

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))

Edgar Filing: POGO PRODUCING CO - Form 425

“ 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



2

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

This presentation is not for reproduction or distribution to others without PXP's consent.

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

Phone: 713-579-6000

Toll Free: 800-934-6083

Email: [investor@pxp.com](mailto:investor@pxp.com)

Web Site: [www.pxp.com](http://www.pxp.com)

3

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

4  
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

5  
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



6  
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.



7  
PXP  
California  
Rockies  
Permian Basin  
Panhandle  
Gulf Coast  
Gulf of Mexico  
Pro Forma Key Asset Areas  
Oil      Gas

8  
PXP  
Meaningful  
value growth  
per share  
GROWTH  
Today

Future

Substantial  
cash flow  
per share  
DEVELOPMENT  
Proven Operating Strategy

9  
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

10  
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





11  
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

12  
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





13

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.

14  
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

15  
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

16  
PXP  
California Real Estate  
Montebello Preparation in Progress

17  
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

18  
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

19

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.

20  
PXP  
Compelling Investment  
Growing Per Share Value  
Solid Operating and Financial Strategies  
Commodity Price Protection

Addendum  
Addendum

22  
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.

23

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.

24

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