

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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|---|--|--|
| 1. Name and Address of Reporting Person* <u>Plains All American GP LLC</u> (Last) (First) (Middle) <u>333 CLAY STREET, SUITE 1600</u> (Street) <u>HOUSTON TX 77002</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>PAA NATURAL GAS STORAGE LP [PNG]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>05/05/2011</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Units | 05/05/2011 | | X | | 62,500 | D | \$0 ⁽¹⁾ | 28,210,370 | I | See Note ⁽²⁾ |
| Common Units | 05/05/2011 | | P ⁽³⁾ | | 3,828 | A | \$23.27 | 28,206,542 | I | See Note ⁽²⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|--|--|---|--|-------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Phantom Common Units ⁽⁴⁾ | \$0 ⁽¹⁾ | 05/05/2011 | | X | | | 62,500 | 05/05/2011 | 05/05/2012 | Common Units | 62,500 | \$0 | 0 | I | See Note ⁽²⁾ |

1. Name and Address of Reporting Person*
Plains All American GP LLC
 (Last) (First) (Middle)
333 CLAY STREET, SUITE 1600
 (Street)
HOUSTON TX 77002
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
Plains AAP, L.P.
 (Last) (First) (Middle)
333 CLAY STREET, SUITE 1600
 (Street)
HOUSTON TX 77002
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
PAA GP LLC

(Last) (First) (Middle)

333 CLAY STREET, SUITE 1600

(Street)

HOUSTON TX 77002

(City)

(State)

(Zip)

1. Name and Address of Reporting Person *

PLAINS ALL AMERICAN PIPELINE LP

(Last) (First) (Middle)

333 CLAY STREET, SUITE 1600

(Street)

HOUSTON TX 77002

(City)

(State)

(Zip)

Explanation of Responses:

- 1-for-1 common units of PNG for phantom units granted by PAA under Transaction Grant Agreements dated September 9, 2010.
- PAA GP LLC, is the general partner of Plains All American Pipeline, L.P. ("PAA"), the record holder of the units. Plains AAP, L.P. owns all of the membership interests in PAA GP LLC and Plains All American GP LLC is the general partner of Plains AAP, L.P. Accordingly, Plains All American GP LLC, Plains AAP, L.P. and PAA GP LLC may be deemed to be indirect beneficial owners of any securities held by PAA. PAA is also the sole member of PNGS GP LLC, which is the general partner of the Issuer.
- Units withheld for taxes.
- Phantom Common Units granted by PAA to Greg L. Armstrong, Harry N. Pefanis and Al Swanson pursuant to Transaction Grant Agreements dated September 9, 2010.

Remarks:

/s/ Tim Moore, Vice President 05/05/2011

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.