

POGO PRODUCING CO

Form 425

September 04, 2007

Filed by Plains Exploration & Production Company

pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 under the

Securities Exchange Act of 1934

Subject Company: Pogo Producing Company

Commission File No.: 1-07792

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 4, 2007

PLAINS EXPLORATION & PRODUCTION COMPANY

(Exact name of registrant as specified in charter)

Delaware
(State of Incorporation)

33-0430755
(I.R.S. Employer Identification No.)

001-31470

(Commission File No.)

700 Milam, Suite 3100

Houston, Texas 77002

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (713) 579-6000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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“ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

On September 5, 2007, a representative of Plains Exploration & Production Company (PXP) is scheduled to present at the Lehman Brothers CEO Energy/Power Conference in New York City at 9:05 a.m. Eastern time. The presentation materials for the conference are filed herewith as Exhibit 99.1 and are incorporated herein by reference. The presentation materials will also be posted in the Investor Information section of PXP s website, <http://www.pxp.com> for 60 days after the event.

The information presented under this Item 7.01 shall not be deemed filed under the Securities Exchange Act 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(c) Exhibit

99.1 Presentation dated September 2007.

SIGNATURES

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

PLAINS EXPLORATION & PRODUCTION COMPANY

Date: September 4, 2007

/s/ Cynthia A. Feeback
Cynthia A. Feeback
Vice President, Controller and Chief Accounting Officer

EXHIBIT INDEX

Exhibit 99.1 Presentation dated September 2007.

Lehman Brothers
CEO Energy/Power
Conference
September 2007
Lehman Brothers
CEO Energy/Power
Conference

September 2007
Exhibit 99.1

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PXP

Except for the historical information contained herein, the matters discussed in this presentation are forward-looking statements

as defined by the Securities and Exchange

Commission. These statements involve certain assumptions PXP

made based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially. These risks and uncertainties include, among other things, completion of the proposed acquisition, uncertainties inherent in the exploration for and development and production of oil & gas and in estimating reserves, unexpected future capital expenditures, general economic conditions, oil and gas price volatility, the success of our risk management activities, competition, regulatory changes and other factors discussed in PXP's filings with the Securities and Exchange Commission.

Corporate Headquarters

Contacts

Plains Exploration & Production Company

700 Milam, Suite 3100

Houston, Texas 77002

Forward Looking Statements

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Corporate Information

James C. Flores -

Chairman, President & CEO

Winston M. Talbert

Exec. Vice President & CFO

Scott Winters

Vice President Investor Relations

Joanna Pankey -

Investor Relations Analyst

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PXP

Growing Per Share Value

Acquiring oil and gas properties with large development
inventory and exploration option

Paid \$12/BOE

avg. for 500 MMBOE proven

2003 -
3TEC Energy (50% stock / 50% cash)
2004 -
Nuevo Energy (100% stock)
2005 -
California producing properties (100% cash)
2007 -
Piceance (5% stock / 95% cash)
2007 -
Pogo Producing (60% stock / 40% cash)
Selling non-core oil and gas properties to enhance asset
portfolio
Received \$16/BOE avg. for 130 MMBOE proven
2004 -
Pacific Offshore, Illinois, South Texas
2005 -
East Texas
2006 -
Non-core California, West Texas
2006 -
Gulf of Mexico discoveries

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PXP
Growing Per Share Value
Share Repurchases
2006 -
6.7 MM shares, 9 percent outstanding
2007 -

1.0 MM shares, 1 percent outstanding

Growing Organically

2006 -

GOM discoveries: Big Foot and Caesar

\$70 MM invested and sold for \$706 MM

2007 -

GOM discoveries: Friesian, Flatrock Area

(Flatrock, Hurricane Deep, Cottonwood Point)

2008 -

Significant production increase forecast

Flatrock Area, Piceance Basin, Pogo assets

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PXP
Pogo Transaction
Enhances Growth Opportunities
Large US onshore development inventory
Conventional and unconventional resources in high quality
basins

Interesting international exploratory opportunities
Talented technical staff and large seismic database
Positive Financial Impact
Accretive on cash flow and production per share without
diluting reserves per share exposure
Solid balance sheet with significant flexibility
Meaningful cost savings

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PXP
Deal Strength
PXP
Historical
Per Share Metrics
+129%

\$478,974

\$209,162

Adjusted

EBITDA

(1)

+56%

114,216

73,382

Weighted Avg. Common

Shares

Outstanding

-

Diluted

Unchanged

~5.00

~5.00

Proved

Reserves

(3)

(BOE)

+31%

.17

.13

Sales Volumes

+29%

\$5.28

\$4.10

Operating

Margin

(2)

% Change

Combined

Pro Forma

(1) Adjusted EBITDA is a Non-GAAP measure. See the end of this presentation for an explanation and reconciliation of EBIT

(2) Operating margin represents GAAP revenue net of GAAP production costs.

(3) Estimated proved reserves as of December 31, 2006. PXP proved reserves give effect to the May 2007 acquisition of the Piceance

Basin properties. Combined pro forma information gives effect to the merger with Pogo, including its significant acquisitions

and

divestitures

which

occurred

during

2007

as

if

the

transaction

occurred

on

December

31,2006.

For the six months ended 6/30/07, in thousands except per share data.

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PXP
California
Rockies
Permian Basin
Panhandle
Gulf Coast
Gulf of Mexico
Pro Forma Key Asset Areas
Oil Gas

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PXP
Meaningful
value growth
per share
GROWTH
Today

Future

Substantial
cash flow
per share
DEVELOPMENT
Proven Operating Strategy

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PXP
Per Share Cash Flow Accretion
Through Execution of Development Strategy
San Juan
Madden
South Texas

Permian Basin
California Onshore
Large inventory of cash
generating assets
~75% Total
Sales Volumes

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PXP
Per Share Operating Accretion
Through Execution of Growth Strategy
Lots of ways to win
Flatrock Area -
GOM

Deepwater -
GOM
Rockies
Panhandle/Gulf Coast
Vietnam/New Zealand
California Offshore
Real Estate

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PXP
Exploration
Gulf of Mexico
Friesian
New Orleans
Discoveries
Discoveries
2007 Drilling or Planned
2007 Drilling or Planned
Cas
20+ prospect
inventory beyond
current 2007 drills
20+ prospect
inventory beyond
current 2007 drills
Vicksburg
Buckhorn
Bob North
Hurricane Deep
Flatrock
Mound Point
South
Cottonwood
Point
Flatrock Area

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PXP
Rockies
Piceance Basin
CVGS expansion: stage 1 completed
Aug. 30, stage 2 on schedule for mid-Sept.
completion; gross capacity increases to

100 MMCFPD

CVGS stage 3 on schedule for 1st QTR

2008, gross capacity increases to 120

MMCFPD; Buzzard Creek project on
schedule

33 MMCFPD net current production

72 MMCFPD net estimated by year-end

Drilled 20+ productive wells since June 1

45 to 50 wells remaining in 2007

Green River Basin

Eagle Project development permitting in
progress

Green River

Basin

Wyoming

Colorado

Piceance Basin

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PXP

Panhandle/Gulf Coast

Panhandle

375,000 net acres

715 square miles of 3D seismic

Average working interest over 80%

Gulf Coast

175,000

net

acres

(1)

1,000 square miles of 3D seismic

Generally 50% to 100% working
interest

(1) Leased or optioned.

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PXP
Vietnam/New Zealand
Vietnam Block 124
1,480,000 net acres
Multiple Miocene leads
New Zealand

Northern Taranaki

522,000 net acres

Multiple prospects: 1 planned in
November 2007, 50% carried
interest

East Coast Basin

5,310,000 net acres

Multiple Miocene and Cretaceous
leads

New Zealand

Vietnam

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PXP
Offshore California
Pt. Pedernales Unit
Pt. Arguello/Rocky Point
Pt. Arguello/Rocky Point
Permits required for development

T-Ridge lease permit filed
California
T-
Ridge
Prospect Area
T-
Ridge
Prospect Area

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PXP
California Real Estate
Montebello Preparation in Progress

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PXP
PXP Portfolio
Lots of ways to win
Per Share Operating
Accretion
Large inventory of cash

generating assets
Real Estate
California Offshore
Vietnam/New Zealand
Panhandle/Gulf Coast
Rockies
Deepwater -
GOM
Flatrock Area -
GOM
San Juan
Madden
South Texas
Permian Basin
California Onshore
Per Share Cash Flow
Accretion

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PXP
Per Share Financial Accretion
Through Share Repurchase & Debt Reduction
Proven consistent value generator
Asset sales capture arbitrage value between
cash and equity markets

Master limited partnership potential

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PXP

Maintaining Financial Flexibility

Financial commitments obtained for Pogo transaction

Positioned to take advantage of arbitrage between equity
and property market asset values

Target BB family credit metrics over time

Maintain commodity price protection

-

2,500 Bbls/d

8,000 Bbls/d

Oil Collars

(1)

\$60.00 -

\$80.13

(2)

\$53.13 -

79.27

(2)

32,500

47,000

73,000

Total BOEPD

\$55 Strike

\$55 Strike

\$55 Strike

-

15 MMcf/d

90 MMcf/d

Gas Collars

(1)

\$8.00 -

\$12.11

(2)

\$6.33 -

\$12.45

(2)

32,500 Bbls/d

42,000 Bbls/d

50,000 Bbls/d

Oil Puts

2009

2008

2007

Pro Forma

(1) Existing Pogo hedges. (2) Weighted average price.

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PXP
Compelling Investment
Growing Per Share Value
Solid Operating and Financial Strategies
Commodity Price Protection

Addendum
Addendum

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PXP
GAAP to Non-GAAP Reconciliation
6 Months Ended June 30, 2007

-
\$ 478,974
\$ 209,162

Adjusted EBITDA

93,730

G&A costs of Laramie Energy, LLC included in
combined Pro forma results

25,000

-

Estimated cost savings related to the Pogo merger

360,244

209,162

EBITDA

287,323

111,201

Depreciation, depletion, and amortization

75,049

17,058

Interest expense

(7,879)

35,015

Income tax expenses (benefit)

\$ 5,751

\$ 45,888

Net income

Combined

Pro Forma

PXP

Historical

EBITDA represents net earnings before income taxes, interest expense, depreciation, depletion and amortization.

The

pro

forma

combined

EBITDA

is

net

of

an

estimated

\$25

million

(\$50

million

on

an

annual

basis)

of

costs

savings

related

to

the
Pogo
merger
and
an
estimated
\$93.7
million
for
noncash
compensation
of
Laramie
Energy,
LLC
related
to
the
Piceance
Basin

acquisition. We did not assume any equity compensation arrangements or retain any of Laramie Energy LLC's corporate management or staff.

EBITDA is a performance measure that is not calculated in accordance with GAAP, and should not be considered as an alternative to net income before taxes, net cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. EBITDA calculations may vary among entities, so our computation of EBITDA may not be comparable to EBITDA or similar measures of other entities.

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PXP

Additional Information

PXP AND POGO HAVE FILED A JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS WITH THE SECURITIES AND EXCHANGE COMMISSION. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION REGARDING PXP, POGO AND THE

ACQUISITION.

A DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WILL BE SENT TO SECURITY HOLDERS OF PXP SEEKING THEIR APPROVAL OF THE ISSUANCE OF SHARES OF PXP STOCK TO BE USED AS MERGER

CONSIDERATION AND SECURITY HOLDERS OF POGO SEEKING THEIR APPROVAL OF THE ACQUISITION. INVESTORS AND SECURITY HOLDERS MAY OBTAIN A FREE COPY OF THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS (WHEN AVAILABLE) AND OTHER DOCUMENTS FILED BY PXP AND POGO WITH THE SEC AT THE SEC'S WEBSITE AT WWW.SEC.GOV.

THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND SUCH OTHER DOCUMENTS (RELATING TO PXP) MAY ALSO BE OBTAINED FOR FREE FROM PXP BY DIRECTING A REQUEST TO PLAINS EXPLORATION & PRODUCTION COMPANY, 700 MILAM, SUITE 3100, HOUSTON, TX 77002, ATTENTION: JOANNA PANKEY; TELEPHONE: (713) 579-6000, E-MAIL: JPANKEY@PXP.COM.

THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND SUCH OTHER DOCUMENTS (RELATING TO POGO) MAY ALSO BE OBTAINED FOR FREE FROM POGO BY DIRECTING A REQUEST TO POGO PRODUCING COMPANY, 5 GREENWAY PLAZA, SUITE 2700, HOUSTON, TX 77046, ATTENTION: CLAY JEANSONNE, TELEPHONE: (713) 297-5000, E-MAIL:JEANSONC@POGOPRODUCING.COM.

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PXP

PXP, its directors, executive officers and certain members of management and employees may be considered participants in the solicitation of proxies from PXP's

stockholders in connection with the acquisition. Information regarding such persons and a description of their interest in the acquisition is contained in the joint proxy

statement/prospectus on file with the SEC. Information concerning beneficial ownership of PXP stock by its directors and certain executive officers is included in its proxy statement dated March 29, 2007 and subsequent statements of changes in beneficial ownership on file with the SEC.

Pogo, its directors, executive officers and certain members of management and employees may be considered participants in the solicitation of proxies from Pogo's

stockholders in connection with the acquisition. Information regarding such persons and a description of their interest in the acquisition is contained in the joint proxy statement/prospectus on file with the SEC. Information concerning beneficial ownership of Pogo stock by its directors and certain executive officers is included in its proxy statement dated April 20, 2007 and subsequent statements of changes in beneficial ownership on file with the SEC.

Additional Information

Lehman Brothers
CEO Energy/Power
Conference
September 2007
Lehman Brothers
CEO Energy/Power
Conference

September 2007