

PACIFIC ENERGY PARTNERS LP
 Form 4
 November 17, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

LEHMAN BROTHERS HOLDINGS INC

(Last) (First) (Middle)

745 SEVENTH AVENUE

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

PACIFIC ENERGY PARTNERS LP [PPX]

3. Date of Earliest Transaction (Month/Day/Year)

11/15/2006

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___ Officer (give title below) ___X___ Other (specify below)

See Remark (1).

6. Individual or Joint/Group Filing (Check Applicable Line)

___ Form filed by One Reporting Person
 ___X___ 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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Units | 11/15/2006 | | D ⁽¹⁾ | 3,088,273 (2) (3) | \$ 36.96 0 | I | By LB Pacific, LP ⁽⁴⁾ |

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

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SEC 1474 (9-02)

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

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| 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 Underlying Securities (Instr. 3 and 4) |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|
| Subordinated Units Representing Limited Partner Interests | (5) | 11/15/2006 | | D(1) | 3,088,273 (2) (6) | (7) (8) | Common Units Representing Limited Partner Interests |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-------------------------------------------------------------------------------------------------|---------------|-----------|---------|-----------------|
| | Director | 10% Owner | Officer | Other |
| LEHMAN BROTHERS HOLDINGS INC 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |
| LEHMAN BROTHERS INC// 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |
| LB I GROUP INC 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |
| Lehman Brothers Private Equity Advisors LLC 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |
| Lehman Brothers Merchant Banking Associates III LLC 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |
| Lehman Brothers Merchant Banking Associates III LP 745 SEVENTH AVENUE NEW YORK, NY 10019 | | | | See Remark (1). |

Signatures

| | |
|--------------------------------------------------------------------|------------|
| Ashvin Rao, Authorized Signatory of Lehman Brothers Holdings, Inc. | 11/17/2006 |
| **Signature of Reporting Person | Date |
| Ashvin Rao, Authorized Signatory of Lehman Brothers Inc. | 11/17/2006 |
| **Signature of Reporting Person | Date |
| Ashvin Rao, Authorized Signatory of LB I Group Inc. | 11/17/2006 |

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| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <u> </u> **Signature of Reporting Person | Date |
| Ashvin Rao, Authorized Signatory of Lehman Brothers Private Equity Advisers LLC | 11/17/2006 |
| <u> </u> **Signature of Reporting Person | Date |
| Ashvin Rao, Authorized Signatory of Lehman Brothers Merchant Banking Associates III LLC, general partner of Lehman Brothers Merchant Banking Associates III L.P. | 11/17/2006 |
| <u> </u> **Signature of Reporting Person | Date |
| Ashvin Rao, Authorized Signatory of Lehman Brothers Merchant Banking Associates III LLC | 11/17/2006 |
| <u> </u> **Signature of Reporting Person | Date |

Explanation of Responses:

- * 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).
- (1) The transaction reported herein is the disposition by LB Pacific, LP of all of the Common Units and Subordinated Units of the Issuer held by it to a third party in connection with and conditioned on the concurrent merger of the Issuer into such third party, in which such units were cancelled. As a part of such transaction, LB Pacific, LP also sold to the third party a 99.9% limited partner interest in the general partner of the Issuer and a 100% membership interest in the general partner of the general partner of the Issuer.
- (2) The numbers of Common Units and Subordinated Units shown is based on applying the proportionate interest of LB I Group Inc. in LB Pacific, LP, directly and indirectly through LB Pacific GP, LLC, to the respective numbers of Common Units and Subordinated Units held by LP Pacific, LP.
- (3) Each of Lehman Brothers Inc. and LB I Group Inc. may be deemed to beneficially own 196,997 of these Common Units; Lehman Brothers Merchant Banking Associates III L.P. and Lehman Brothers Merchant Banking Associates III LLC each may be deemed to beneficially own 2,457,211 of these Common Units; and Lehman Brothers Private Equity Advisers LLC may be deemed to beneficially own 434,064 of these Common Units, each of which is based on the indirect proportionate interest of such reporting person, following the reported transactions, in such Common Units by virtue of its direct and indirect equity interest in LB Pacific, LP. Lehman Brothers Holdings Inc. may be deemed to have beneficial ownership of the same securities through its proportionate interest in LB Pacific LP held by investment funds managed by direct and indirect subsidiaries of Lehman Brothers Holdings Inc., as to which it disclaims beneficial ownership except to the extent of its pecuniary interest therein.
- (4) The securities of the Issuer reported herein are held by LB Pacific, LP. *See* Remark (1).
- (5) 1-for-1
- (6) Each of Lehman Brothers Inc. and LBI Group Inc. may be deemed to beneficially own 196,997 of these Subordinated Units; Lehman Brothers Merchant Baking Associates III L.P. and Lehman Brothers Merchant Baking Associates III LLC each may be deemed to beneficially own 2,457,211 of these Subordinated Units; and Lehman Brothers Private Equity Advisers LLC may be deemed to beneficially own 434,064 of these Common Units, each of which is based on the indirect proportionate interest of such reporting person in such Subordinated Units by virute of its direct and indirect equity interest in LB Pacific, LP. Lehman Brothers Holdings Inc. may be deemed to have beneficial ownership of the same securities through its proportionate interest in LB Pacific LP held by investment funds managed by direct and indirect subsidiaries of Lehman Brothers Holdings Inc., as to which it disclaims beneficial ownership except to the extent of its pecuniary interest therein.
- (7) These Subordinated Units are convertible into Common Units of the Issuer immediately after the distribution of available cash to partners in respect of any quarter ending on or after June 30, 2007, assuming certain financial tests in the Issuer's partnership agreement have been satisfied.
- (8) None.

Remarks:

(1) - This report is filed jointly by Lehman Brothers Holdings Inc., Lehman Brothers Inc., LB I Group Inc., Lehman Brothers I

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

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