Date, then such Subsidiary (or successor) shall execute and deliver a supplemental Indenture providing for the guarantee of the payment of the Notes pursuant to Article IX hereof.

## ARTICLE VI SUCCESSORS

With respect to the Notes, the provisions of this Article VI shall preempt the provisions of Article X of the Original Indenture in their entirety.

Section 6.01. Consolidation and Mergers of the Issuers. Neither Issuer shall consolidate or amalgamate with or merge with or into any Person, or sell, convey, transfer, lease or otherwise dispose of all or substantially all its assets to any Person, whether in a single transaction or a series of related transactions, except (1) in accordance with the provisions of the Partnership Agreement, and (2) unless: (a) either (i) such Issuer shall be the surviving Person in the case of a merger or (ii) the resulting, surviving or transferee Person if other than such Issuer (the "Successor Company") shall be a partnership, limited liability company or corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia (provided that PAA Finance may not merge, amalgamate or consolidate with or into another Person other than a corporation satisfying such requirement for so long as the Partnership is not a corporation) and the Successor Company shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest on all of the Notes, and the due and punctual performance or observance of all the other obligations under the Indenture to be performed or observed by such Issuer; (b) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default would occur or be continuing; (c) if such Issuer is not the continuing Person, then each Subsidiary Guarantor, unless it has become the Successor Company, shall confirm that its Guarantee shall continue to apply to the obligations under the Notes and the Indenture; and (d) such Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger, sale, conveyance, transfer, lease or other disposition and such supplemental Indenture (if any) comply with this Section 6.01 and any other applicable provisions of the Indenture.

Section 6.02. Rights and Duties of Successor. In case of any consolidation, amalgamation or merger where an Issuer is not the continuing Person, or disposition of all or substantially all of the assets of an Issuer in accordance with Section 6.01, the Successor Company shall succeed to and be substituted for such Issuer with the same effect as if it had been named herein as the respective party to the Indenture, and the predecessor entity shall be released from all liabilities and obligations under the Indenture and the Notes, except that no such release will occur in the case of a lease of all or substantially all of an Issuer's assets. In case of any such consolidation, amalgamation, merger, sale, conveyance, transfer, lease or other

disposition, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 6.03. Supplemental Indenture. Section 9.01 of the Original Indenture is hereby amended, with respect to the Notes, by adding the words “or the confirmation of a Subsidiary Guarantor’s” immediately after the word “Issuer’s” in Section 9.01(c).

ARTICLE VII  
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. With respect to the Notes, the provisions of this Section 7.01 shall preempt the provisions of the first and final paragraphs of Section 6.01 of the Original Indenture in their entirety.

(a) An “Event of Default” occurs if:

- (i) the Issuers default for 60 days in the payment when due of interest on the Notes;
- (ii) the Issuers default in the payment when due of principal of or premium, if any, on the Notes at maturity, upon redemption or otherwise;
- (iii) failure by an Issuer or any Subsidiary Guarantor for 90 days after receipt of notice by the Issuers from the Trustee or to the Issuers and the Trustee by the Holders of at least 25% in principal amount of the Notes then Outstanding to comply with any other term, covenant or warranty in the Indenture or the Notes (provided that notice need not be given, and an Event of Default shall occur, 90 days after any breach of the provisions of Section 6.01 hereof);
- (iv) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt of an Issuer or any of the Partnership’s Subsidiaries (or the payment of which is guaranteed by the Partnership or any of its Subsidiaries), whether such Debt or guarantee now exists or is created after the Issue Date, if that default (A) is caused by a failure to pay principal of or premium, if any, or interest on such Debt prior to the expiration of the grace period provided in such Debt (a “Payment Default”) or (B) results in the acceleration of the maturity of such Debt to a date prior to its originally stated maturity, and, in each case described in clause (A) or (B), the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$25.0 million or more; provided, further, that if any such default is cured or waived or any such acceleration rescinded, or such Debt is repaid, within a period of 30 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree;

(v) except as permitted by the Indenture, any Guarantee shall cease for any reason to be in full force and effect (except as otherwise provided in the Indenture) or is declared null and void in a judicial proceeding or any Subsidiary Guarantor, or any Person acting on behalf of any Subsidiary Guarantor, shall deny or disaffirm its obligations under the Indenture or its Guarantee;

(vi) an Issuer or any Subsidiary Guarantor pursuant to or within the meaning of any Bankruptcy Law:

- (A) commences a voluntary case,
- (B) consents to the entry of an order for relief against it in an involuntary case,
- (C) consents to the appointment of a custodian of it or for all or substantially all of its property,
- (D) makes a general assignment for the benefit of its creditors, or
- (E) generally is not paying its debts as they become due; or

(vii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- (A) is for relief against an Issuer or any Subsidiary Guarantor in an involuntary case;
- (B) appoints a custodian of an Issuer or any Subsidiary Guarantor or for all or substantially all of the property of an Issuer or any Subsidiary Guarantor; or
- (C) orders the liquidation of an Issuer or any Subsidiary Guarantor;

and the order or decree remains unstayed and in effect for 60 consecutive days.

(b) In the case of an Event of Default arising from Section 7.01(a)(vi) or 7.01(a)(vii) hereof involving an Issuer (and, for the avoidance of doubt, excluding any such Event of Default that involves only one or more Subsidiary Guarantors), the principal amount of all Outstanding Notes and interest thereon shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then Outstanding Notes may declare the principal amount of all the Notes and interest thereon to be due and payable immediately by a notice in writing to the Issuers (and to the Trustee if given by the Holders) and upon any such declaration such principal amount and interest thereon shall be due and payable immediately.

ARTICLE VIII  
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance. The Issuers may, at the option of the Boards of Directors evidenced by a Board Resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes and Guarantees upon compliance with the conditions set forth below in this Article VIII.

Section 8.02. Legal Defeasance and Discharge. Upon the Issuers' exercise under Section 8.01 hereof of the option applicable to this Section 8.02, each of the Issuers and the Subsidiary Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes and Guarantees on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that each of the Issuers shall be deemed to have paid and discharged the entire Debt represented by the outstanding Notes, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 8.05 hereof and the other Sections of the Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes and the Indenture, and each of the Subsidiary Guarantors shall be deemed to have discharged its obligations under its Guarantee (and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of Outstanding Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium on, if any, and interest on such Notes when such payments are due,

(b) the Issuers' obligations with respect to such Notes under Sections 2.07, 2.08, 2.09 and 4.02 of the Original Indenture,

(c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuers' obligations in connection therewith,

(d) this Article VIII, and

(e) the Issuers' rights of optional redemption under Section 4.01 hereof.

Subject to compliance with this Article VIII, the Issuers may exercise their option under this Section 8.02 notwithstanding the prior exercise of their option under Section 8.03 hereof.

Section 8.03. Covenant Defeasance. Upon the Issuers' exercise under Section 8.01 hereof of the option applicable to this Section 8.03, each of the Issuers shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under the covenants contained in Sections 5.02, 5.03, 5.04 and 5.05 hereof with respect to the Outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied



(hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "Outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the Outstanding Notes, the Issuers may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 7.01 hereof, but, except as specified above, the remainder of the Indenture, the Guarantees and such Notes shall be unaffected thereby.

Section 8.04. Conditions to Legal or Covenant Defeasance. The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the Outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuers must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in Dollars, U.S. Government Obligations, or a combination thereof, in such amounts as shall be sufficient, in the written opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium on, if any, and interest on the Outstanding Notes at the Stated Maturity thereof or on the applicable redemption date, as the case may be, and the Issuers must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that (i) the Issuers have received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the Outstanding Notes shall not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that the Holders of the Outstanding Notes shall not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing either (i) on the date of such deposit (other than a Default or Event of Default resulting from the incurrence of Debt all or a portion of the proceeds of which shall be applied to such deposit) or

(ii) insofar as Section 7.01(a)(vi) or 7.01(a)(vii) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any agreement or instrument (other than the Notes and the Indenture) to which the Partnership or any of its Subsidiaries is a party or by which the Partnership or any of its Subsidiaries is bound;

(f) the Issuers shall have delivered to the Trustee an Opinion of Counsel to the effect that after the 91st day following the deposit, the trust funds shall not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Issuers shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuers with the intent of preferring the Holders over any other creditors of the Issuers or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuers; and

(h) the Issuers shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions. Subject to Section 8.06 hereof, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and the Indenture, to the payment, either directly or through any paying agent (including an Issuer acting as paying agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuers shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the Outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the written request of the Issuers any money or U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Issuers. Any money deposited with the Trustee or any paying agent, or then held by the Issuers, in trust for the payment of the principal of, premium on, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Issuers on their written request or (if then held by the Issuers) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured creditor, look only to the Issuers for payment thereof, and all liability of the Trustee or such paying agent with respect to such trust money, and all liability of the Issuers as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such paying agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in the *New York Times* and *The Wall Street Journal* (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

Section 8.07. Reinstatement. If the Trustee or paying agent is unable to apply any Dollars or U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuers' obligations under the Indenture and the Notes and the Subsidiary Guarantors' obligations under the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or paying agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Issuers make any payment of principal of, premium on, if any, or interest on any Note following the reinstatement of their obligations, the Issuers shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or paying agent.

#### ARTICLE IX SUBSIDIARY GUARANTEES

Section 9.01. Subsidiary Guarantees. (a) Each Subsidiary Guarantor hereby jointly and severally unconditionally and irrevocably guarantees on a senior basis to each Holder and to the Trustee and its successors and assigns (i) the full and punctual payment of principal, premium, if any, and interest with respect to, the Notes when due, whether at maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Issuers under the Indenture (including obligations to the Trustee) and the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuers under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Note Obligations"). Each Subsidiary Guarantor further agrees that the Note Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Subsidiary Guarantor, and that each such Subsidiary Guarantor shall remain bound under this Article IX notwithstanding any extension or renewal of any Note Obligation.

(b) Each Subsidiary Guarantor waives presentation to, demand of, payment from and protest to the Issuers of any of the Note Obligations and also waives notice of protest

for nonpayment. Each Subsidiary Guarantor waives notice of any Default or Event of Default under the Notes or the Note Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (i) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuers or any other Person under the Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of the Indenture, the Notes or any other agreement; (iv) the release of any security held by any Holder or the Trustee for the Note Obligations or any of them; (v) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Note Obligations; or (vi) any change in the ownership of such Subsidiary Guarantor, except as provided in Section 9.02 hereof.

(c) Each Subsidiary Guarantor further agrees that its Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Note Obligations.

(d) The obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason other than indefeasible payment in full of the Note Obligations, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Note Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under the Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

(e) Each Subsidiary Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal, premium, if any, or interest with respect to any Note Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of either of the Issuers or otherwise.

(f) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Issuers to pay the principal, premium, if any, or interest with respect to any Note Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Note Obligation, each Subsidiary Guarantor hereby promises to and shall forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Note Obligations, (ii) accrued and unpaid interest on such Note

Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Note Obligations of the Issuers to the Holders and the Trustee.

(g) Each Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Note Obligations guaranteed hereby until payment in full of all Note Obligations. Each Subsidiary Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the Note Obligations guaranteed hereby may be accelerated as provided in Article VII hereof for the purposes of any Subsidiary Guarantor's Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Note Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such obligations as provided in Article VII hereof, such Note Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of this Section 9.01.

(h) Each Subsidiary Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 9.01.

Section 9.02. Limitation on Liability. Any term or provision of the Indenture to the contrary notwithstanding, the maximum, aggregate amount of the Note Obligations guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of its obligations under its Guarantee, can be hereby guaranteed without rendering the Indenture, as it relates to any Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer.

Section 9.03. Successors and Assigns. This Article IX shall be binding upon each Subsidiary Guarantor and, except as provided in Section 9.07, its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in the Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of the Indenture.

Section 9.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article IX shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article IX at law, in equity, by statute or otherwise.

Section 9.05. Modification. No modification, amendment or waiver of any provision of this Article IX, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the

Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 9.06. Execution of Supplemental Indenture for Future Subsidiary Guarantors. Each Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 5.05 hereof shall promptly execute and deliver to the Trustee a supplemental Indenture in substantially the form of Exhibit B hereto pursuant to which such Subsidiary shall become a Subsidiary Guarantor under this Article IX and shall guarantee the Note Obligations. Concurrently with the execution and delivery of such supplemental Indenture, the Issuers shall deliver to the Trustee an Opinion of Counsel to the effect that such supplemental Indenture has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of such Subsidiary Guarantor is a legal, valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms.

Section 9.07. Release of Guarantee. Provided that no Default shall have occurred and shall be continuing under the Indenture, the Guarantee of a Subsidiary Guarantor under this Article IX shall terminate and be of no further force and effect, and such Subsidiary Guarantor shall be released from the Indenture and all Note Obligations, upon the following events:

(a) upon any sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor (including by way of merger, consolidation or otherwise) to any Person that is not an Affiliate of either of the Issuers (provided such sale or other disposition is not prohibited by the Indenture);

(b) upon any sale or other disposition of all of the Equity Interests of a Subsidiary Guarantor, to any Person that is not an Affiliate of either of the Issuers; or

(c) following the release or discharge of all guarantees by such Subsidiary Guarantor of any Debt of the Issuers and any Subsidiary of the Partnership (other than any Debt Securities), upon delivery by the Issuers to the Trustee of a written notice of such release or discharge from the guarantees.

#### ARTICLE X MISCELLANEOUS

Section 10.01. Additional Amendments. With respect to the Notes, references to (A) "Section 6.01" in the Original Indenture shall be deemed to be references to "Section 7.01 of this Supplemental Indenture; (B) "Section 11.02" in the Original Indenture shall be deemed to be references to "Section 8.06" of this Supplemental Indenture; (C) "Section 6.01(g) or (h)" in the Original Indenture shall be deemed to be references to Section 7.01(a)(vi) or (a)(vii) of this Supplemental Indenture; and (D) "Article X" in the Original Indenture shall be deemed to be a

reference to Article VI of this Supplemental Indenture.

Section 10.02. Integral Part. This Supplemental Indenture constitutes an integral part of the Indenture.

Section 10.03. Adoption, Ratification and Confirmation. The Original Indenture, as supplemented and amended by this Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

Section 10.04. Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed an original; and all such counterparts shall together constitute but one and the same instrument.

Section 10.05. Governing Law. **THIS SUPPLEMENTAL INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

[Signatures on following pages]

SIGNATURES

**ISSUERS:**

**PLAINS ALL AMERICAN PIPELINE, L.P.**

By: PAA GP LLC  
its General Partner

By: PLAINS AAP, L.P.  
its Sole Member

By: PLAINS ALL AMERICAN GP LLC  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PAA FINANCE CORP.**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*



**SUBSIDIARY GUARANTORS:**

**PLAINS MARKETING GP INC.**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MARKETING, L.P.**

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS PIPELINE, L.P.**

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*

**PACIFIC ENERGY GROUP LLC**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PACIFIC L.A. MARINE TERMINAL LLC**

By: PACIFIC ENERGY GROUP LLC  
its Sole Member

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**ROCKY MOUNTAIN PIPELINE SYSTEM LLC**

By: PACIFIC ENERGY GROUP LLC  
its Sole Member

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*

**PLAINS PRODUCTS TERMINALS LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
Its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**RANCHO LPG HOLDINGS LLC**

By: PLAINS LPG SERVICES, L.P.  
its Sole Member

By: PLAINS LPG SERVICES GP, LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MARKETING CANADA LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PMC (NOVA SCOTIA) COMPANY**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Vice President — Finance

**PLAINS MARKETING CANADA, L.P.**

By: PMC (NOVA SCOTIA) COMPANY  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Vice President — Finance

*Signature Page to Sixteenth Supplemental Indenture*

**PLAINS LPG SERVICES GP LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS TOWING LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PICSCO LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MIDSTREAM GP LLC**

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

**PLAINS MIDSTREAM, L.P.**

By: PLAINS MIDSTREAM GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*

**PLAINS MIDSTREAM CANADA ULC**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Vice President — Finance

**AURORA PIPELINE COMPANY LTD.**

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Vice President — Finance

**PLAINS LPG SERVICES, L.P.**

By: PLAINS LPG SERVICES GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*

**LONE STAR TRUCKING, LLC**

By: PLAINS LPG SERVICES, L.P.  
its Sole Member

By: PLAINS LPG SERVICES GP LLC  
its General Partner

By: PLAINS MARKETING, L.P.  
its Sole Member

By: PLAINS MARKETING GP INC.  
its General Partner

By: \_\_\_\_\_  
Name: Al Swanson  
Title: Senior Vice President and  
Chief Financial Officer

*Signature Page to Sixteenth Supplemental Indenture*



**TRUSTEE:**

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Name: Steven Finklea  
Title: Vice President

*Signature Page to Sixteenth Supplemental Indenture*

(Form of Face of Note)

CUSIP 72650RAV4  
ISIN US72650RAV42

No. \_\_\_\_  
\$ \_\_\_\_\_

PLAINS ALL AMERICAN PIPELINE, L.P.  
PAA FINANCE CORP.

4.25% Senior Notes due 2012

Plains All American Pipeline, L.P., a Delaware limited partnership, and PAA Finance Corp., a Delaware corporation, jointly and severally promise to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars [or such greater or lesser amount as may be endorsed on the Schedule attached hereto]<sup>1</sup> on September 1, 2012.

Interest Payment Dates: March 1 and September 1  
Record Dates: February 15 and August 15

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PAA GP LLC, its General Partner

By: Plains AAP, L.P., its Sole Member

By: Plains All American GP LLC, its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PAA FINANCE CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

This is one of the Debt Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory  
Dated: \_\_\_\_\_

<sup>1</sup> To be included only if the Note is issued in global form.

**[THIS GLOBAL SECURITY IS HELD BY OR ON BEHALF OF THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (A) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.08 OF THE ORIGINAL INDENTURE, (B) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.15 OF THE ORIGINAL INDENTURE, (C) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.10 OF THE ORIGINAL INDENTURE AND (D) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY OR ITS NOMINEE WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS.]<sup>2</sup>**

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), and PAA Finance Corp., a Delaware corporation ("PAA Finance" and, together with the Partnership, the "Issuers"), jointly and severally promise to pay interest on the principal amount of this Note at 4.25% per annum from July 23, 2009 until maturity. The Issuers shall pay interest semi-annually on March 1 and September 1 of each such year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance. The first Interest Payment Date shall be March 1, 2010. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; and they shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment. The Issuers shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the February 15 or August 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.17 of the Original Indenture with respect to defaulted interest, and the Issuers shall pay principal (and premium, if any) of the Notes upon surrender thereof to the Trustee or a paying agent on or after the Stated Maturity thereof. The Notes shall be payable as to principal,

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<sup>2</sup> To be included only if the Note is issued in global form.

premium, if any, and interest at the office or agency of the Trustee maintained for such purpose within or without The City and State of New York, or, at the option of the Issuers, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds shall be required with respect to principal of and interest and premium, if any, on, each Global Security and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuers or the paying agent on or prior to the applicable record date. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Paying Agent and Registrar. Initially, U.S. Bank National Association, the Trustee under the Indenture, shall act as paying agent and Registrar. The Issuers may change any paying agent or Registrar without notice to any Holder. The Issuers or any of their Subsidiaries may act in any such capacity.

4. Indenture. The Issuers issued the Notes under an Indenture dated as of September 25, 2002 (the "Original Indenture"), as supplemented by the Sixteenth Supplemental Indenture dated as of July 23, 2009 (the "Supplemental Indenture" and, together with the Original Indenture, the "Indenture") among the Issuers and the Trustee and, with respect to the Supplemental Indenture, the subsidiary guarantors signatory thereto (the "Subsidiary Guarantors"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are joint and several obligations of the Issuers initially in aggregate principal amount of \$500 million. The Issuers may issue an unlimited aggregate principal amount of Additional Notes under the Indenture. Any such Additional Notes that are actually issued shall be treated as issued and outstanding Notes (and as the same series (with identical terms other than with respect to the issue date, the date of first payment of interest, if applicable, and the payment of interest accruing prior to the issue date) as the initial Notes) for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. To secure the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuers under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Subsidiary Guarantors have unconditionally guaranteed the Note Obligations under the Indenture and the Notes on a senior basis pursuant to the terms of the Indenture.

5. Optional Redemption.

(a) At their option at any time prior to maturity, the Issuers may choose to redeem all or any portion of the Notes at once or from time to time.

(b) To redeem the Notes, the Issuers must pay a redemption price equal to the greater of (a) 100% of the principal amount of the Notes to be redeemed, and (b) as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining

scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of those payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined below) plus 40 basis points, plus, in either case, accrued and unpaid interest to the date of redemption (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date).

For purposes of determining any redemption price, the following definitions shall apply:

“Adjusted Treasury Rate” means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the date of redemption.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any date of redemption, (a) the average of the Reference Treasury Dealer Quotations for the date of redemption, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

“Quotation Agent” means J.P. Morgan Securities Inc. or another Reference Treasury Dealer appointed by the Issuers.

“Reference Treasury Dealer” means each of J.P. Morgan Securities Inc., BNP Paribas Securities Corp., a Primary Treasury Dealer (as defined below) selected by Wells Fargo Securities, LLC, plus one other dealer selected by the Trustee that is a Primary Treasury Dealer and each of their successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”), the Partnership shall substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any date of redemption, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that date of redemption.

6. Notice of Redemption. Notice of redemption shall be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than \$2,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be

redeemed. Unless the Issuers default in payment of the redemption price, on and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

7. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a Holder to pay any taxes or other governmental charges required by law or permitted by the Indenture. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption or repurchase, except for the unredeemed or unreurchased portion of any Note being redeemed or repurchased in part. Also, the Issuers need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or repurchased or during the period between a record date and the corresponding Interest Payment Date.

8. Persons Deemed Owners. The registered Holder of a Note shall be treated as its owner for all purposes.

9. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes, and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented for any of the purposes set forth in Section 9.01 of the Original Indenture (as amended by the Supplemental Indenture), including to cure any ambiguity, defect or inconsistency, to provide for the assumption of an Issuer's obligations to Holders of the Notes in case of a merger or consolidation of such Issuer or sale of all or substantially all of such Issuer's assets, to add or release Subsidiary Guarantors (or their successors) pursuant to the terms of the Indenture, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any Holder of the Notes, to comply with the requirements of the Commission to permit the qualification of the Indenture under the Trust Indenture Act, to evidence or provide for the acceptance of appointment under the Indenture of a successor Trustee, to add any additional Events of Default, to secure the Notes or the Guarantees or to establish the form or terms of any other series of Debt Securities.

10. Defaults and Remedies. Events of Default with respect to the Notes include: (i) default for 60 days in the payment when due of interest on the Notes; (ii) default in payment when due of principal of or premium, if any, on the Notes at maturity, upon redemption or otherwise, (iii) failure by an Issuer or any Subsidiary Guarantor for 90 days after notice to comply with any of the other agreements in the Indenture (provided that notice need not be given, and an Event of Default shall occur, 90 days after any breach of the provisions of Section 6.01 of the Supplemental Indenture); (iv) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt of an Issuer or any of the Partnership's Subsidiaries (or the payment of which is guaranteed by the

Partnership or any of its Subsidiaries), whether such Debt or guarantee now exists or is created after the Issue Date, if that default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Debt prior to the expiration of the grace period provided in such Debt (a "Payment Default") or (b) results in the acceleration of the maturity of such Debt to a date prior to its original stated maturity, and, in each case described in clause (a) or (b), the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$25.0 million or more, subject to the proviso set forth in Section 7.01(a)(iv) of the Supplemental Indenture; (v) except as permitted by the Indenture, any Guarantee shall cease for any reason to be in full force and effect (except as otherwise provided in the Indenture) or is declared null and void in a judicial proceeding or any Subsidiary Guarantor, or any Person acting on behalf of any Subsidiary Guarantor, shall deny or disaffirm its obligations under the Indenture or its Guarantee and (vi) certain events of bankruptcy or insolvency with respect to an Issuer or any of the Subsidiary Guarantors. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes may declare all the Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency involving an Issuer, but not any Subsidiary Guarantor, all Outstanding Notes shall become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then Outstanding Notes may direct the Trustee in its exercise of any trust or power. If and so long as the board of directors, an executive committee of the board of directors or trust committee of Responsible Officers of the Trustee in good faith so determines, the Trustee may withhold from Holders of the Notes notice of any continuing Default (except a Default relating to the payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interests. The Holders of a majority in aggregate principal amount of the Notes then Outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any past Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, the principal of, or premium, if any, on the Notes or any other Default specified in Section 6.06 of the Original Indenture. The Issuers and the Subsidiary Guarantors are required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuers are required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

11. Trustee Dealings with Issuers. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuers or their Affiliates, and may otherwise deal with the Issuers or their Affiliates, as if it were not the Trustee.

12. No Recourse Against Others. The General Partner and its directors, officers, employees and members (in their capacities as such) shall not have any liability for any obligations of the Issuers under the Notes. In addition, the Managing General Partner and its directors, officers, employees and members shall not have any liability for any obligations of the Issuers under the Notes. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

13. Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

14. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

15. CUSIP and ISIN Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers have caused CUSIP and corresponding ISIN numbers to be printed on the Notes, and the Trustee may use CUSIP and corresponding ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuers shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Plains All American Pipeline, L.P.  
333 Clay Street, Suite 1600  
Houston, Texas 77002  
Attention: Investor Relations



**Assignment Form**

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

\_\_\_\_\_  
(Insert assignee's soc. sec. or tax I.D. no.)  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_

agent to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee: \_\_\_\_\_

(Signature must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP") or such other signature guarantee program as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.)

**SCHEDULE OF INCREASES OR DECREASES IN THE GLOBAL NOTE<sup>3</sup>**

The original principal amount of this Global Note is \$500,000,000. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized signatory of Trustee or Note Custodian
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<sup>3</sup> To be included only if the Note is issued in global form.

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of \_\_\_\_\_, among Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), PAA Finance Corp., a Delaware corporation ("PAA Finance" and, together with the Partnership, the "Issuers"), \_\_\_\_\_ (the "Subsidiary Guarantor"), a direct or indirect subsidiary of Plains All American Pipeline, L.P. (or its successor), a Delaware limited partnership (the "Partnership"), and U.S. Bank National Association, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Issuers have heretofore executed and delivered to the Trustee an indenture (the "Original Indenture"), dated as of September 25, 2002, as supplemented by the Sixteenth Supplemental Indenture (the "Sixteenth Supplemental Indenture" and, together with the Original Indenture, the "Indenture") dated as of July 23, 2009, among the Issuers, the Subsidiary Guarantors and the Trustee, providing for the issuance of the Issuers' 4.25% Senior Notes due 2012 (the "Notes");

WHEREAS, Section 5.05 of the Sixteenth Supplemental Indenture provides that under certain circumstances the Partnership is required to cause the Subsidiary Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the Subsidiary Guarantor shall unconditionally guarantee all of the Issuers' obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Original Indenture, the Issuers and the Trustee are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuers, the Subsidiary Guarantor and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Definitions.

(a) Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(b) For all purposes of this Supplemental Indenture, except as otherwise herein expressly provided or unless the context otherwise requires: (i) the terms and expressions used herein shall have the same meanings as corresponding terms and expressions used in the Indenture; and (ii) the words "herein," "hereof" and "hereby" and other words of similar import

used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The Subsidiary Guarantor hereby agrees, jointly and severally with all other Subsidiary Guarantors under the Indenture, to guarantee the Issuers' obligations under the Notes on the terms and subject to the conditions set forth in Article IX of the Sixteenth Supplemental Indenture and to be bound by all other applicable provisions of the Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

3. **GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE DEEMED TO BE A NEW YORK CONTRACT, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

4. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

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

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PAA GP LLC, its General Partner

By: Plains AAP, L.P., its Sole Member

By: Plains All American GP LLC, its General Partner

By: \_\_\_\_\_  
Name:  
Title:

PAA FINANCE CORP.

By: \_\_\_\_\_  
Name:  
Title:

[SUBSIDIARY GUARANTOR],

By: \_\_\_\_\_  
Name:  
Title:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Name:  
Title:

July 23, 2009

Plains All American Pipeline, L.P.  
333 Clay Street, Suite 1600  
Houston, Texas 77002

Ladies and Gentlemen:

We have acted as counsel to Plains All American Pipeline, L.P., a Delaware limited partnership (the "**Partnership**"), with respect to certain legal matters in connection with the registration by the Partnership and PAA Finance Corp., a Delaware corporation and wholly owned subsidiary of the Partnership ("**PAA Finance**", and together with the Partnership, the "**Issuers**") under the Securities Act of 1933, as amended (the "**Securities Act**"), of the offer and sale by the Issuers of \$500,000,000 aggregate principal amount of 4.25% Senior Notes due 2012 (the "**Notes**"), to be issued and sold pursuant to the Underwriting Agreement dated July 20, 2009 by and among the Issuers, PAA GP LLC, Plains AAP, L.P., Plains All American GP LLC, the Subsidiary Guarantors named therein and the Underwriters named therein (the "**Underwriting Agreement**").

The Notes are being offered and sold pursuant to a prospectus supplement dated July 20, 2009 (the "**Prospectus Supplement**") filed with the Securities and Exchange Commission (the "**Commission**") pursuant to Rule 424(b) on July 21, 2009, to the prospectus dated December 11, 2008, (such prospectus, as amended and supplemented by the Prospectus Supplement, the "**Prospectus**"), included in and forming part of the Registration Statement on Form S-3 (Registration No. 333-155671) (as amended, the "**Registration Statement**"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Underwriting Agreement.

The Notes are to be issued as securities pursuant to that certain Indenture, dated as of September 25, 2002 (the "**Base Indenture**"), by and among the Issuers, and Wachovia Bank, National Association, as trustee, as amended and supplemented by the Sixteenth Supplemental Indenture thereto, to be dated as of July 23, 2009 (the "**Supplemental Indenture**"), by and among the Issuers, the Subsidiary Guarantors named therein and U.S. Bank National Association, as successor trustee to Wachovia Bank, National Association (the Base Indenture, as so amended by the Supplemental Indenture, the "**Indenture**"), and will be guaranteed on an unsecured basis by each of the Subsidiary Guarantors.

In rendering the opinions set forth below, we have examined and relied upon (i) the Registration Statement, the Prospectus Supplement and the Prospectus; (ii) the Third Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of June 27, 2001, as amended; (iii) the organizational certificates and the limited partnership or limited liability company agreements (as the case may be) of PAA GP LLC, a Delaware limited liability company ("**General Partner**"), which is the general partner of the Partnership, of Plains AAP, L.P., a Delaware limited partnership ("**Plains AAP**"), which owns a 100% membership interest in the General Partner, and of Plains All American GP LLC, a Delaware limited liability

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company, which is the general partner of Plains AAP; (iv) the organizational certificates, bylaws, certificate of incorporation and the limited partnership or limited liability company agreements (as the case may be) of PAA Finance and of each of the Subsidiary Guarantors; (v) the Underwriting Agreement, a copy of which is filed with the Securities and Exchange Commission as an exhibit to this Current Report on Form 8-K prior to the closing of the sale of the Notes; (vi) the Base Indenture and the Supplemental Indenture and (vii) such other certificates, statutes and other instruments and documents as we consider appropriate for purposes of the opinions hereafter expressed. In addition, we reviewed such questions of law as we considered appropriate.

Based upon and subject to the foregoing and the assumptions, limitations and qualifications set forth herein, we are of the opinion that the Notes will, when they have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Indenture and duly purchased and paid for in accordance with the terms of the Underwriting Agreement, constitute valid and legally binding obligations of the Issuers, enforceable against the Issuers in accordance with their terms.

The opinions expressed herein are qualified in the following respects:

A. As to any facts material to the opinion contained herein, we have made no independent investigation of such facts and have relied, to the extent that we deem such reliance proper, upon certificates of public officials and officers or other representatives of the Partnership.

B. We have assumed that (i) all information contained in all documents submitted to us for review is accurate and complete, (ii) each such document submitted to us as an original is authentic and each such document submitted to us as a copy conforms to an authentic original of such document, (iii) all signatures on each such document examined by us are genuine, (iv) each certificate from governmental officials reviewed by us is accurate, complete and authentic, and all official public records are accurate and complete and (v) each natural person signing any document reviewed by us had the legal capacity to do so and each person signing in a representative capacity any document reviewed by us had authority to sign in such capacity.

C. This opinion is limited in all respects to the laws of the State of New York. We do not express any opinions as to the laws of any other jurisdiction.

D. The opinion is qualified to the extent that the enforceability of any document, instrument or security may be limited by or subject to bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally, and general equitable or public policy principles.

E. We express no opinions concerning (i) the validity or enforceability of any provisions contained in the Indenture that purport to waive or not give effect to rights to notices, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law or (ii) the enforceability of indemnification provisions to the extent they purport to relate to liabilities resulting from or based upon negligence or any violation of federal or state securities or blue sky laws.

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We hereby consent to the filing of this opinion of counsel as Exhibit 5.1 to the Current Report on Form 8-K of the Partnership dated on or about the date hereof, to the incorporation by reference of this opinion of counsel into the Registration Statement and to the reference to our Firm under the heading "Legal Matters" in the Prospectus Supplement and the Prospectus. In giving such consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission issued thereunder.

Very truly yours,

/s/ Vinson & Elkins L.L.P.