

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PLAINS ALL AMERICAN PIPELINE, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

76-0582150
(I.R.S. Employer
Identification No.)

333 CLAY ST., SUITE 2900
HOUSTON, TEXAS 77002
(713) 646-4100
(Address of principal executive offices, including zip code)

PLAINS ALL AMERICAN GP LLC 1998 LONG-TERM INCENTIVE PLAN
PLAINS ALL AMERICAN 2001 PERFORMANCE OPTION PLAN
PHANTOM MLP UNIT AGREEMENTS*
(Full title of the plans)

TIM MOORE
VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
PLAINS ALL AMERICAN GP LLC
333 CLAY ST., SUITE 2900
HOUSTON, TEXAS 77002
(Name and address of agent for service)

(713) 646-4100
(Telephone number, including area code, of agent for service)

Copies to:
David P. Oelman
Vinson & Elkins L.L.P.
2300 First City Tower, 1001 Fannin
Houston, Texas 77002
(713) 758-2222

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	MAXIMUM AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common units representing limited partner interests.....	450,000 units	\$26.12	\$11,754,000	\$2,810
Subordinated units(3).....	496,117 units	\$26.12	\$12,958,577	\$3,098
Total.....				\$5,908

(1) Pursuant to Rule 416(c) under the Securities Act of 1933, as amended, this registration statement shall also cover any additional common units or subordinated units that become issuable by reason of any unit dividend, unit split, recapitalization or any other similar transaction effected without the receipt of consideration which results in an increase in the number of the registrant's outstanding common units or subordinated units.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(h) under the Securities Act of 1933, as amended.

(3) There is also registered hereunder an equal number of common units of Plains All American Pipeline, L.P. as may be issuable upon conversion of the subordinated units being registered hereby.

* Includes the following Phantom MLP Unit Agreements: Phantom MLP Unit Agreement for Greg L. Armstrong, Phantom MLP Unit Agreement for A. Patrick Diamond,

Phantom MLP Unit Agreement for Phillip D. Kramer, Phantom MLP Unit Agreement for
Tim Moore, Phantom MLP Unit Agreement for Harry N. Pefanis and Phantom MLP Unit
Agreement for Al Swanson.

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STATEMENT UNDER GENERAL INSTRUCTION E - REGISTRATION OF ADDITIONAL SHARES

In addition to registering 496,117 subordinated units under the Plains All American 2001 Performance Option Plan and the various Phantom MLP Unit Agreements, this registration statement is registering an additional 450,000 common units under the Plains All American GP LLC 1998 Long-Term Incentive Plan pursuant to Instruction E to Form S-8 under the Securities Act of 1933. The additional common units to be registered by this registration statement are of the same class as those securities covered by Plains All American Pipeline, L.P.'s previously filed registration statement on Form S-8 filed on November 17, 1999 (Registration No. 333-91141). The contents of the prior registration statement, including periodic reports that the partnership filed after the prior registration statement to maintain current information about the partnership, are incorporated herein by reference.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to participants as specified by Rule 428(b)(1) promulgated under the Securities Act.

PART II
INFORMATION REQUIRED IN THIS REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

We incorporate by reference and make a part of this registration statement the following documents as of their respective dates as filed with the Securities and Exchange Commission.

- o the Partnership's Annual Report on Form 10-K for the year ended December 31, 2000, filed April 2, 2001;
- o the Partnership's Quarterly Report on Form 10-Q for the period ended March 31, 2001, filed May 15, 2001;
- o the Partnership's Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed August 14, 2001;
- o the Partnership's Quarterly Report on Form 10-Q for the period ended September 30, 2001, filed November 14, 2001;
- o the description of the Partnership's Common Units contained in its Registration Statement on Form 8-A/A filed November 3, 1998;
- o Current Reports on Form 8-K filed with the SEC on April 19, 2001, May 10, 2001, May 25, 2001, June 11, 2001, June 27, 2001, July 2, 2001, July 10, 2001, August 27, 2001, September 27, 2001, October 23, 2001 and October 26, 2001; and
- o Amended Current Report on Form 8-K/A filed with the SEC on October 25, 2001 (this Form 8-K/A amends and supersedes our Current Report on Form 8-K dated June 22, 2001 and filed with the SEC on June 25, 2001).

All documents we file pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the effective date of this registration statement, prior to the filing of a post-effective amendment which indicates that all securities offered by this registration statement have been sold or which deregisters all securities then remaining unsold, shall be

deemed to be incorporated by reference and to be a part of this registration statement from the date of filing of such documents. Any statement contained herein or in any document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this registration statement, except as so modified or superseded.

ITEM 4. DESCRIPTION OF THE SUBORDINATED UNITS.

The subordinated units are a separate class of interests in the partnership, and the rights of holders of such interests to participate in distributions to partners differ from, and are subordinated to, the rights of the holders of common units. For any given quarter, any available cash will first be distributed to the general partner and to the holders of common units, and then will be distributed to the holders of subordinated units depending upon the amount of available cash for the quarter, the amount of common unit arrearages, if any, and other factors discussed below.

CONVERSION OF SUBORDINATED UNITS

The subordination period will generally extend from the closing of the initial public offering, dated November 23, 1998, until the first day of any quarter beginning after December 31, 2003 in respect of which (i) distributions of available cash from operating surplus on the common units and the subordinated units with respect to each of the three consecutive four-quarter periods immediately preceding such date equaled or exceeded the sum of the minimum quarterly distribution on all of the outstanding common units and subordinated units during such periods, (ii) the adjusted operating surplus generated during each of the three consecutive four-quarter periods immediately preceding such date equaled or exceeded the sum of the minimum quarterly distribution on all of the common units and subordinated units that were outstanding on a fully diluted basis and the related distribution on the general partner interests in the partnership and the operating partnership during such periods, and (iii) there are no outstanding common unit arrearages.

Prior to the end of the subordination period and to the extent the tests for conversion described below are satisfied, a portion of the subordinated units may be eligible to convert into common units prior to December 31, 2003. Subordinated units will convert into common units on a one-for-one basis on the first day after the record date established for the distribution in respect of any quarter ending on or after December 31, 2002 with respect to one-quarter of the subordinated units outstanding, in respect of which (i) distributions of available cash from operating surplus on the common units and the subordinated units with respect to each of the three consecutive four-quarter periods immediately preceding such date equaled or exceeded the sum of the minimum quarterly distribution on all of the outstanding common units and subordinated units during such periods, (ii) the adjusted operating surplus generated during each of the three consecutive four-quarter periods immediately preceding such date equaled or exceeded the sum of the minimum quarterly distribution on all of the common units and subordinated units that were outstanding on a fully diluted basis and the related distribution on the general partner interests in the partnership during such periods and (iii) there are no outstanding common unit arrearages.

Upon expiration of the subordination period, all remaining subordinated units will convert into common units on a one-for-one basis and will thereafter participate, pro rata, with the other common units in distributions of available cash. In addition, if the general partner of the partnership is removed as general partner of the partnership under circumstances where cause does not exist and units held by the general partner and its affiliates are not voted in favor of such removal, (i) the subordination period will end and all outstanding subordinated units will immediately convert into common units on a one-for-one basis, (ii) any existing common unit arrearages will be extinguished and (iii) the general partner will have the right to convert its general partner interests (and the right to receive incentive distributions) into common units or to receive cash in exchange for such interests.

LIMITED VOTING RIGHTS

Holders of subordinated units will generally vote as a class separate from the holders of common units and will have very limited voting rights. During the subordination period, common units and subordinated units each vote separately as a class on the following matters: (i) a sale or exchange of all or substantially all of the partnership's assets, (ii) the election of a successor general partner, (iii) a dissolution or reconstitution of the partnership, (iv) a merger of the partnership, (v) issuance of limited partner interests in certain circumstances and (vi) certain amendments to the partnership agreement, including any amendment that would cause the partnership to be treated as an association taxable as a corporation. The subordinated units are not entitled to vote on approval of certain actions of the general partner (including the withdrawal of the general partner or the transfer by the general partner of its general partner interest or incentive distribution rights under certain circumstances). Removal of the general partner requires a two-thirds vote of all outstanding units. Under the partnership agreement, the general partner generally will be permitted to effect amendments to the partnership agreement that do not materially adversely affect unitholders.

DISTRIBUTIONS UPON LIQUIDATION

If the partnership liquidates during the subordination period, under certain circumstances holders of outstanding common units will be entitled to receive more per unit in liquidating distributions than holders of outstanding subordinated units. The per unit difference will be dependent upon the amount of gain or loss recognized by the partnership in liquidating its assets. Following conversion of the subordinated units into common units, all units will be treated the same upon liquidation of the partnership.

This Description of the Subordinated Units contains terms that are defined in the partnership agreement. For a more complete understanding of these terms, please review the partnership agreement attached as Exhibit 3.1 to the Current Report of Form 8-K filed August 27, 2001 and incorporated herein by reference.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 17-108 of the Delaware Revised Limited Partnership Act empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against all claims and demands whatsoever. The partnership agreement of Plains All American Pipeline provides that Plains All American Pipeline will indemnify the general partner, any departing partner, any person who is or was an affiliate of the general partner or any departing partner, and any person who is or was an officer, director, partner or trustee of the general partner or any departing partner or any affiliate of the general partner or any departing partner, or any person who is or was serving at the request of the general partner or any departing partner or any affiliate of the general partner or any departing partner as an officer, director, employee, partner, agent or trustee of another person (each, an "Indemnitee"), to the fullest extent permitted by law, from and against any and all losses, claims, damages, liabilities (joint and several), expenses (including, without limitation, legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as any of the foregoing; provided that in each case the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in or not opposed to the best interests of Plains All American Pipeline and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. Any indemnification under these provisions will be only out of the assets of Plains All American Pipeline, and the general partner shall not be personally liable for, or have any obligation to contribute or loan funds or

assets to Plains All American Pipeline to enable it to effectuate, such indemnification. Plains All American Pipeline is authorized to purchase (or to reimburse the general partner or its affiliates for the cost of) insurance against liabilities asserted against and expenses incurred by such persons in connection with Plains All American Pipeline's activities, regardless of whether Plains All American Pipeline would have the power to indemnify such person against such liabilities under the provisions described above.

The underwriting agreements that the partnership may enter into with respect to the offer and sale of securities covered by this registration statement will contain certain provisions for the indemnification of directors and officers of the partnership and the underwriters or sales agent, as applicable, against civil liabilities under the Securities Act.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

Unless otherwise indicated below as being incorporated by reference to another filing of the Partnership with the Commission, each of the following exhibits is filed herewith:

Exhibit Number -----	Description -----
5.1	- Opinion of Vinson & Elkins L.L.P. as to the validity of the securities being registered
23.1	- Consent of PricewaterhouseCoopers LLP
23.2	- Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1)
24.1	- Power of Attorney (set forth on the signature page contained in Part II of this Registration Statement)
99.1	- Plains All American GP LLC 1998 Long Term Incentive Plan
99.2	- Plains All American 2001 Performance Option Plan
99.3	- Phantom MLP Unit Agreement for Greg L. Armstrong
99.4	- Phantom MLP Unit Agreement for A. Patrick Diamond
99.5	- Phantom MLP Unit Agreement for Phillip D. Kramer
99.6	- Phantom MLP Unit Agreement for Tim Moore
99.7	- Phantom MLP Unit Agreement for Harry N. Pefanis
99.8	- Phantom MLP Unit Agreement for Al Swanson

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(b) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price

represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (1)(a) and (1)(b) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on the 11th day of December, 2001.

PLAINS ALL AMERICAN PIPELINE, L.P.

By: Plains AAP, L.P.,
its General Partner

By: Plains All American GP LLC,
its General Partner

By: /s/ GREG L. ARMSTRONG

Greg L. Armstrong
Chairman of the Board and
Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tim Moore and Phillip D. Kramer, and each of them, with full power of substitution, their true and lawful attorneys-in-fact and agents to do any and all acts and things in the undersigned's name and on the undersigned's behalf in the undersigned's capacity as an officer or director of Plains All American GP LLC in connection with, and only in connection with, the filing of this registration statement (including, but not limited to, the execution of any and all instruments for the undersigned in the undersigned's name which such person may deem necessary or advisable to enable the Partnership to comply with the Securities Act of 1933, as amended (the "Act") and rules, regulations and requirements of the Securities and Exchange Commission, in connection with the filing of this registration statement), including specifically, but not limited to, the power and authority to sign for the undersigned any and all amendments, including post-effective amendments; and the undersigned does hereby ratify and confirm all that such person or persons shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on the 11th day of December, 2001.

SIGNATURE

TITLE

/s/ GREG L. ARMSTRONG

Greg L. Armstrong

Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

/s/ PHILLIP D. KRAMER

Phillip D. Kramer

Executive Vice President and Chief Financial
Officer (Principal Financial and Accounting
Officer)

/s/ EVERARDO GOYANES

Everardo Goyanes

Director

/s/ ARTHUR L. SMITH

Arthur L. Smith

Director

/s/ ROBERT V. SINNOTT

Robert V. Sinnott

Director

/s/ GARY R. PETERSEN

Gary R. Petersen

Director

/s/ J. TAFT SYMONDS

J. Taft Symonds

Director

/s/ JOHN T. RAYMOND

Director

INDEX TO EXHIBITS

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[VINSON & ELKINS L.L.P. LETTERHEAD]

December 11, 2001

Plains All American Pipeline, L.P.
333 Clay Street, Suite 2900
Houston, Texas 77002

Plains All American Pipeline, L.P.
Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel for Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), in connection with the preparation of the Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933 of the offer and issuance of an aggregate of 450,000 common units (the "Common Units") and 496,117 subordinated units (the "Subordinated Units") of the Partnership, which includes 496,117 Common Units which may be issuable in exchange for Subordinated Units following conversion of the Subordinated Units to Common Units, that may be transferred from time to time pursuant to grants made under the Plains All American GP LLC 1998 Long-Term Incentive Plan, the Plains All American 2001 Performance Option Plan and the various individual Phantom MLP Unit Agreements identified in the Registration Statement (collectively, the "Plans").

In connection with the opinions expressed below, we have examined the Registration Statement, the Third Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement"), the Certificate of Limited Partnership of the Partnership (the "Certificate") filed with the Secretary of State of Delaware pursuant to the Delaware Revised Uniform Limited Partnership Act in connection with the formation of the Partnership, and such other documents as we have deemed necessary or appropriate for purposes of this opinion.

Based on the foregoing and subject to the qualifications and limitations set forth below, we are of the opinion that (i) the Partnership has been duly formed and is validly existing as a limited partnership under the Delaware Revised Uniform Limited Partnership Act (the "Delaware Act"); and (ii) the Common Units and the Subordinated Units to be transferred to participants under the Plans have been, or when issued in accordance with the provisions of the Plans or pursuant to other valid Partnership action, will be validly issued and are, or will be, as the case may be, fully paid and non-assessable, except as such non-assessability may be limited by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act.

We consent to the filing of this opinion of counsel as Exhibit 5.1 to the Registration Statement. In giving this consent, we do not admit that this firm is in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and regulations of the Securities and Exchange Commission promulgated thereunder.

This opinion is rendered on the date hereof and we disclaim any duty to advise you regarding any changes in the matters addressed herein.

Very truly yours,

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

VINSON & ELKINS L.L.P.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated March 22, 2001, except Note 19 which is as of August 27, 2001, relating to the consolidated financial statements and the combined financial statements, which appear in the Current Report on Form 8-K of Plains All American Pipeline, L.P. dated August 27, 2001. We also consent to the incorporation by reference of our report dated August 27, 2001 relating to the balance sheet of Plains AAP, L.P., which appears in Plains All American Pipeline L.P.'s Current Report on Form 8-K dated August 27, 2001.

Houston, Texas
December 11, 2001

PLAINS ALL AMERICAN GP LLC
1998 LONG-TERM INCENTIVE PLAN

SECTION 1. Purpose and History of the Plan.

(a) Purpose. The Plains All American GP LLC 1998 Long-Term Incentive Plan (the "Plan") (formerly known as the Plains All American Inc. 1998 Long-Term Incentive Plan) is intended to promote the interests of Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), by providing to employees and directors of Plains All American GP LLC (the "Company") and its Affiliates who perform services for the Partnership incentive compensation awards for superior performance that are based on Units. The Plan is also contemplated to enhance the ability of the Company and its Affiliates to attract and retain the services of individuals who are essential for the growth and profitability of the Partnership and to encourage them to devote their best efforts to the business of the Partnership, thereby advancing the interests of the Partnership and its partners.

(b) History. The Plan was initially established by Plains All American Inc. On June 8, 2001, the Plan was amended by the Board of Directors of Plains All American Inc. Effective on June 30, 2001, the Plan, as amended, and all outstanding Awards thereunder were assumed by the Company. Notwithstanding anything in the Plan or an Award agreement that provides for the termination of the Award upon the Participant's termination of employment with Plains All American Inc. and its Affiliates, the transfer of a Participant's employment to the Company pursuant to the Pension and Employee Benefits Assumption and Transition Agreement shall be deemed not to be a termination of the Participant's employment for purposes of such Award. The Plan is herein set forth and restated as amended.

SECTION 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Award" means an Option or Restricted Unit granted under the Plan.

"Board" means the Board of Directors of the Company.

"Committee" means the Compensation Committee of the Board or such other committee of the Board appointed to administer the Plan.

"DER" means a contingent right, granted in tandem with a specific Restricted Unit, to receive an amount in cash equal to the cash distributions made by the Partnership with respect to a Unit during the period such Restricted Unit is outstanding.

"Director" means a "non-employee director" of the Company as defined in Rule 16b-3.

"Employee" means any employee of the Company or an Affiliate, as determined by the Committee.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means the closing sales price of a Unit on the applicable date (or if there is no trading in the Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Units are not publicly traded at the time a determination of fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Committee.

"Option" means an option to purchase Units granted under the Plan.

"Participant" means any Employee or Director granted an Award under the Plan.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Restricted Period" means the period established by the Committee with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant. Notwithstanding anything in the Plan to the contrary, the Restricted Period with respect to any Award granted to an Employee may not terminate prior to the end of the Subordination Period (as defined in the Partnership Agreement).

"Restricted Unit" means a phantom unit granted under the Plan which upon or following vesting entitles the Participant to receive a Unit.

"Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SEC" means the Securities and Exchange Commission, or any successor thereto.

"Unit" means a Common Unit of the Partnership.

SECTION 3. Administration.

The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Subject to the following, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan,

including the power to grant Awards under the Plan, to the Chief Executive Officer of the Company, subject to such limitations on such delegated powers and duties as the Committee may impose. Upon any such delegation all references in the Plan to the "Committee", other than in Section 7, shall be deemed to include the Chief Executive Officer; provided, however, that such delegation shall not limit the Chief Executive Officer's right to receive Awards under the Plan. Notwithstanding the foregoing, the Chief Executive Officer may not grant Awards to, or take any action with respect to any Award previously granted to, a person who is an officer subject to Rule 16b-3 or a member of the Board. Subject to the foregoing limitation, the Chief Executive Officer is deemed to have been delegated the power hereunder, at any time on or after June 8, 2001, to grant (i) Awards of up to 100,000 Units and (ii) Awards to newly hired Employees. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of Units to be covered by Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited; (vi) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan; (vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, the Partnership, any Affiliate, any Participant, and any beneficiary of any Award.

SECTION 4. Units Available for Awards.

(a) Units Available. Subject to adjustment as provided in Section 4(c), the number of Units with respect to which Awards may be granted under the Plan is 1,425,000. If any Award is forfeited or otherwise terminates or is canceled without the delivery of Units, then the Units covered by such Award, to the extent of such forfeiture, termination or cancellation, shall again be Units with respect to which Awards may be granted.

(b) Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award shall consist, in whole or in part, of Units acquired in the open market, from any Affiliate, the Partnership or any other Person, or any combination of the foregoing, as determined by the Committee in its discretion; provided, however, in no event may the number of Units acquired in an issuance from the Partnership for delivery pursuant to Awards granted under the Plan exceed 975,000.

(c) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Units, other securities, or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to

prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Units (or other securities or property) with respect to which Awards may be granted, (ii) the number and type of Units (or other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, that the number of Units subject to any Award shall always be a whole number.

SECTION 5. Eligibility.

Any Employee and Director shall be eligible to be designated a Participant.

SECTION 6. Awards.

(a) Options. The Committee shall have the authority to determine the Employees and Directors to whom Options shall be granted, the number of Units to be covered by each Option, the purchase price therefor and the conditions and limitations applicable to the exercise of the Option, including the following terms and conditions and such additional terms and conditions, as the Committee shall determine, that are not inconsistent with the provisions of the Plan.

(i) Exercise Price. The purchase price per Unit purchasable under an Option shall be determined by the Committee at the time the Option is granted but shall not be less than its Fair Market Value as of the date of grant.

(ii) Time and Method of Exercise. The Committee shall determine the Restricted Period, i.e., the time or times at which an Option may be exercised in whole or in part, and the method or methods by which payment of the exercise price with respect thereto may be made or deemed to have been made which may include, without limitation, cash, check acceptable to the Company, a "cashless-broker" exercise (through procedures approved by the Company), other securities or other property, a note from the Participant (in a form acceptable to the Company), or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price.

(iii) Term. Subject to earlier termination as provided in the grant agreement or the Plan, each Option shall expire on the 10th anniversary of its date of grant.

(iv) Forfeiture. Except as otherwise provided in the terms of the Option grant, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Options shall be forfeited by the Participant. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Options.

(b) Restricted Units. The Committee shall have the authority to determine the Employees and Directors to whom Restricted Units shall be granted, the number of Restricted Units to be granted to each such Participant, the duration of the Restricted Period, the conditions under which the Restricted Units may become vested or forfeited, and such other terms and

conditions as the Committee may establish with respect to such Awards, including whether DERs are granted with respect to such Restricted Units.

(i) DERs. To the extent provided by the Committee, in its discretion, a grant of Restricted Units may include a tandem DER grant, which may provide that such DERs shall be paid directly to the Participant, be credited to a bookkeeping account (with or without interest in the discretion of the Committee) subject to the same restrictions as the tandem Award, or be subject to such other provisions or restrictions as determined by the Committee in its discretion. Notwithstanding the foregoing however, DERs shall not be granted with respect to any Award prior to the end of the Subordination Period

(ii) Forfeiture. Except as otherwise provided in the terms of the Restricted Units grant, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Restricted Units shall be forfeited by the Participant. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Restricted Units.

(iii) Lapse of Restrictions. Upon the vesting of each Restricted Unit, the Participant shall be entitled to receive from the Company one Unit, subject to the provisions of Section 8(b).

(c) General.

(i) Awards May Be Granted Separately or Together. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award granted under the Plan or any award granted under any other plan of the Company or any Affiliate, including the Management Incentive Plan. Awards granted in addition to or in tandem with other Awards or awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(ii) Limits on Transfer of Awards.

(A) Except as provided in (C) below, each Option shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution.

(B) Except as provided in (C) below, no Award and no right under any such Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

(C) To the extent specifically provided by the Committee with respect to an Option grant, an Option may be transferred by a Participant without consideration to immediate family members or related family trusts, limited

partnerships or similar entities or on such terms and conditions as the Committee may from time to time establish.

(iii) Term of Awards. The term of each Award shall be for such period as may be determined by the Committee.

(iv) Unit Certificates. All certificates for Units or other securities of the Partnership delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(v) Consideration for Grants. Awards may be granted for no cash consideration or for such consideration as the Committee determines including, without limitation, such minimal cash consideration as may be required by applicable law.

(vi) Delivery of Units or other Securities and Payment by Participant of Consideration. Notwithstanding anything in the Plan or any grant agreement to the contrary, delivery of Units pursuant to the exercise or vesting of an Award may be deferred for any period during which, in the good faith determination of the Committee, the Company is not reasonably able to obtain Units to deliver pursuant to such Award without violating the rules or regulations of any applicable law or securities exchange. No Units or other securities shall be delivered pursuant to any Award until payment in full of any amount required to be paid pursuant to the Plan or the applicable Award grant agreement (including, without limitation, any exercise price or tax withholding) is received by the Company. Such payment may be made by such method or methods and in such form or forms as the Committee shall determine, including, without limitation, cash, other Awards, withholding of Units, cashless-broker exercises with simultaneous sale, or any combination thereof; provided that the combined value, as determined by the Committee, of all cash and cash equivalents and the Fair Market Value of any such Units or other property so tendered to the Company, as of the date of such tender, is at least equal to the full amount required to be paid to the Company pursuant to the Plan or the applicable Award agreement.

SECTION 7. Amendment and Termination.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award agreement or in the Plan:

(i) Amendments to the Plan. Except as required by applicable law or the rules of the principal securities exchange on which the Units are traded and subject to Section 7(ii) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner, including increasing the number of Units available for Awards under the Plan, without the consent of any partner, Participant, other holder or beneficiary of an Award, or other Person; provided, however, that no amendment may

be made without the approval of a Unit Majority (as defined in the Partnership Agreement) that would either accelerate, with respect to an Award granted to an Employee, vesting to a date prior to the end of the Subordination Period or permit DERs to be granted prior to the end of the Subordination Period.

(ii) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 7(iii), in any Award shall materially reduce the benefit to Participant without the consent of such Participant.

(iii) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(c) of the Plan) affecting the Partnership or the financial statements of the Partnership, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

SECTION 8. General Provisions.

(a) No Rights to Awards. No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) Withholding. The Company or any Affiliate is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, Units that would otherwise be issued pursuant to such Award or other property) of any applicable taxes payable in respect of the grant of an Award, its exercise, the lapse of restrictions thereon, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate or to remain on the Board, as applicable. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award agreement.

(d) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

(e) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it

cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(f) Other Laws. The Committee may refuse to issue or transfer any Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer of such Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Units are then traded, or entitle the Partnership or an Affiliate to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

(g) No Trust or Fund Created. Neither the Plan nor the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or any Affiliate.

(h) No Fractional Units. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(i) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 9. Term of the Plan.

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

PLAINS ALL AMERICAN
2001 PERFORMANCE OPTION PLAN

SECTION 1. Purpose of the Plan.

The Plains All American 2001 Performance Option Plan (the "Plan") is intended to promote the interests of Plains All American Pipeline, L.P., a Delaware limited partnership (the "Partnership"), by providing to employees of Plains All American GP, LLC and Plains AAP, L.P. (together, the "Company") and their Affiliates who perform services for the Partnership incentive compensation awards for superior performance that are based on Units.

SECTION 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Award" means an Option granted under the Plan.

"Board" means the Board of Directors of Plains All American GP, LLC.

"Committee" means the Board or such committee of the Board appointed to administer the Plan.

"Employee" means any employee of the Company or an Affiliate, as determined by the Committee.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means the closing sales price of a Unit on the applicable date (or if there is no trading in the Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Units are not publicly traded at the time a determination of fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Company.

"Option" means an option to purchase Units granted under the Plan.

"Participant" means any Employee granted an Award under the Plan.

"Partnership Agreement" means the Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., as it may be amended from time to time.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Restricted Period" means the period established by the Committee with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.

"Section 16(b)" means Section 16(b) of the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SEC" means the Securities and Exchange Commission, or any successor thereto.

"Unit" means a Subordinated Unit of the Partnership (or, to the extent converted pursuant to the terms of the Partnership Agreement, a Common Unit of the Partnership).

SECTION 3. Administration.

The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Subject to the following, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan, including the power to grant Awards under the Plan, to the Chief Executive Officer of the Company, subject to such limitations on such delegated powers and duties as the Committee may impose. Upon any such delegation all references in the Plan to the "Committee", other than in Section 7, shall be deemed to include the Chief Executive Officer; provided, however, that such delegation shall not limit the Chief Executive Officer's right to receive Awards under the Plan. Notwithstanding the foregoing, the Chief Executive Officer may not grant Awards to, or take any action with respect to any Award previously granted to, a person who is an officer subject to Section 16(b) or a member of the Board. Subject to the foregoing limitation, the Chief Executive Officer is deemed to have been delegated the power hereunder to grant Options with respect to Employees who are not subject to Section 16(b). Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the number of Units to be covered by Awards; (iii) determine the terms and conditions of any Award; (iv) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited; (v) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan; (vi) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (vii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, the Partnership, any Affiliate, any Participant, and any beneficiary of any Award.

SECTION 4. Units Available for Awards.

(a) Units Available. Subject to adjustment as provided in Section 4(c), the number of Units with respect to which Awards may be granted under the Plan is 450,000. If any Award is forfeited or otherwise terminates or is canceled without the delivery of Units, or if Units are withheld for payment of exercise price or taxes, then the Units covered by such Award, to the extent of such forfeiture, termination, cancellation or withholding, shall again be Units with respect to which Awards may be granted.

(b) Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award shall consist, in whole or in part, of Units owned by Plains AAP, L.P. or Units acquired in the open market, from any Affiliate, the Partnership (provided applicable exchange requirements or other laws permit such primary issuance) or any other Person, or any combination of the foregoing, as determined by the Committee in its discretion.

(c) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Units, other securities, or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Units (or other securities or property) with respect to which Awards may be granted, (ii) the number and type of Units (or other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, that the number of Units subject to any Award shall always be a whole number.

SECTION 5. Eligibility.

Any Employee shall be eligible to be designated a Participant.

SECTION 6. Options.

The Committee shall have the authority to determine the Employees to whom Options shall be granted, the number of Units to be covered by each Option, the purchase price therefor and the conditions and limitations applicable to the exercise of the Option, including the following terms and conditions and such additional terms and conditions, as the Committee shall determine, that are not inconsistent with the provisions of the Plan:

(i) Exercise Price. The purchase price per Unit purchasable under an Option shall be determined by the Committee, which, in its discretion, may provide for adjustment after the date of grant for distributions made with respect to Units.

(ii) Time and Method of Exercise. The Committee shall determine the Restricted Period, i.e., the time or times at which an Option may be exercised in whole or

in part, and the method or methods by which payment of the exercise price with respect thereto may be made or deemed to have been made in accordance with clause (vii) below.

(iii) Term. Subject to earlier termination as provided in the grant agreement or the Plan, each Option shall expire on the 10th anniversary of its date of grant.

(iv) Forfeiture. Except as otherwise provided in the terms of any grant agreement, upon termination of a Participant's employment with the Company and its Affiliates for any reason during the applicable Restricted Period, all unvested Options shall be forfeited by the Participant. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Options.

(v) Limits on Transfer of Awards.

(A) Except as provided in (C) below or otherwise provided in the terms of any grant agreement, each Option shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution.

(B) Except as provided in (C) below or otherwise provided in the terms of any grant agreement, no Award and no right under any such Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

(C) To the extent specifically provided by the Committee with respect to a grant, an Option may be transferred by a Participant without consideration to immediate family members or related family trusts, limited partnerships or similar entities or on such terms and conditions as the Committee may from time to time establish.

(vi) Unit Certificates. All certificates for Units or other securities of the Partnership delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(vii) Delivery of Units or other Securities and Payment by Participant of Consideration. Notwithstanding anything in the Plan or any grant agreement to the contrary, delivery of Units pursuant to the exercise of an Award may be deferred for any period during which, in the good faith determination of the Committee, the Company is not reasonably able to obtain Units to deliver pursuant to such Award without violating the rules or regulations of any applicable law or securities exchange. No Units or other securities shall be delivered pursuant to any Award until payment in full of any amount

required to be paid pursuant to the Plan or the applicable Award grant agreement (including, without limitation, any exercise price or tax withholding) is received by the Company. Such payment may be made by such method or methods and in such form or forms as set forth in any grant agreement or as the Committee shall determine, including, without limitation, cash, other Awards, Units (including withholding of Units that would otherwise be issued pursuant to such Award), cashless-broker exercises with simultaneous sale, or any combination thereof; provided that the combined value, as determined by the Company, of all cash and cash equivalents and the Fair Market Value of any such Units or other property so tendered to the Company, as of the date of such tender, is at least equal to the full amount required to be paid to the Company pursuant to the Plan or the applicable Award agreement.

SECTION 7. Amendment and Termination.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award agreement or in the Plan:

(i) Amendments to the Plan. Except as required by applicable law or the rules of the principal securities exchange on which the Units are traded and subject to Section 7(ii) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner, including increasing the number of Units available for Awards under the Plan, without the consent of any partner, Participant, other holder or beneficiary of an Award, or other Person.

(ii) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 7(iii), in any Award shall materially reduce the benefit to a Participant without the consent of such Participant.

(iii) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(c) of the Plan) affecting the Partnership or the financial statements of the Partnership, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

SECTION 8. General Provisions.

(a) No Rights to Awards. No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) Withholding. The Company or any Affiliate is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, Units that would

otherwise be issued pursuant to such Award or other property) of any applicable taxes payable in respect of the grant of an Award, its exercise, the lapse of restrictions thereon, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate or to remain on the Board, as applicable. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award agreement.

(d) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

(e) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(f) Other Laws. The Committee may refuse to issue or transfer any Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer or such Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Units are then traded, or entitle the Partnership or an Affiliate to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

(g) No Trust or Fund Created. Neither the Plan nor the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or any Affiliate.

(h) No Fractional Units. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(i) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 9. Term of the Plan.

The Plan shall be effective as of June 7, 2001 and shall continue until the date terminated by the Board or Units are no longer available for grants of Awards under the Plan, whichever occurs first. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and Greg L. Armstrong (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 8,548 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	5,438	3/19/02
(ii)	3,110	4/15/02

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

(F/K/A PLAINS ALL AMERICAN INC.)

By _____

GRANTEE

Greg L. Armstrong

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and A. Patrick Diamond (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 12,418 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	4,139	8/1/01
(ii)	4,139	8/1/02
(iii)	4,140	8/1/03

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units

granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

F/K/A PLAINS ALL AMERICAN INC.

By _____

GRANTEE

A. Patrick Diamond

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and Phillip D. Kramer (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 9,742 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	5,438	3/19/02
(ii)	4,304	4/12/02

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

F/K/A PLAINS ALL AMERICAN INC.

By _____

GRANTEE

Phillip D. Kramer

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and Tim Moore (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 11,619 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	3,873	4/17/02
(ii)	3,873	4/17/03
(iii)	3,873	4/16/04

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units

granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

F/K/A PLAINS ALL AMERICAN INC.

By _____

GRANTEE

Tim Moore

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and Harry N. Pefanis (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 4,602 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	3,372	3/19/02
(ii)	1,230	4/12/02

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

F/K/A PLAINS ALL AMERICAN INC.

By

GRANTEE

.....
Harry N. Pefanis

PHANTOM MLP UNIT AGREEMENT

This Agreement is made by and between Plains Holdings Inc., formerly known as Plains All American Inc. (the "Company"), and Al Swanson (the "Grantee").

WHEREAS, the Grantee holds unvested stock options (the "Unvested Options") with respect to common stock of Plains Resources Inc. granted to him pursuant to the Plains' 1996 Stock Incentive Plan (the "1996 Plan"); and

WHEREAS, the Grantee will become an employee of Plains All American GP LLC (the "GP LLC") and such Unvested Options shall terminate; and

WHEREAS, the Company desires to grant the Grantee Phantom MLP Units with tandem DERs to replace the Unvested Option;

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant. The Company hereby grants to the Grantee 4,436 Phantom MLP Units with an equal number of tandem distribution equivalent rights ("DERs"). A Phantom MLP Unit is a right to receive, upon vesting as provided below, a subordinated unit of Plains All American Pipeline, L.P. (the "MLP") (or, to the extent such subordinated units have been converted into common units, in common units of the MLP ("Units")). A tandem DER is a right to receive an amount in cash equal to the distributions made by the MLP with respect to a Unit during the period beginning on June 30, 2001 and ending on the later of the date the tandem Phantom MLP Unit becomes vested or paid, as provided below.

2. Terms of Phantom MLP Units/DERs.

(a) Subject to the further provisions below, the Phantom MLP Units will become vested (payable) as follows:

	Units -----	Vesting Date -----
(i)	1,109	11/10/01
(ii)	1,109	11/10/02
(iii)	1,109	11/10/03
(iv)	1,109	11/10/04

(b) In the event of the Grantee's termination of employment with the GP LLC and its affiliates for any reason other than his death or a "disability", as defined in the 1996 Plan ("Disability"), all of his then outstanding Phantom MLP Units granted pursuant to this Agreement and not then vested shall automatically be forfeited unpaid as of the Grantee's date of termination.

(c) In the event of the Grantee's termination of employment with the GP LLC and its affiliates due to his death or Disability, all of his Phantom MLP Units shall immediately vest.

(d) Vested Phantom MLP Units will be paid on each vesting date. "Paid" or "payment" refers to transfer of record ownership.

(e) Tandem DERs with respect to the Phantom MLP Units will be credited (without interest), as of the record date of any distribution made by the MLP, to a ledger account (the "DER Account") for the benefit of the Grantee and upon payment of any vested Phantom MLP Units (including any vested units withheld pursuant to Section 3 below), the amounts then credited to the DER Account with respect to such vested units will be paid to the Grantee in cash. Any amount credited to the DER Account with respect to unvested MLP Phantom Units will be forfeited if and at the time such tandem MLP Phantom Units are forfeited.

(f) The Phantom MLP Units and tandem DERs may not be assigned, pledged, encumbered or alienated in any manner by the Grantee, other than by will or the laws of descent and distribution.

3. Taxes. Upon the payment of the Phantom MLP Units and DERs, the Company will cause all taxes due as required by applicable law to be withheld. The Grantee may elect to have such taxes and any additional taxes withheld by withholding a number of Units otherwise payable to the Grantee.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of June 30, 2001.

PLAINS HOLDINGS INC.

F/K/A PLAINS ALL AMERICAN INC.

By

GRANTEE

Al Swanson