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

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1999

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number: 1-14569

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

DELAWARE	76-0582150
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

500 DALLAS STREET
HOUSTON, TEXAS 77002
(Address of principal executive offices)
(Zip Code)

(713) 654-1414
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES |X| NO ______

At August 11, 1999, there were outstanding 20,059,239 Common Units, 1,307,190 Class B Common Units and 10,029,619 Subordinated Units.

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PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT UNIT DATA)

	JUNE 30 1999	DECEMBER 31, 1998
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 12,133	$ 5,503
Accounts receivable	343,393	119,514
Inventory	55,707	37,711
Prepaid expenses and other	2,111	1,101
Total current assets	413,344	163,829
PROPERTY AND EQUIPMENT		
Crude oil pipeline, gathering and terminal assets	507,770	378,254
Other property and equipment	2,209	581
	509,979	378,835
Less allowance for depreciation and amortization	(6,432)	(799)
	503,547	378,036
OTHER ASSETS		
Pipeline linefill	70,572	54,511
Other	19,323	10,810
	$ 1,006,786	$ 607,186
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	$ 370,500	$ 136,980
Due to affiliates	16,482	7,768
Notes payable and current maturities of long-term debt	22,650	9,750
Total current liabilities	409,632	154,498
LONG-TERM LIABILITIES		
Bank debt	289,350	175,000
Other	1,264	45
Total liabilities	700,246	329,543
PARTNERS' CAPITAL		
Common unitholders (20,059,239 units outstanding at June 30, 1999 and December 31, 1998)	259,184	256,997
Class B Common unitholders (1,307,190 units outstanding at June 30, 1999)	25,295	-
Subordinated unitholders (10,029,619 units outstanding at June 30, 1999 and December 31, 1998)	20,546	19,454
General Partner	1,515	1,192
	306,540	277,643
	$ 1,006,786	$ 607,186

See notes to consolidated and combined financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME
(UNAUDITED) (IN THOUSANDS, EXCEPT PER UNIT DATA)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
		(PREDECESSOR)		(PREDECESSOR)
REVENUES	$ 862,524	$ 163,222	$ 1,318,284	$ 330,683
COST OF SALES AND OPERATIONS	836,312	158,026	1,272,244	321,483
Gross Margin	26,212	5,196	46,040	9,200
EXPENSES				
General and administrative	5,769	1,055	7,947	2,041
Depreciation and amortization	3,840	318	6,671	621
Total expenses	9,609	1,373	14,618	2,662
Operating income	16,603	3,823	31,422	6,538
Interest expense	4,720	179	7,913	328
Related party interest expense	-	750	-	1,500
Other expense	-	-	410	-
Interest and other income	(190)	(404)	(287)	(581)
Net income before provision in lieu of income taxes	12,073	3,298	23,386	5,291
Provision in lieu of income taxes	-	1,284	-	2,037
NET INCOME	$ 12,073	$ 2,014	$ 23,386	$ 3,254
NET INCOME - LIMITED PARTNERS	$ 11,832	$ 1,974	$ 22,918	$ 3,189
NET INCOME - GENERAL PARTNER	$ 241	$ 40	$ 468	$ 65
BASIC AND DILUTED NET INCOME PER LIMITED PARTNER UNIT	$ 0.38	$ 0.12	$ 0.75	$ 0.19
WEIGHTED AVERAGE UNITS OUTSTANDING	30,807	17,004	30,450	17,004

See notes to consolidated and combined financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED) (IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998 (PREDECESSOR)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 23,386	$ 3,254
Items not affecting cash flows from operating activities:		
Depreciation and amortization	6,671	621
Change in payable in lieu of deferred taxes	-	783
Other non cash items	182	-
Change in assets and liabilities:		
Accounts receivable	(74,788)	6,673
Inventory	(1,176)	(9,066)
Prepaid expenses and other	966	146
Accounts payable and other current liabilities	60,233	(5,395)
Pipeline linefill	(3)	-
Net cash provided by (used in) operating activities	15,471	(2,984)
CASH FLOWS FROM INVESTING ACTIVITIES		
Costs incurred in connection with acquisitions (see Note 2)	(141,971)	-
Additions to property and equipment	(4,832)	(455)
Disposals of property and equipment	155	1
Additions to other assets	(158)	(52)
Net cash used in investing activities	(146,806)	(506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from affiliates	8,731	4,166
Proceeds from issuance of Class B Common Units	25,000	-
Proceeds from long-term debt	187,621	-
Proceeds from short-term debt	24,150	17,900
Principal payments of long-term debt	(72,621)	-
Principal payments of short-term debt	(11,900)	(18,000)
Costs incurred for issuance of long-term debt in connection with acquisitions	(3,527)	-
Capital contribution from General Partner	252	-
Capital contribution from parent	-	28,701
Distributions to unitholders	(19,741)	-
Net cash provided by financing activities	137,965	32,767
Net increase in cash and cash equivalents	6,630	29,277
Cash and cash equivalents, beginning of period	5,503	2
Cash and cash equivalents, end of period	$ 12,133	$ 29,279

See notes to consolidated and combined financial statements.

NOTE 1 -- ORGANIZATION AND ACCOUNTING POLICIES

Plains All American Pipeline, L.P. (the "Partnership" or "PAA") is a Delaware limited partnership formed in the third quarter of 1998, to acquire and operate the midstream crude oil business and assets of Plains Resources Inc. ("Plains Resources") and its wholly owned subsidiaries (the "Plains Midstream Subsidiaries" or the "Predecessor"). On November 23, 1998, the Partnership completed the initial public offering ("IPO") and the transactions whereby the Partnership became the successor to the business of the Predecessor. The operations of the Partnership are conducted through Plains Marketing, L.P., All American Pipeline, L.P. and Plains Scurlock Permian, L.P. ("Plains Scurlock"). Plains All American Inc. ("PAAI"), a wholly owned subsidiary of Plains Resources, is the general partner ("General Partner") of the Partnership. The Partnership is engaged in interstate and intrastate crude oil pipeline transportation and crude oil gathering and marketing activities and terminalling and storage activities. The Partnership's operations are primarily conducted in California, Texas, Oklahoma, Louisiana and the Gulf of Mexico.

The accompanying financial statements and related notes present the consolidated financial position as of June 30, 1999, of the Partnership and the results of its operations for the three and six months ended June 30, 1999 and its cash flows for the six months ended June 30, 1999. The combined financial statements of the Predecessor include the accounts of the Plains Midstream Subsidiaries.

The accompanying unaudited financial statements have been prepared in accordance with the instructions for interim financial reporting as prescribed by the Securities and Exchange Commission ("SEC"). For further information, refer to the consolidated and combined financial statements and notes thereto included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 1998, filed with the SEC. All material adjustments, consisting only of normal recurring adjustments, which in the opinion of management were necessary for a fair statement of the results for the interim periods, have been reflected. The results for the three and six months ended June 30, 1999 are not necessarily indicative of the final results to be expected for the full year. Certain reclassifications have been made to the prior year statements to conform to the current year presentation. All significant intercompany transactions have been eliminated.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 is effective for fiscal years beginning after June 15, 2000. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if so, the type of hedge transaction. For fair value hedge transactions in which the Partnership is hedging changes in an asset's, liability's, or firm commitment's fair value, changes in the fair value of the derivative instrument will generally be offset in the income statement by changes in the hedged item's fair value. For cash flow hedge transactions, in which the Partnership is hedging the variability of cash flows related to a variable-rate asset, liability, or a forecasted transaction, changes in the fair value of the derivative instrument will be reported in other comprehensive income. The gains and losses on the derivative instrument that are reported in other comprehensive income will be reclassified as earnings in the periods in which earnings are affected by the variability of the cash flows of the hedged item. The Partnership is required to adopt this statement beginning in 2001. The Partnership has not yet determined the effect that the adoption of SFAS 133 will have on its financial position or results of operations.

NOTE 2 -- ACQUISITIONS

SCURLOCK ACQUISITION

On May 12, 1999, Plains Scurlock, a limited partnership of which PAAI is the general partner and Plains Marketing, L.P. is the limited partner, completed the acquisition of Scurlock Permian LLC ("Scurlock") and certain other pipeline assets (the "Scurlock Acquisition") from Marathon Ashland Petroleum LLC ("MAP"). Including working capital adjustments and associated closing and financing costs, the cash purchase price was approximately $141 million.

Scurlock, previously a wholly owned subsidiary of MAP, is engaged in crude oil transportation, trading and marketing, operating in 14 states with more than 2,400 miles of active pipelines, numerous storage terminals and a fleet of more than 225 trucks. Its largest asset is an 800-mile pipeline and gathering system located in the Spraberry Trend in West Texas that extends into Andrews, Glasscock, Martin, Midland, Regan and Upton Counties, Texas. The assets acquired also include approximately 2.4 million barrels of crude oil.

Financing for the Scurlock Acquisition was provided through (i) a borrowing of approximately $92 million under Plains Scurlock's limited recourse bank facility with BankBoston, N.A. (the "Plains Scurlock Credit Facility"), (ii) the sale to the General Partner of 1.3 million Class B Common Units ("Class B Units") of PAA at $19.125 per unit, the price equal to the market value of PAA's common units ("Common Units") on May 12, 1999, for a total cash consideration of $25 million and (iii) a $25 million draw under PAA's existing revolving credit agreement.

The Plains Scurlock Credit Facility consists of (i) a five-year $126.6 million term loan and (ii) a three-year $35 million revolving credit facility. The Plains Scurlock Credit Facility is nonrecourse to PAA, Plains Marketing, L.P. and All American Pipeline, L.P. and is secured by the assets acquired. Borrowings under the term loan bear interest at the London Interbank Offering Rate ("LIBOR") plus 3% and under the revolving credit facility at LIBOR plus 2.75%. A commitment fee equal to one-half of one percent per year is charged on the unused portion of the revolving credit facility. The revolving credit facility, which may be used for borrowings or letters of credit to support crude oil purchases, matures in May 2002. The term loan provides for principal amortization of $0.7 million annually beginning May 2000, with a final maturity of May 2004. As of June 30, 1999, letters of credit of approximately $15.2 million were outstanding under the revolver and borrowings of $90 million were outstanding under the term loan.

The Class B Units are initially pari passu with Common Units with respect to distributions, and after six months are convertible into Common Units upon approval of a majority of Common Unitholders. After such six month period, the Class B Unitholder may request that PAA call a meeting of Common Unitholders to consider approval of the conversion of Class B Units into Common Units. If the approval of such conversion by the Common Unitholders is not obtained within 120 days of such request (the "Initial Approval Period"), the Class B Unitholders will be entitled to receive distributions, on a per Unit basis, equal to 110% of the amount of distributions paid on a Common Unit, with such distribution right increasing to 115% if such approval is not secured within 90 days after the end of the Initial Approval Period. Except for the vote to approve the conversion, Class B Units have the same voting rights as the Common Units.

The assets, liabilities and results of operations of Scurlock are included in the Consolidated Financial Statements of the Partnership effective May 1, 1999. The Scurlock Acquisition has been accounted for using the purchase method of accounting and the purchase price was allocated in accordance with Accounting Principles Board Opinion No. 16, Business Combinations ("APB 16") as follows:

	in thousands
Crude oil pipeline, gathering and terminal assets	$ 124,615
Other property and equipment	1,546
Pipeline linefill	16,057
Other assets (debt issue costs)	3,100
Environmental accrual	(1,000)
Net working capital items	(3,090)
Cash paid	$ 141,228

The purchase price allocation was based on preliminary estimates of fair value and is subject to adjustment as additional information becomes available and is evaluated. The purchase accounting entries include a $1.0 million accrual for estimated environmental remediation costs. Under the agreement for the sale of Scurlock by MAP to Plains Scurlock, MAP has agreed to indemnify and hold harmless Scurlock and Plains Scurlock for claims, liabilities and losses (collectively "Losses") resulting from any act or omission attributable to Scurlock's business or properties occurring prior to the date of the closing of such sale to the extent the aggregate amount of such Losses exceed $1.0 million; provided however, that claims for such Losses must individually exceed $25,000 and must be asserted by Scurlock against MAP on or before May 15, 2003.

CHEVRON ASSET ACQUISITION

On July 15, 1999, Plains Scurlock completed the acquisition of a West Texas crude oil pipeline and gathering system from Chevron Pipe Line Company for approximately $36.6 million, including transaction costs (the "Chevron Asset Acquisition"). The principal assets acquired include approximately 450 miles of crude oil transmission mainlines, approximately 340 miles of associated gathering and lateral lines and approximately three million barrels of crude oil storage and terminalling capacity in Crane, Ector, Midland, Upton, Ward and Winkler Counties, Texas. Financing for the Chevron Asset Acquisition was provided by a draw of $36.6 million under the term loan portion of the Plains Scurlock Credit Facility.

Chevron U.S.A Inc., which currently transports approximately 24,000 barrels of crude oil per day on the system, will continue to transport its equity crude oil production from the region on the system under a twelve-year contractual arrangement.

PRO FORMA RESULTS FOR THE SCURLOCK ACQUISITION AND ALL AMERICAN PIPELINE ACQUISITION

The following unaudited pro forma data is presented to show pro forma revenues, net income and basic and diluted net income per limited partner unit as if the Scurlock Acquisition, which was effective May 1, 1999, and the acquisition of the All American Pipeline and the Celeron Gathering System (the "All American Acquisition"), which was effective July 30, 1998 had both occurred on January 1, 1998. The results for the six month period 1998 do not reflect certain pro forma adjustments as if the Partnership had been formed on January 1, 1998.

	SIX MONTHS ENDED JUNE 30,	
	1999	1998
Revenues	$ 2,367,672	$ 2,440,595
Net income	$ 31,250	$ 6,401
Basic and diluted net income per limited partner unit	$ 0.98	$ 0.34

NOTE 3 -- DISTRIBUTIONS

On February 12, 1999, the Partnership paid a cash distribution of $0.193 per unit on its outstanding Common Units and Subordinated Units. The distribution was paid to Unitholders of record at the close of business on January 29, 1999. The total distribution paid was approximately $5.9 million, with approximately $2.5 million paid to the Partnership's public Unitholders, and the remainder paid to the General Partner for its limited partner and general partner interests. The distribution represented a partial quarterly distribution for the 39-day period from November 23, 1998, the closing of the IPO, through December 31, 1998.

On May 14, 1999, the Partnership paid a cash distribution of $0.45 per unit on its outstanding Common Units and Subordinated Units. The distribution was paid to holders of record of Common Units and Subordinated Units at the close of business on May 3, 1999. The total distribution paid was approximately $13.8 million, with approximately $5.9 million paid to the Partnership's public Unitholders, and the remainder paid to the General Partner for its limited partner and general partner interests. This distribution was the first full quarterly distribution since the Partnership was formed.

On July 22, 1999, the Partnership declared a cash distribution of $0.4625 per Unit on its outstanding Common Units, Class B Units and Subordinated Units. The distribution is payable on August 13, 1999, to holders of record of such Units on August 3, 1999. The total distribution to be paid is approximately $14.9 million, with approximately $6.1 million to be paid to the Partnership's public Unitholders and the remainder to be paid to the General Partner for its limited and general partner interests. This distribution represents an increase of $.0125 per unit over the minimum quarterly distribution of $0.45 per unit.

NOTE 4 -- OPERATING SEGMENTS

The Partnership's operations consist of two operating segments: (i) Pipeline Operations - engages in interstate and intrastate crude oil pipeline transportation and related gathering and marketing activities; (ii) Marketing, Gathering, Terminalling and Storage Operations - engages in crude oil marketing, gathering, terminalling and storage activities other than related to Pipeline Operations. Prior to the July 1998 All American Acquisition, the Predecessor had only marketing, gathering, terminalling and storage operations; thus, no prior periods are presented. The Partnership evaluates segment performance based on gross margin, gross profit and income before income taxes and extraordinary items.

The following table summarizes segment revenues, gross margin, gross profit and income before income taxes and extraordinary items:

(IN THOUSANDS)	PIPELINE	MARKETING, GATHERING, TERMINALLING & STORAGE	TOTAL
THREE MONTHS ENDED JUNE 30, 1999			
Revenues:			
External Customers	$ 223,128	$ 639,396	$ 862,524
Intersegment (a)	19,470	(55)	19,415
Other	29	161	190
Total revenues of reportable segments	$ 242,627	$ 639,502	$ 882,129
Segment gross margin (b)	$ 12,917	$ 13,295	$ 26,212
Segment gross profit (c)	$ 12,189	$ 8,254	$ 20,443
Income before income taxes and extraordinary items	$ 6,035	$ 6,038	$ 12,073
SIX MONTHS ENDED JUNE 30, 1999			
Revenues:			
External Customers	$ 377,615	$ 940,669	$ 1,318,284
Intersegment (a)	34,775	-	34,775
Other	95	192	287
Total revenues of reportable segments	$ 412,485	$ 940,861	$ 1,353,346
Segment gross margin (b)	$ 24,936	$ 21,104	$ 46,040
Segment gross profit (c)	$ 23,413	$ 14,680	$ 38,093
Income before income taxes and extraordinary items	$ 11,509	$ 11,877	$ 23,386

(a) Intersegment sales were conducted on an arm's-length basis.
(b) Gross margin is calculated as revenues less cost of sales and operations expenses.
(c) Gross profit is calculated as revenues less cost of sales and operations and general and administrative expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

Plains All American Pipeline, L.P. (the "Partnership" or "PAA") is a limited partnership formed in the third quarter of 1998 to acquire and operate the midstream crude oil business and assets of Plains Resources Inc. ("Plains Resources") and its wholly owned subsidiaries (the "Plains Midstream Subsidiaries" or the "Predecessor"). On November 23, 1998, the Partnership completed the initial public offering ("IPO") and the transactions whereby the Partnership became the successor to the business of the Predecessor. The operations of the Partnership are conducted through Plains Marketing, L.P., All American Pipeline, L.P. and Plains Scurlock Permian, L.P. ("Plains Scurlock"). Plains All American Inc. ("PAAI"), a wholly owned subsidiary of Plains Resources, is the general partner ("General Partner") of the Partnership. The Partnership is engaged in interstate and intrastate crude oil pipeline transportation and crude oil gathering and marketing activities and terminalling and storage activities. The Partnership's operations are conducted primarily in California, Texas, Oklahoma, Louisiana and the Gulf of Mexico.

On May 12, 1999, Plains Scurlock completed the acquisition of Scurlock Permian LLC ("Scurlock") and certain other pipeline assets (the "Scurlock Acquisition") from Marathon Ashland Petroleum LLC ("MAP"). Including working capital adjustments and associated closing and financing costs, the cash purchase price was approximately $141 million. The assets, liabilities and results of operations of the Scurlock Acquisition are included in the Partnership's Consolidated Financial Statements effective May 1, 1999.

Scurlock, previously a wholly owned subsidiary of MAP, is engaged in crude oil transportation, trading and marketing, operating in 14 states with more than 2,400 miles of active pipelines, numerous storage terminals and a fleet of more than 225 trucks. Its largest asset is an 800-mile pipeline and gathering system located in the Spraberry Trend in West Texas that extends into Andrews, Glasscock, Martin, Midland, Regan and Upton Counties, Texas. The assets acquired also include approximately 2.4 million barrels of crude oil.

The Partnership owns and operates a 1,233-mile seasonally heated, 30-inch, common carrier crude oil pipeline extending from California to West Texas (the "All American Pipeline") and a 45-mile, 16-inch, crude oil gathering system in the San Joaquin Valley of California (the "SJV Gathering System"), both of which the Predecessor purchased from Wingfoot Ventures Seven, Inc. ("Wingfoot"), a wholly owned subsidiary of The Goodyear Tire & Rubber Company ("Goodyear") in July 1998 for approximately $400 million (the "All American Acquisition"). Prior to the All American Acquisition, the Predecessor had only gathering and marketing and terminalling and storage activities. The Partnership also owns and operates a three million barrel, above-ground crude oil terminalling and storage facility in Cushing, Oklahoma, (the "Cushing Terminal"). See Note 2 to the accompanying Consolidated and Combined Financial Statements for pro forma information giving effect to the acquisitions as if such transactions occurred on January 1, 1998.

RESULTS OF OPERATIONS

HISTORICAL RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1999 (PARTNERSHIP) AND THE THREE AND SIX MONTHS ENDED JUNE 30, 1998 (PREDECESSOR)

The historical results of operations discussed below are derived from the historical financial statements of the Partnership for the three and six months ended June 30, 1999, which include the results of the Scurlock Acquisition effective May 1, 1999, and the combined financial statements of the Predecessor for the three and six months ended June 30, 1998. The results of operations of the Predecessor for the three and six months ended June 30, 1998, do not include the results of operations of the All American Acquisition which was completed in July 1998.

PRO FORMA RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1998

The pro forma results of operations discussed below are derived from the historical financial statements of Wingfoot (which reflect the historical operating results of the All American Pipeline and the SJV Gathering System) and the Predecessor. The pro forma results of operations reflect certain pro forma adjustments to the historical results of operations as if the Partnership had been formed and the All American Acquisition had taken place on January 1, 1998. The pro forma adjustments include: (i) pro forma depreciation and amortization expense based on the purchase price of the Wingfoot assets by the Predecessor; (ii) the elimination of interest expense on loans from Goodyear to Wingfoot as all such debt was extinguished in connection with the All American Acquisition; (iii) the reduction in compensation and benefits expense due to the termination of personnel in connection with the All American Acquisition; (iv) the elimination of interest expense of the Predecessor related to debt owed to Plains Resources as such debt was extinguished in connection with the IPO; (v) pro forma interest on debt assumed by the Partnership on the closing date of the IPO and (vi) the elimination of income tax expense as income taxes will be borne by the partners and not the Partnership. The pro forma adjustments do not include additional general and administrative expenses that the General Partner believes will be incurred by the Partnership as a result of its being a separate public entity.

THREE MONTHS ENDED JUNE 30, 1999 AND 1998

The following table sets forth certain financial and operating information of the Partnership and the Predecessor for the periods presented (unaudited) (in thousands):

	THREE MONTHS ENDED JUNE 30,		
	1999	1998 (PREDECESSOR)	1998 (PRO FORMA)
Operating Results:			
Revenues	$ 862,524	$ 163,222	$ 346,404
Gross margin:			
Pipeline	$ 12,917	$ -	$ 13,010
Gathering and marketing and terminalling and storage	13,295	5,196	5,652
Total	26,212	5,196	18,662
General and administrative expense	(5,769)	(1,055)	(1,573)
Gross profit	$ 20,443	$ 4,141	$ 17,089
Net Income	$ 12,073	$ 2,014	$ 11,366
Average Daily Volumes (barrels):			
Pipeline Activities:			
All American			
Tariff activities	101	-	130
Margin activities	63	-	34
Other	25	-	-
Total	189	-	164
Lease gathering	314	83	103
Bulk purchases	161	109	109
Terminal throughput	84	83	83

For the three months ended June 30, 1999, the Partnership reported net income of $12.1 million, or $0.38 per limited partner unit, on total revenues of $862.5 million, compared to Predecessor net income of $2.0 million on total revenues of $163.2 million. Pro forma net income was $11.4 million on total revenues of $346.4 million for the 1998 second quarter.

PIPELINE OPERATIONS. Gross margin from pipeline operations was $12.9 million for the second quarter of 1999 compared to $13.0 million for the comparative period of 1998 on a pro forma basis. The decrease from the prior year resulted primarily from lower tariff transport volumes, partially due to lower production from Exxon's Santa Ynez Field and the Point Arguello Field, both offshore California. Such decrease was offset by an increase in gross margin from PAA's pipeline merchant activities and approximately $0.8 million of pipeline gross margin from the Scurlock Acquisition, for which two months of operations are included in the current period's results. Pipeline tariff revenues and tariff transport volumes from the All American Pipeline were approximately $9.4 million and 101,000 barrels per day, respectively, for the second quarter of 1999, compared to $16.4 million and 130,000 barrels per day, respectively, for the comparative period of 1998. The decrease in tariff volumes was offset by an increase in barrels shipped as part of PAA's merchant activities. Volumes related to such activities were 63,000 barrels per day in the current year period, which is an approximate 29,000 barrel per day increase in the volumes from last year's quarter on a pro forma basis. Operations and maintenance expenses were $6.8 million for the second quarter of 1999 as compared to $6.5 million for the same period of 1998.

In July 1999, Arguello Inc., a wholly owned subsidiary of Plains Resources, acquired Chevron USA's 26% working interest in the Point Arguello Field and will be the operator of record. Plains Resources has an approximate 59% ownership interest in PAA through its ownership of the General Partner.

The following table sets forth the All American Pipeline average deliveries per day within and outside California:

	THREE MONTHS ENDED JUNE 30,		
	1999	1998	1998
		(PREDECESSOR)	(PRO FORMA)
		(IN THOUSANDS)	
DELIVERIES:			
AVERAGE DAILY VOLUMES (BARRELS):			
Within California	101	-	111
Outside California	63	-	57
Total	164	-	168

GATHERING AND MARKETING ACTIVITIES AND TERMINALLING AND STORAGE ACTIVITIES. Gross margin from gathering, marketing, terminalling and storage activities was approximately $13.3 million for the second quarter of 1999. Approximately $6.2 million of this gross margin is attributable to the Scurlock Acquisition which was effective May 1, 1999. The Scurlock gross margin was generated on gathering volumes of approximately 192,000 barrels per day and bulk purchase volumes of approximately 71,000 barrels per day. Scurlock daily volumes are a two month average of activity from the date of acquisition through June 30, 1999.

Excluding the Scurlock Acquisition, gross margin from PAA's gathering, marketing, terminalling and storage activities was approximately $7.1 million for the second quarter of 1999, compared to $5.2 million and $5.7 million in the prior year comparative period for the Predecessor and on a pro forma basis, respectively. The increase is due to an increase in lease gathering volumes and storage capacity leased at the Cushing Terminal. Lease gathering volumes increased from an average of 103,000 barrels per day on a pro forma basis for the second quarter of 1998 to approximately 122,000 barrels per day in the current year quarter. Bulk purchase volumes declined from approximately 109,000 barrels per day in last year's quarter to approximately 90,000 barrels per day in the second quarter of 1999. This decrease is primarily due to a lesser volume of contango purchases and an increased amount of tankage that was leased to third parties at the Cushing Terminal. The one million barrel expansion of the Cushing Terminal was placed in service during the second quarter of 1999. Throughput volumes at PAA's terminals averaged approximately 84,000 barrels per day in the current year quarter, about flat with the 1998 comparative period average of 83,000 barrels per day. Average leased terminal capacity increased significantly from approximately 600,000 barrels per month in last year's quarter to 2.3 million barrels per month during the current year quarter.

General and administrative ("G&A") expenses were $5.8 million for the three months ended June 30, 1999, compared to $1.1 million and $1.6 million for the second quarter of 1998 for the Predecessor and on a pro forma basis, respectively. The increase in 1999 as compared to the 1998 pro forma amount is due to the Scurlock Acquisition (approximately $3.4 million), continued expansion of the Partnership's activities and expenses related to the operation of the Partnership as a public entity. These increases, in addition to G&A associated with the All American Acquisition, account for the increase in G&A from the 1998 second quarter Predecessor amount.

Depreciation and amortization expense was $3.8 million for the three months ended June 30, 1999, compared to $0.3 million for the Predecessor and $2.9 million on a pro forma basis, for the 1998 comparative period. The increase in depreciation and amortization from the Predecessor amount is due to the Scurlock Acquisition in May 1999 and the All American Acquisition in July 1998. The increase from the 1998 pro forma amount is attributable to the Scurlock Acquisition.

Interest expense was $4.7 million for the second quarter of 1999, compared to $0.9 million reported by the Predecessor and $3.2 million on a pro forma basis for the second quarter of 1998. The increase in interest expense from the Predecessor level is due to interest associated with the debt incurred for the Scurlock Acquisition and the All American Acquisition. The increase from the 1998 pro forma amount is primarily attributable to the Scurlock Acquisition and a slight increase in interest expense related to hedged inventory transactions. During the second quarter of 1999, the Partnership capitalized interest of approximately $69,000 related to the expansion of the Cushing Terminal.

SIX MONTHS ENDED JUNE 30, 1999 AND 1998

The following table sets forth certain financial and operating information of the Partnership and the Predecessor for the periods presented (unaudited) (in thousands):

	SIX MONTHS ENDED JUNE 30,		
	1999	1998 (PREDECESSOR)	1998 (PRO FORMA)
Operating Results:			
Revenues	$ 1,318,284	$ 330,683	$ 706,239
Gross margin:			
Pipeline	$ 24,936	$ -	$ 30,768
Gathering and marketing and terminalling and storage	21,104	9,200	10,102
Total	46,040	9,200	40,870
General and administrative expense	(7,947)	(2,041)	(3,094)
Gross profit	$ 38,093	$ 7,159	$ 37,776
Net Income	$ 23,386	$ 3,254	$ 26,247
Average Daily Volumes (barrels):			
Pipeline activities:			
All American			
Tariff activities	113	-	143
Margin activities	55	-	35
Other	25	-	-
Total	193	-	178
Lease gathering	313	82	102
Bulk purchases	163	102	102
Terminal throughput	79	75	75

For the six months ended June 30, 1999, the Partnership reported net income of $23.4 million, or $0.75 per limited partner unit, on total revenues of $1.3 billion compared to Predecessor net income of $3.3 million on total revenues of $330.7 million. Pro forma net income was $26.2 million on total revenues of $706.2 million for the six month period in 1998.

PIPELINE OPERATIONS. Gross margin from pipeline operations was $24.9 million for the first six months of 1999 compared to $30.8 million for the comparative period of 1998 on a pro forma basis. The decrease from the prior year resulted primarily from lower tariff transport volumes, partially due to lower production from Exxon's Santa Ynez Field and the Point Arguello Field, both offshore California. Such decrease was partially offset by an increase in gross margin from PAA's pipeline merchant activities and approximately $0.8 million of pipeline gross margin from the Scurlock Acquisition, for which two months of operations are included in the current period's results. Pipeline tariff revenues and tariff transport volumes from the All American Pipeline were approximately $22.0 million and 113,000 barrels per day, respectively, for the first half of 1999, compared to $33.9 million and 143,000 barrels per day, respectively, for the comparative period of 1998. The decrease in tariff volumes was partially offset by an increase in barrels shipped as part of PAA's merchant activities. Volumes related to such activities were 55,000 barrels per day in the current year period, which is an approximate 20,000 barrel per day increase in the volumes from last year's period on a pro forma basis. Operations and maintenance expenses were $13.0 million for the first half of 1999 as compared to $14.4 million for the same period of 1998.

In July 1999, Arguello Inc., a wholly owned subsidiary of Plains Resources, acquired Chevron USA's 26% working interest in the Point Arguello Field and will be the operator of record. Plains Resources has an approximate 59% ownership interest in PAA through its ownership of the General Partner.

The following table sets forth the All American Pipeline average deliveries per day within and outside California.

	SIX MONTHS ENDED JUNE 30,		
	1999	1998	1998
		(PREDECESSOR) (IN THOUSANDS)	(PRO FORMA)
DELIVERIES:			
AVERAGE DAILY VOLUMES (BARRELS):			
Within California	106	-	117
Outside California	62	-	61
Total	168	-	178

GATHERING AND MARKETING ACTIVITIES AND TERMINALLING AND STORAGE ACTIVITIES. Gross margin from gathering, marketing, terminalling and storage activities was approximately $21.1 million for the first half of 1999. Approximately $6.2 million of this gross margin is attributable to the Scurlock Acquisition which was effective May 1, 1999. The Scurlock gross margin was generated on gathering volumes of approximately 192,000 barrels per day and bulk purchase volumes of approximately 71,000 barrels per day. Scurlock daily volumes are a two month average of activity from the date of acquisition through June 30, 1999.

Excluding the Scurlock Acquisition, gross margin from PAA's gathering, marketing, terminalling and storage activities was approximately $14.9 million for the first half 1999, compared to $9.2 million and $10.1 million in the prior year comparative period for the Predecessor and on a pro forma basis, respectively. The increase is due to an increase in per barrel lease gathering margins, lease gathering volumes and storage capacity leased at PAA's crude oil terminal facilities. Lease gathering volumes increased from an average of 102,000 barrels per day on a pro forma basis for the first half of 1998 to approximately 121,000 barrels per day in the current year period. Bulk purchase volumes declined from approximately 102,000 barrels per day in the first half of 1998 to approximately 92,000 barrels per day in the 1999 comparative period. This decrease is primarily due to a lesser volume of contango purchases and an increased amount of tankage that was leased to third parties at the Cushing Terminal. The one million barrel expansion of the Cushing Terminal was placed in service during the second quarter of 1999. Throughput volumes at PAA's terminals averaged approximately 79,000 barrels per day in the current year period, up approximately 5% as compared to the 1998 first half average of 75,000 barrels per day. Average leased terminal capacity increased significantly from approximately 935,000 barrels per month in last year's first half to 2.0 million barrels per month during the current year period.

G&A expenses were $7.9 million for the six months ended June 30, 1999, compared to $2.0 million and $3.1 million for the same period in 1998 for the Predecessor and on a pro forma basis, respectively. The increase in 1999 as compared to the 1998 pro forma amount is due to the Scurlock Acquisition (approximately $3.4 million), increased expenses as a result of the continued expansion of the Partnership's activities and expenses related to the operation of the Partnership as a public entity. These increases, in addition to G&A associated with the All American Acquisition, account for the increase in G&A from the 1998 Predecessor amount.

Depreciation and amortization expense was $6.7 million for the six months ended June 30, 1999, compared to $0.6 million for the Predecessor and $5.7 million on a pro forma basis, respectively, for the 1998 comparative period. The increase in depreciation and amortization from the Predecessor amount is due to the Scurlock Acquisition in May 1999 and the All American Acquisition in July 1998. The increase from the 1998 pro forma amount is attributable to the Scurlock Acquisition.

In March 1999, the Partnership adopted a plan to reduce staff in its pipeline operations and to relocate certain functions. The Partnership incurred a charge to first quarter earnings of approximately $410,000 in connection with such plan. Such amount is reflected as other expense in the accompanying consolidated income statement for the six months ended June 30, 1999.

Interest expense was $7.9 million for the first half of 1999 compared to $1.8 million reported by the Predecessor and $6.4 million on a pro forma basis for the same period in 1998. The increase in interest expense from the Predecessor level is due to interest associated with the debt incurred for the Scurlock Acquisition and the All American Acquisition. The increase from the 1998 pro forma amount is primarily attributable to the Scurlock Acquisition and a slight increase in interest expense related to hedged inventory transactions. During the first half of 1999, the Partnership capitalized interest of approximately $0.1 million related to the expansion of the Cushing Terminal.

CAPITAL RESOURCES, LIQUIDITY AND FINANCIAL CONDITION

ACQUISITIONS

Scurlock

On May 12, 1999, Plains Scurlock, a limited partnership of which PAAI is the general partner and Plains Marketing, L.P. is the limited partner, completed the Scurlock Acquisition. Including working capital adjustments and associated closing and financing costs, the cash purchase price was approximately $141 million.

Financing for the Scurlock Acquisition was provided through (i) a borrowing of approximately $92 million under Plains Scurlock's limited recourse bank facility with BankBoston, N.A. (the "Plains Scurlock Credit Facility"), (ii) the sale to the General Partner of 1.3 million Class B Common Units ("Class B Units") of PAA at $19.125 per unit, the price equal to the market value of PAA's common units ("Common Units") on May 12, 1999, for a total cash consideration of $25 million and (iii) a $25 million draw under PAA's existing revolving credit agreement.

The Class B Units are initially pari passu with Common Units with respect to distributions, and after six months are convertible into Common Units upon approval of a majority of Common Unitholders. After such six month period, the Class B Unitholder may request that PAA call a meeting of Common Unitholders to consider approval of the conversion of Class B Units into Common Units. If the approval of such conversion by the Common Unitholders is not obtained within 120 days of such request (the "Initial Approval Period"), the Class B Unitholders will be entitled to receive distributions, on a per Unit basis, equal to 110% of the amount of distributions paid on a Common Unit, with such distribution right increasing to 115% if such approval is not secured within 90 days after the end of the Initial Approval Period. Except for the vote to approve the conversion, Class B Units have the same voting rights as the Common Units.

Chevron

On July 15, 1999, Plains Scurlock completed the acquisition of a West Texas crude oil pipeline and gathering system from Chevron Pipe Line Company for approximately $36.6 million, including transaction costs (the "Chevron Asset Acquisition"). The principal assets acquired include approximately 450 miles of crude oil transmission mainlines, approximately 340 miles of associated gathering and lateral lines and approximately three million barrels of crude oil storage and terminalling capacity in Crane, Ector, Midland, Upton, Ward and Winkler Counties, Texas. Financing for the Chevron Asset Acquisition was provided by a draw of $36.6 million under the term loan portion of the Plains Scurlock Credit Facility.

Chevron U.S.A Inc., which currently transports approximately 24,000 barrels of crude oil per day on the system, will continue to transport its equity crude oil production from the region on the system under a twelve-year contractual arrangement.

CREDIT AGREEMENTS

The Plains Scurlock Credit Facility consists of (i) a five-year $126.6 million term loan and (ii) a three-year $35 million revolving credit facility. The Plains Scurlock Credit Facility is nonrecourse to PAA, Plains Marketing, L.P. and All American Pipeline, L.P. and is secured by the assets acquired. Borrowings under the term loan bear interest at the London Interbank Offering Rate ("LIBOR") plus 3% and under the revolving credit facility at LIBOR plus 2.75%. A commitment fee equal to one-half of one percent per year is charged on the unused portion of the revolving credit facility. The revolving credit facility, which may be used for borrowings or letters of credit to support crude oil purchases, matures in May 2002. The term loan provides for principal amortization of $0.7 million annually beginning May 2000, with a final maturity of May 2004. As of June 30, 1999, letters of credit of approximately $15.2 million were outstanding under the revolver and borrowings of $90 million were outstanding under the term loan.

Concurrently with the closing of the IPO, the Partnership entered into a $225 million bank credit agreement (the "Bank Credit Agreement") that includes a $175 million term loan facility (the "Term Loan Facility") and a $50 million revolving credit facility (the "Revolving Credit Facility"). The Partnership may borrow up to $50 million under the Revolving Credit Facility for acquisitions, capital improvements, working capital and general business purposes. At June 30, 1999, the

Partnership had $175 million outstanding under the Term Loan Facility, representing indebtedness assumed from the General Partner and $25 million outstanding under the Revolving Credit Facility. The Term Loan Facility matures in 2005, and no principal is scheduled for payment prior to maturity. The Term Loan Facility may be prepaid at any time without penalty. The Revolving Credit Facility expires in November 2000.

The Partnership has a $175 million letter of credit and borrowing facility (the "Letter of Credit Facility"), the purpose of which is to provide (i) standby letters of credit to support the purchase and exchange of crude oil for resale and (ii) borrowings to finance crude oil inventory which has been hedged against future price risk or designated as working inventory. Aggregate availability under the Letter of Credit Facility for direct borrowings and letters of credit is limited to a borrowing base which is determined monthly based on certain current assets and current liabilities of the Partnership, primarily crude oil inventory and accounts receivable and accounts payable related to the purchase and sale of crude oil. At June 30, 1999, the borrowing base under the Letter of Credit Facility was $175 million. The Letter of Credit Facility has a $40 million sublimit for borrowings to finance crude oil purchased in connection with operations at the Partnership's crude oil terminal and storage facilities. At June 30, 1999, there were letters of credit of approximately $90.1 million and borrowings of $22 million outstanding under the Letter of Credit Facility.

PARTNERSHIP DISTRIBUTIONS

On July 22, 1999, the Partnership declared a cash distribution of $0.4625 per Unit on its outstanding Common Units, Class B Units and Subordinated Units. The distribution is payable on August 13, 1999, to holders of record of such Units on August 3, 1999. The total distribution to be paid is approximately $14.9 million, with approximately $6.1 million to be paid to the Partnership's public Unitholders and the remainder to be paid to the General Partner for its limited and general partner interests. This distribution represents an increase of $.0125 per unit over the minimum quarterly distribution of $0.45 per unit.

INVESTING AND FINANCING ACTIVITIES

Net cash flows used in investing activities were $146.8 million and $0.5 million for the six months ended June 30, 1999 and 1998, respectively. Investing activities for the 1999 period include payments of approximately $135.9 million related to the Scurlock Acquisition (net of Scurlock cash on hand at the acquisition date) and a $6.0 million deposit on the Chevron Asset Acquisition. Investing activities also include payments for expansion capital of $4.8 million and maintenance capital of $0.4 million for the six months ended June 30, 1999. Approximately $3.3 million related to the expansion of the Cushing Terminal is included in 1999 payments. Maintenance capital expenditures are capital expenditures made to replace partially or fully depreciated assets to maintain the existing operating capacity of existing assets or extend their useful lives. Capital expenditures made to expand capacity, whether through construction or acquisition, are not considered maintenance capital expenditures. Repair and maintenance expenditures associated with existing assets that do not extend the useful life or expand the operating capacity are charged to expense as incurred.

Net cash flows provided by financing activities were approximately $138.0 million and $32.8 million for the six months ended June 30, 1999 and 1998, respectively. Financing activities for the six months ended June 30, 1999 include $25 million of proceeds from the Class B Units which were issued in connection with the Scurlock Acquisition. Proceeds from borrowings under the Revolving Credit Facility and the Plains Scurlock Credit Facility were approximately $187.6 million for the six months ended June 30, 1999. Such amounts include approximately $117.0 million borrowed to fund the Scurlock Acquisition and approximately $6.0 million borrowed to fund a deposit paid on the Chevron Asset Acquisition, which closed in July 1999. Repayments under the Revolving Credit Facility and Plains Scurlock Credit Facility were approximately $72.6 million during the first six months of 1999. Financing activities include approximately $24.2 million and $17.9 million in short-term borrowings for the six months ended June 30, 1999 and 1998, respectively, and approximately $11.9 million and $18.0 million of repayments for the respective periods, related to hedged crude oil inventory transactions at the Cushing Terminal. Financing activities for the 1998 period include a $28.7 million capital contribution from Plains Resources to the Predecessor.

Financing activities for the first six months of 1999 include cash distributions paid to Unitholders of approximately $19.7 million. Approximately $8.4 million of such amount was paid to the Partnership's public Unitholders, with the remainder paid to the General partner for its limited partner and general partner interests.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"). SFAS 133 is effective for fiscal years beginning after June 15, 2000. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if so, the type of hedge transaction. For fair value hedge transactions in which the Partnership is hedging changes in an asset's, liability's, or firm commitment's fair value, changes in the fair value of the derivative instrument will generally be offset in the income statement by changes in the hedged item's fair value. For cash flow hedge transactions, in which the Partnership is hedging the variability of cash flows related to a variable-rate asset, liability, or a forecasted transaction, changes in the fair value of the derivative instrument will be reported in other comprehensive income. The gains and losses on the derivative instrument that are reported in other comprehensive income will be reclassified as earnings in the periods in which earnings are affected by the variability of the cash flows of the hedged item. The Partnership is required to adopt this statement beginning in 2001. The Partnership has not yet determined the effect that the adoption of SFAS 133 will have on its financial position or results of operations.

YEAR 2000

YEAR 2000 ISSUE. Some software applications, hardware and equipment, and embedded chip systems identify dates using only the last two digits of the year. These products may be unable to distinguish between dates in the year 2000 and dates in the year 1900. That inability, if not addressed, could cause applications, equipment or systems to fail or provide incorrect information after December 31, 1999, or when using dates after December 31, 1999. This in turn could have an adverse effect on the Partnership because the Partnership directly depends on its own applications, equipment and systems and indirectly depends on those of third parties with which it does business. The Partnership's key applications, equipment, and automated systems consist of:

- financial systems applications;
- computer hardware and equipment;
- embedded chip systems; and
- third-party developed software.

YEAR 2000 PROJECT. In order to address the year 2000 issue, the Partnership is participating in the year 2000 project that Plains Resources has implemented for all of its business units. As the Partnership evaluates new properties for acquisition, it performs a pre-acquisition assessment to determine year 2000 readiness. Upon acquisition, the Partnership has incorporated these properties into the year 2000 project. Plains Resources has formed a project team to coordinate the five phases of the year 2000 project. Those phases are:

- assessment;
- remediation;
- testing;
- implementation of the necessary modifications; and
- contingency planning.

The year 2000 project also includes the evaluation of the extent and status of the year 2000 compliance efforts of third parties who are material to the Partnership's operations and its business units. In conjunction with internal efforts, Plains Resources retained a year 2000 consulting firm to review certain operations of all of its business units and to assess the potential impact of the year 2000 issue on such operations. The consulting firm has completed its review, and Plains Resources is utilizing the consultant's recommendations in its year 2000 project. Plains Resources has retained a second year 2000 consulting firm to perform an assessment of certain field equipment which has embedded chip systems. The Partnership and the consulting firm are currently performing the necessary remediation, testing and modification of embedded chip systems which are critical to the Partnership's field operations.

YEAR 2000 PROJECT STATUS. The assessment phase for all key applications, equipment, and automated systems is complete. The remaining phases of the project involving remediation, testing, and implementation of necessary modifications are proceeding concurrently. The following table sets forth the estimated dates of completion of the Year 2000 project for the Partnership's key applications, equipment, and automated systems:

KEY APPLICATIONS, EQUIPMENT AND AUTOMATED SYSTEMS	ESTIMATED COMPLETION DATE
Third Party Developed Software	September 1999
Computer Hardware and Equipment	October 1999
Embedded Chip Systems	October 1999
Financial Systems Applications	October 1999

An integral part of the year 2000 project is communication with the Partnership's critical suppliers and key customers and partners to determine whether their operations and/or services or products will be year 2000 ready. The Partnership has contacted all of these third parties requesting information on the status of their year 2000 efforts and is currently evaluating responses and making additional inquiries as needed.

CONTINGENCY PLANNING. As the other phases of the year 2000 project near completion, the Partnership is evaluating which of its business activities may still be vulnerable to a year 2000 disruption. The Partnership is developing appropriate contingency plans for each material "at risk" business activity to provide an alternative means of functioning in an attempt to minimize the effect of the potential year 2000 disruptions, both internally and on third parties. The contingency plans are expected to be completed by December 1, 1999. Communications with third parties that are critical to the Partnership's business will continue throughout the remainder of 1999, and the Partnership plans to develop contingency plans to the extent necessary to address any concerns regarding the year 2000 readiness of such third parties.

COSTS OF THE YEAR 2000 PROJECT. From November 23, 1998, the date the Partnership acquired the business of the Predecessor, through June 30, 1999, the Partnership has incurred approximately $180,000 as its share of expenses for Plains Resources' year 2000 project, of which approximately $35,000 are costs paid to third parties. Prior to November 23, 1998, the Predecessor incurred approximately $242,000 to address the year 2000 issue. While the total cost of Plains Resources' year 2000 project is still being evaluated, the Partnership currently estimates that its share of the costs of the project to be incurred in the remainder of 1999 and 2000 is between $400,000 and $500,000. The Partnership anticipates that the majority of these estimated costs will be internal costs. The Partnership expects to fund these expenditures with cash from operations or borrowings.

RISK OF NON-COMPLIANCE. The items that pose the greatest year 2000 risks for the Partnership if implementation of the year 2000 project is not successful are its financial systems applications, its pipeline supervisory control and data acquisition ("SCADA") systems and embedded chip systems in its field equipment. The potential problems if the year 2000 project is not successful with respect to the financial systems applications are disruptions of the Partnership's revenue gathering from and distribution to its customers and vendors and the inability to perform its other financial and accounting functions. Failures of SCADA systems or embedded chip systems in the Partnership's field equipment or its customers' equipment could disrupt the Partnership's crude oil transportation, terminalling and storage activities and its gathering and marketing activities.

While the Partnership believes that the year 2000 project will substantially reduce the risks associated with the year 2000 issue, there can be no assurance that it will be successful in completing each and every aspect of the project on schedule, and if successful, that the project will have the expected results. Due to the general uncertainty inherent in the year 2000 issue, the Partnership cannot conclude that its failure or the failure of third parties to achieve year 2000 compliance will not adversely affect its financial position, results of operations or cash flows. Specific factors that might affect the success of the Partnership's year 2000 efforts and the occurrence of a year 2000 disruption or expense include:

- the Partnership's failure or the failure of its consultant to properly identify deficient systems;
- the failure of the selected remedial action to adequately address any deficiencies;
- the failure of the Partnership or its consultants to complete the remediation in a timely manner, due to shortages of qualified labor or other factors;
- unforeseen expenses related to the remediation of existing systems or the transition to replacement systems; and
- the failure of third parties to become compliant or to adequately notify us of potential non-compliance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Partnership is exposed to various market risks, including volatility in crude oil commodity prices and interest rates. To manage such exposure, the Partnership monitors its inventory levels, current economic conditions and its expectations of future commodity prices and interest rates when making decisions with respect to risk management. The Partnership does not enter into derivative transactions for speculative trading purposes. Substantially all the Partnership's derivative contracts are exchanged or traded with major financial institutions and the risk of credit loss is considered remote.

COMMODITY PRICE RISK. The fair value of outstanding derivative commodity instruments and the change in fair value that would be expected from a 10 percent adverse price change are shown in the table below:

AT JUNE 30, 1999	FAIR VALUE	CHANGE IN FAIR VALUE FROM 10% ADVERSE PRICE CHANGE
	(IN MILLIONS)	
Crude oil futures contracts	$ (2.3)	$(2.0)

INTEREST RATE RISK. The Partnership's debt instruments are sensitive to market fluctuations in interest rates. The table below presents principal cash flows and the related weighted average interest rates by expected maturity dates for debt outstanding at June 30, 1999. The Partnership's variable rate debt bears interest at LIBOR plus the applicable margin. The average interest rates presented below are based upon rates in effect June 30, 1999. The carrying value of variable rate bank debt approximates fair value as interest rates are variable, based on prevailing market rates.

	EXPECTED YEAR OF MATURITY							
	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	FAIR VALUE
	(DOLLARS IN MILLIONS)							
LIABILITIES:								
Short-term debt - variable rate	$ 22.0	$ -	$ -	$ -	$ -	$ -	$ 22.0	$ 22.0
Average interest rate	6.30%						6.30%	
Long-term debt - variable rate	-	25.7	0.7	0.7	0.7	262.2	290.0	290.0
Average interest rate	-	6.42%	8.17%	8.17%	8.17%	7.07%	7.07%	

Interest rate swaps and collars are used to hedge underlying debt obligations. These instruments hedge specific debt issuances and qualify for hedge accounting. The interest rate differential is reflected as an adjustment to interest expense over the life of the instruments. At June 30, 1999, the Partnership had interest rate swap and collar arrangements for an aggregate notional principal amount of $265 million. The Partnership would receive approximately $8.9 million if such arrangements were terminated as of such date.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

All statements, other than statements of historical fact, included in this Report are forward-looking statements, including, but not limited to, statements identified by the words "anticipate," "believe," "estimate," "expect," "plan," "intend" and "forecast" and similar expressions and statements regarding the Partnership's business strategy, plans and objectives of management of the Partnership for future operations. Such statements reflect the current views of the Partnership and the General Partner with respect to future events, based on what they believe are reasonable assumptions. These statements, however, are subject to certain risks, uncertainties and assumptions, including, but not limited to (i) the availability of adequate supplies of and demand for crude oil in the areas in which the Partnership operates, (ii) the impact of crude oil price fluctuations, (iii) the effects of competition, (iv) the success of the Partnership's risk management activities, (v) the availability (or lack thereof) of acquisition or combination opportunities, (vi) the impact of current and future laws and governmental regulations, (vii) environmental liabilities that are not covered by an indemnity or insurance, (viii) general economic, market or business conditions and (ix) uncertainties inherent in the Year 2000 Issue. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those in the forward-looking statements. Except as required by applicable securities laws, the Partnership does not intend to update these forward-looking statements and information.

PART II. OTHER INFORMATION

ITEMS 1, 2, 3, 4 & 5 ARE NOT APPLICABLE AND HAVE BEEN OMITTED.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

3.8	Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline L.P. dated as of May 12, 1999.
10.19	First Amendment to Plains Scurlock Credit Agreement dated as of July 29, 1999 between Plains Scurlock Permian, L.P., Bank Boston, N.A. and certain financial institutions.
27.	Financial Data Schedule

B. Reports on Form 8-K

Amendment No. 1 to Current Report was filed on June 28, 1999, on Form 8-K/A which amends the financial statements, exhibits or other portion of the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 27, 1999, with respect to the Partnership's acquisition of Scurlock Permian LLC and certain other pipeline assets from Marathon Ashland Petroleum LLC.

A Current Report on Form 8-K was filed on May 27, 1999, with respect to the Partnership's acquisition of Scurlock Permian LLC and certain other pipeline assets from Marathon Ashland Petroleum LLC.

SIGNATURES

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

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PLAINS ALL AMERICAN INC.,
Its General Partner

Date: August 16, 1999

By: /s/ Cynthia A. Feeback

Cynthia A. Feeback, Treasurer
(Principal Accounting Officer) of the
General Partner

EXHIBIT 3.8

AMENDMENT NO. 1 TO
SECOND AMENDED AND RESTATED AGREEMENT OF
LIMITED PARTNERSHIP OF PLAINS ALL
AMERICAN PIPELINE, L.P.

THIS AMENDMENT NO. 1 TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF PLAINS ALL AMERICAN PIPELINE, L.P. (this "Amendment"), dated as of May 12, 1999 entered into and effectuated by Plains All American Inc., a Delaware corporation, as the General Partner, pursuant to authority granted to it in Section 5.6 of the Second Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., dated as of November 17, 1998, as amended (the "Partnership Agreement"). Capitalized terms used but not defined herein are used as defined in the Partnership Agreement.

WHEREAS, Section 5.6 of the Partnership Agreement provides that the General Partner, without the approval of any Limited Partners, may issue additional Partnership Securities, or classes or series thereof, for any Partnership purpose at any time and from time to time, and may issue such Partnership Securities for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion; and

WHEREAS, the General Partner deems it in the best interest of the Partnership to effect this Amendment in order to provide for the issuance of the Class B Common Units to Plains All American Inc. in order to facilitate the financing for an expeditious closing of the acquisition by Plains Marketing, L.P., or its affiliate, of a membership interest in Scurlock Permian LLC pursuant to a Purchase and Sale Agreement dated March 17, 1999, between Plains Marketing, L.P. and Marathon Ashland Petroleum LLC, and to further provide for the exchange in accordance with the terms described herein of the Class B Common Units created hereby for 1,307,190 Common Units; and

WHEREAS, the General Partner has determined that the creation of Class B Common Units provided for in this Amendment and the exchange of Units contemplated hereby will be in the best interest of the Partnership and beneficial to the Limited Partners, including the holders of the Common Units, because it should result in a cost savings to the Partnership and should have no adverse impact on the holders of Common Units;

NOW, THEREFORE, the Partnership Agreement is hereby amended to create a new class of Partnership Securities as follows:

Section 5.12 ESTABLISHMENT OF UNITS. (a) There is hereby created a series of Units to be designated as "Class B Common Units," consisting of Class B Common Units and having the following terms and conditions:

(i) Subject to the provisions of Section 6.1(d)(iii)(A), all allocations of items of Partnership income, gain, loss, deduction and credit under Section 6.1 shall be allocated to the Class B Common Units on a basis that is pro rata with the Common Units, so that the amount thereof allocated to each Common Unit will equal the amount thereof allocated to each Class B Common Unit;

(ii) Except as provided in paragraph (f) of this Section 5.12, the Class B Common Units shall have the right to share in partnership distributions on a pro rata basis with the Common Units, so that the amount of any Partnership distribution to each Common Unit will equal the amount of such distribution to each Class B Common Unit;

(iii) The Class B Common Units shall have rights upon dissolution and liquidation of the Partnership, including the right to share in any liquidating distributions, that are pro rata with the Common Units, so that the amount of any liquidating distribution to each Common Unit will equal the amount of such distribution to each Class B Common Unit;

(iv) The Class B Common Units will not have the privilege of conversion except as provided in paragraphs (c) or (d) of this Section 5.12;

(v) The Class B Common Units will have voting rights that are identical to the voting rights of the Common Units and will vote with the Common Units as a single class, so that each Class B Common Unit will be entitled to one vote on each matter with respect to which each Common Unit is entitled to be voted; provided, however, that the Class B Common Units shall not be entitled to vote, and shall not be deemed outstanding for purposes of determining a quorum, with respect to matters in which the requisite vote is determined by New York Stock Exchange rules or New York Stock Exchange staff interpretations of such rules for listing of the Common Units; each reference in the Partnership Agreement to a vote of holders of Common Units shall be deemed to be a reference to the holders of Common Units and Class B Common Units;

(vi) The Class B Common Units will be evidenced by certificates in such form as the General Partner may approve and, subject to the satisfaction of any applicable legal and regulatory requirements, may be assigned or transferred in a manner identical to the assignment and transfer of other Units; the General Partner will act as registrar and transfer agent for the Class B Common Units; and

(vii) Except as otherwise provided in the Partnership Agreement and unless the context otherwise requires, for purposes of allocations referred to in paragraph (a)(i), the right to share in Partnership distributions referred to in paragraph (a)(ii), rights upon dissolution and liquidation referred to in paragraph (a)(iii), and voting rights referred to in paragraph (a)(v), and for all other purposes, the Class B Common Units and the Common Units shall be considered as a single class of Units, each Class B Common Unit shall be treated in a manner that is identical, in all respects, to each Common Unit, and each reference in the Partnership Agreement to Common Units shall also be deemed to be a reference to Class B Common Units.

(b) The terms and conditions upon which the Class B Common Units will be issued are as follows: the Partnership will issue the Class B Common Units to Plains All American, Inc., and Plains All American, Inc. will purchase such Class B Common Units for $25,000,000 in cash; upon receipt of such purchase price the Partnership will issue a certificate to Plains All American, Inc. representing such Class B Common Units.

(c) At any time after six months from the date of this Amendment, upon written notice to the General Partner, any holder of Class B Common Units will have the right to require the Partnership to use its reasonable best efforts to submit to a vote or consent of its securityholders the approval of a change in the terms of the Class B Common Units to provide that each Class B Common Unit is convertible into one Common Unit at the option of the holder of such Class B Common Unit, such conversion option to be exercisable by any holder of Class B Common Units in whole or in part at any time and from time to time. The vote or consent required for such change will be the requisite vote required, under New York Stock Exchange rules or New York Stock Exchange staff interpretations of such rules, for listing of the Common Units that would be issued upon any such conversion. Upon receipt of the required vote or consent, the terms of the Class B Common Units will be changed so that they become convertible as described above.

(d) Before any holder of Class B Common Units shall be entitled to convert such holder's Class B Common Units into Common Units, he shall surrender the Class B Common Unit Certificates therefor, duly endorsed, at the office of the General Partner or of any transfer agent for the Class B Common Units. In the case of any such conversion, the Partnership shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class B Common Units one or more Common Unit Certificates, registered in the name of such holder, for the number of Common Units to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made as of the date of the surrender of the Class B Common Units to be converted, and the person entitled to receive the Common Units issuable upon such conversion shall be treated for all purposes as the record holder of such Common Units on said date.

(e) If at any time the rules of the New York Stock Exchange or the New York Stock Exchange staff interpretations of such rules are changed so that no vote or consent of securityholders of the Partnership is required as a condition to the listing of the Common Units that would be issued upon such conversion, the terms of the Class B Common Units will be changed so that each Class B Common Unit is convertible (without any vote of any securityholders of the Partnership) into one Common Unit at the option of the holder thereof, such conversion option to be exercisable by any holder of Class B Common Units in whole or in part at any time and from time to time.

(f) In the event that (i) any holder of Class B Common Units requires the Partnership to submit to a vote or consent of its securityholders the approval of a change in the terms of the Class B Common Units to provide that they are convertible as provided in Section 5.12(c) above, and (ii) the securityholders do not approve such change by the requisite vote within 120 days after the notice given pursuant to Section 5.12(c), then the terms of the Class B Common Units will be changed so that each Class B Common Unit will become entitled to receive quarterly cash distributions in an amount equal to 110% of the quarterly cash distribution amount payable to holders of the Common Units; provided, however, that if the securityholders do not approve such change by the requisite vote within 210 days after the notice given pursuant to Section 5.12(c), each Class B Common Unit will become entitled to receive quarterly cash distributions equal to 115% of the quarterly cash distribution payable to holders of Common Units. Notwithstanding the foregoing, in no such case shall any holder of Class B Common Units have the right to convert its Class B Common Units unless such holder and its affiliates voted their Partnership Securities for approval of such change (if and to the extent that such Partnership Securities were entitled to be voted).

This Amendment will be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

PLAINS ALL AMERICAN INC.,
General Partner

By: /s/ Michael R. Patterson

Name: Michael R. Patterson
Title: Senior Vice President

EXHIBIT 10.19

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of the 29th day of June, 1999, by and among PLAINS SCURLOCK PERMIAN, L.P. ("Borrower") and BANKBOSTON, N.A., as Administrative Agent (in such capacity, "Administrative Agent"), and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Borrower, Administrative Agent, and Lenders entered into that certain Credit Agreement dated as of May 12, 1999 (as amended, restated, or supplemented to the date hereof, the "Original Agreement") for the purposes and consideration therein expressed, pursuant to which Lenders became obligated to make and made loans to Borrower as therein provided; and

WHEREAS, Borrower, Administrative Agent, and the Lenders party hereto desire to amend the Original Agreement for the purposes described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Original Agreement, in consideration of the loans which may hereafter be made by Lenders to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I. -- DEFINITIONS AND REFERENCES

Section 1.1. TERMS DEFINED IN THE ORIGINAL AGREEMENT. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Original Agreement shall have the same meanings whenever used in this Amendment.

Section 1.2. OTHER DEFINED TERMS. Unless the context otherwise requires, the following terms when used in this Amendment shall have the meanings assigned to them in this Section 1.2.

"AMENDMENT" means this First Amendment to Credit Agreement.

"CREDIT AGREEMENT" means the Original Agreement as amended hereby.

ARTICLE II. -- AMENDMENTS

Section 2.1. MANDATORY PREPAYMENTS. The following Section 2.7(d) is hereby added to the Original Agreement:

"(d) Without limitation of anything contained in this Section 2.7, on the 12th day of May of each year, beginning May 12, 2000, Borrower shall pay to Administrative Agent a principal payment on the Term Loans equal to $650,000 to be distributed to the Term Lenders pro rata in accordance with each Term Lender's ratable portion of the

Terms loan then outstanding. The outstanding principal balance of, and all accrued and unpaid interest on, the Term Loan shall be due and payable on the Term Loan Maturity Date."

Section 2.2. ASSIGNMENTS. Section 10.5(c)(ii) of the Original Agreement is hereby amended in its entirety to read as follows:

"(ii) In the case of an assignment by a Term Lender, after such assignment is made the outstanding Term Loans of both the assignor and assignee shall equal or exceed $5,000,000, except with respect to an assignment of all such Lender's Term Loans or such lesser amount as may be agreed to by the Administrative Agent and Borrower (except that no such minimum shall be applicable with respect to an assignment to a Lender); provided, however, that (A) any Term Lender may assign all or any portion of its outstanding Term Loan made as part of the Scurlock Permian Advance without assigning any commitment of such Term Lender to make any subsequent advance of its Term Loan as part of the Chevron Advance and (B) the assignee of any Term Loan described in the immediately preceding subparagraph (A) shall be deemed to be a 'Lender' and a 'Term Lender' hereunder for all purposes except for the obligations of Term Lenders to make an advance as part of the Chevron Advance under Section 2.1(b)."

Section 2.3. ASSIGNMENT AND ACCEPTANCE. Paragraphs 1 and 5 of the Assignment and Acceptance attached to the Original Agreement as Exhibit H are hereby amended in their entirety to read as follows:

"1. The Assignor hereby sells and assigns to the Assignee, without recourse and without representation or warranty except as expressly set forth herein, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Agreement and the other Loan Documents as of the date hereof equal to [$____________ of its Revolving Loan Commitments which is the Revolver Percentage Share specified on Schedule 1. After giving effect to such sale and assignment, the Assignee's Revolver Commitment and the amount of the Revolver Loans owing to the Assignee will be as set forth on Schedule 1.][$____________ of its Term Loan arising from the Scurlock Permian Advance.][$______________ of its Term Loan which includes $__________ of the Scurlock Permian Advance and $_____________ of the commitment to make the Chevron Advance.]"

"5. Upon such acceptance and recording by Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement [; provided, however, that notwithstanding anything to the contrary contained herein, Assignor has not assigned to Assignee any obligation to make, and Assignee shall have no obligation to make, any advance of the Term Loan as part of the Chevron Advance]."

ARTICLE III. -- CONDITIONS OF EFFECTIVENESS

Section 3.1. EFFECTIVE DATE. This Amendment shall become effective as of the date first above written when and only when Administrative Agent shall have received, at Administrative Agent's office, a counterpart of this Amendment executed and delivered by Borrower and Majority Lenders.

ARTICLE IV. -- REPRESENTATIONS AND WARRANTIES

Section 4.1. REPRESENTATIONS AND WARRANTIES OF BORROWER. In order to induce Administrative Agent and Lenders to enter into this Amendment, Borrower represents and warrants to Administrative Agent and each Lender that:

(a) The representations and warranties contained in Article V of the Original Agreement, are true and correct at and as of the time of the effectiveness hereof except to the extent that such representation and warranty was made as of a specific date.

(b) Each Restricted Person is duly authorized to execute and deliver this Amendment to the extent a party thereto, and Borrower is and will continue to be duly authorized to borrow and perform its obligations under the Credit Agreement. Each Restricted Person has duly taken all action necessary to authorize the execution and delivery of this Amendment, to the extent a party thereto, and to authorize the performance of its respective obligations hereunder.

(c) The execution and delivery by each Restricted Person of this Amendment, to the extent a party hereto, the performance by each Restricted Person of its respective obligations hereunder, and the consummation of the transactions contemplated hereby, do not and will not conflict with any provision of law, statute, rule or regulation or of the constituent documents of any Restricted Person, or of any material agreement, judgment, license, order or permit applicable to or binding upon any Restricted Person, or result in the creation of any lien, charge or encumbrance upon any assets or properties of any Restricted Person, except in favor of Administrative Agent for the benefit of Lenders. Except for those which have been duly obtained, no consent, approval, authorization or order of any court or governmental authority or third party is required in connection with the execution and delivery by any Restricted Person of this Amendment, to the extent a party thereto, or to consummate the transactions contemplated hereby.

(d) When this Amendment has been duly executed and delivered, each of the Loan Documents, as amended by this Amendment, will be a legal and binding instrument and agreement of each Restricted Person, to the extent a party thereto, enforceable in accordance with its terms, (subject, as to enforcement of remedies, to applicable bankruptcy, insolvency and similar laws applicable to creditors' rights generally and to general principles of equity).

ARTICLE V. -- MISCELLANEOUS

Section 5.1. RATIFICATION OF AGREEMENTS. The Original Agreement, as hereby amended, is hereby ratified and confirmed in all respects. The Loan Documents, as they may be amended or affected by this Amendment, are hereby ratified and confirmed in all respects. Any reference to the Credit Agreement in any Loan Document shall be deemed to refer to this Amendment also.

The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein or therein, operate as a waiver of any right, power or remedy of Administrative Agent or any Lender under the Credit Agreement or any other Loan Document nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

Section 5.2. SURVIVAL OF AGREEMENTS. All representations, warranties, covenants and agreements of the Restricted Persons herein shall survive the execution and delivery of this Amendment and the performance hereof, including without limitation the making or granting of each Loan, and shall further survive until all of the Obligations are paid in full. All statements and agreements contained in any certificate or instrument delivered by any Restricted Person hereunder or under the Credit Agreement to Administrative Agent or any Lender shall be deemed to constitute representations and warranties by, or agreements and covenants of, such Restricted Person under this Amendment and under the Credit Agreement.

Section 5.3. LOAN DOCUMENTS. This Amendment is a Loan Document, and all provisions in the Credit Agreement pertaining to Loan Documents apply hereto and thereto.

Section 5.4. GOVERNING LAW. THIS AMENDMENT AND THE OTHER AMENDMENT DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA IN ALL RESPECTS, INCLUDING CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 5.5. COUNTERPARTS. This Amendment may be separately executed in counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Amendment.

IN WITNESS WHEREOF, this Amendment is executed as of the date first above written.

PLAINS SCURLOCK PERMIAN, L.P.

By: PLAINS ALL AMERICAN INC.,
its general partner

By: /s/ Michael R. Patterson

Name: Michael R. Patterson
Title: Senior Vice President

BANKBOSTON, N.A.,
Administrative Agent, LC Issuer and Lender

By: /s/ Terrence Ronan

Terrence Ronan
Director

CONSENT AND ACKNOWLEDGMENT

Each of the undersigned hereby consents to the provisions of this Amendment and the transactions contemplated herein, and hereby ratifies and confirms its respective Guaranty dated as of May 12, 1999, made by it for the benefit of Administrative Agent, and agrees that its obligations and covenants thereunder are unimpaired hereby and shall remain in full force and effect.

Date: June 29, 1999

SCURLOCK PERMIAN LLC

By: /s/ Michael R. Patterson

Name: Michael R. Patterson
Title: Senior Vice President

SCURLOCK PERMIAN PIPE LINE LLC

By: /s/ Michael R. Patterson

Name: Michael R. Patterson
Title: Senior Vice President

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM PLAINS ALL AMERICAN PIPELINE, L.P. CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 1999 AND CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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PLAINS ALL AMERICAN PIPELINE, L.P.

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