POGO PRODUCING CO LLC
Form 424B5
November 17, 2011
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Filed pursuant to Rule 424(b)5
Registration No. 333-165263

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price	Amount of registration fee (1)
6 3/4% Senior Notes due 2022	$1,000,000,000	$114,600
Guarantees of Senior Notes	(2)	None
Total	$1,000,000,000	$114,600

(1) The filing fee, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-165263 by means of this prospectus supplement.
(2) No separate consideration will be received for such guarantees. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to such guarantees.

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Prospectus supplement

To prospectus dated March 5, 2010

PXP

Plains Exploration & Production Company

$1,000,000,000

6 3/4% Senior Notes due 2022

Interest will be payable on the notes on February 1 and August 1 of each year. The notes will mature on February 1, 2022. Interest on the notes will accrue from November 21, 2011, and the first interest payment on the notes will be due on February 1, 2012.

We may redeem all or part of the notes on or after February 1, 2017 at the applicable redemption prices described in this prospectus supplement and prior to such date at a make-whole redemption price, in each case, together with any accrued and unpaid interest to the date of redemption. The redemption provisions are more fully described in this prospectus supplement under Description of notes Optional redemption. In addition, prior to February 1, 2015, we may, at our option, redeem up to 35% of the notes with the proceeds of certain equity offerings. If we undergo a change of control or sell assets, we may be required to offer to purchase notes.

The notes will be our general unsecured, senior obligations, will be equal in right of payment with any of our existing and future unsecured senior indebtedness that is not by its terms subordinated to the notes, and will be effectively junior to our existing and future secured indebtedness to the extent of the value of the collateral securing that indebtedness. The notes will initially be guaranteed on a senior unsecured basis by certain of our subsidiaries. The notes will be structurally junior to the indebtedness and other liabilities of our non-guarantor subsidiaries.

Investing in the notes involves risks. See Risk factors beginning on page S-18 of this prospectus supplement and on page 1 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per note	Total
Public offering price(1)	100%	$ 1,000,000,000
Underwriting discount	1.5%	$ 15,000,000
Proceeds, before expenses, to us	98.5%	$ 985,000,000

(1) Plus accrued interest, if any, from November 21, 2011 if settlement occurs after that date. Excludes expenses directly associated with the offering.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes. Delivery of the notes, in book-entry form, will be made on or about November 21, 2011 through The Depository Trust Company.

Joint book-running managers

J.P. Morgan | **Barclays Capital**
BMO Capital Markets | **Citigroup**

RBC Capital Markets **Wells Fargo Securities**

Senior co-managers

BNP PARIBAS **Goldman, Sachs & Co.**
ING **Lloyds Securities** **Scotia Capital** **TD Securities**
Capital One Southcoast **RBS**

Co-managers

Comerica Securities **Mitsubishi UFJ Securities** **Morgan Stanley**
UBS Investment Bank **US Bancorp**

The date of this prospectus supplement is November 16, 2011.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on the front of those documents or earlier dates specified herein or therein. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus supplement

Prospectus

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About this prospectus supplement

This prospectus supplement and the accompanying prospectus are part of a universal shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC. Under the shelf registration process, we may sell any combination of common stock and debt securities in one or more offerings from time to time. In the accompanying prospectus, we provide you a general description of the securities we may offer from time to time under our shelf registration statement. This prospectus supplement describes the specific details regarding this offering, including the price, the aggregate principal amount of debt being offered and the risks of investing in our securities. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, the notes being offered and other information you should know before investing.

Unless otherwise indicated or the context otherwise requires, in this prospectus supplement, all references to Plains, PXP, we, us and our ref Plains Exploration & Production Company and its direct and indirect subsidiaries on a consolidated basis.

Incorporation by reference

The SEC allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (other than information furnished rather than filed):

- our Annual Report on Form 10-K for the year ended December 31, 2010;
- our Quarterly Reports on Form 10-Q and Form 10-Q/A for the quarterly periods ended March 31, 2011, June 30, 2011 and September 30, 2011;
- our Current Reports on Form 8-K filed on January 6, 2011, March 29, 2011, May 5, 2011, May 9, 2011, September 16, 2011, November 2, 2011 and November 16, 2011; and
- the description of our common stock contained in our Form 10 registration statement filed with the SEC on November 8, 2002, as amended by Amendment No. 1 filed November 21, 2002, Amendment No. 2 filed December 3, 2002, and Amendment No. 3 filed December 6, 2002.

Forward-looking statements

This prospectus supplement includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and the Private Securities Litigation Reform Act of 1995 about us that are subject to risks and uncertainties. All statements other than statements of historical fact included in this document are forward-looking statements. Forward-looking statements may be found under Prospectus supplement summary, Risk factors and elsewhere in this document regarding our financial position, business strategy, production and reserve growth, possible or assumed future results of operations, and other plans and objectives for our future operations.

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All forward-looking statements in this prospectus supplement are made as of the date hereof, and you should not place undue reliance on these statements without also considering the risks and uncertainties associated with these statements and our business that are discussed in this prospectus supplement, the accompanying prospectus and our other filings with the SEC. Forward-looking statements are subject to risks and uncertainties. Although we believe that in making such statements our expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

Except as required by law, we do not undertake any obligation to release publicly any revisions to any forward-looking statements, to report events or circumstances after the date of this prospectus supplement, or to report the occurrence of unanticipated events.

Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as will, would, should, plans, likely, expects, anticipates, intends, believes, estimates, thinks, may, and similar expressions, are forward-looki following important factors, in addition to those discussed under Risk factors and elsewhere in this document, could affect the future results of the energy industry in general, and us in particular, and could cause those results to differ materially from those expressed in or implied by such forward-looking statements:

- uncertainties inherent in the development and production of oil and gas and in estimating reserves;
- unexpected difficulties in integrating our operations as a result of any significant acquisitions;
- unexpected future capital expenditures (including the amount and nature thereof);
- the impact of oil and gas price fluctuations, including the impact on our reserve volumes and values and on our earnings;
- the effects of our indebtedness, which could adversely restrict our ability to operate, could make us vulnerable to general adverse economic and industry conditions, could place us at a competitive disadvantage compared to our competitors that have less debt, and could have other adverse consequences;
- the success of our derivative activities;
- the success of our risk management activities;
- the effects of competition;
- the availability (or lack thereof) of acquisition, disposition or combination opportunities;
- the completion of the pending tender offers;
- the completion of the proposed asset sales;

the availability (or lack thereof) of capital to fund our business strategy and/or operations;

the completion of the deepwater Gulf of Mexico financing;

the impact of current and future laws and governmental regulations, including those related to climate change;

the effects of future laws and governmental regulation that result from the Macondo accident and oil spill in the U.S. Gulf of Mexico;

- the value of the common stock of McMoRan Exploration Co., or McMoRan, and our ability to dispose of those shares;
- liabilities that are not covered by an effective indemnity or insurance;
- the ability and willingness of our current or potential counterparties to fulfill their obligations to us or to enter into transactions with us in the future; and
- general economic, market, industry or business conditions.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by such factors. For additional information with respect to these factors, see Incorporation by reference.

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Prospectus supplement summary

This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. You should read Risk factors beginning on page S-18 of this prospectus supplement and on page 1 of the accompanying prospectus for more information about important risks that you should consider before making a decision to purchase notes in this offering.

We have defined certain oil and gas industry terms used in this document in the Glossary of oil and gas terms beginning on page S-104 of this prospectus supplement. Except in the Description of notes and unless otherwise indicated or the context requires otherwise, references to Plains, PXP, we, us and our mean Plains Exploration & Production Company together with its subsidiaries.

Plains Exploration & Production Company

We are an independent energy company engaged in the upstream oil and gas business. The upstream business acquires, develops, explores for and produces oil and gas. Our upstream activities are located in the United States. We own oil and gas properties with principal operations in:

- Onshore California;
- Offshore California;
- the Gulf Coast Region;
- the Gulf of Mexico; and
- the Rocky Mountains.

Assets in our principal focus areas include mature properties with long-lived reserves and significant development opportunities as well as newer properties with development and exploration potential. We believe our balanced portfolio of assets and our ongoing hedging program position us well for both the current commodity price environment and future potential upside as we develop our attractive resource opportunities, including our California, Haynesville Shale, Eagle Ford Shale and Gulf of Mexico plays.

Our assets include 51.0 million shares of McMoRan common stock, which constitutes approximately 31.6% of their outstanding common stock as of September 30, 2011.

As of December 31, 2010, including our properties subject to the proposed asset sales described below, we had estimated proved reserves of 416.1 million barrels of oil equivalent, of which 54% was comprised of oil and 57% was proved developed. As of that date, we had a total proved reserve life of approximately 13 years and a proved developed reserve life of approximately seven years. We believe our long-lived, low production decline reserve base, combined with our active risk management program, should provide us with relatively stable and recurring cash flow. As of December 31, 2010, and based on the twelve-month average of the first-day-of-the-month reference prices as adjusted for location and quality differentials, our reserves had a standardized measure of $3.1 billion.

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Our principal executive offices are located at 700 Milam, Suite 3100, Houston, Texas 77002, and our telephone number is (713) 579-6000.

Recent developments

Proposed asset sales

On November 3, 2011, we agreed to sell all of our working interests in our Panhandle properties to an affiliate of Linn Energy, LLC for $600 million. Our aggregate working interest in these properties generated total sales volumes of approximately 84 MMcfe per day during the third quarter of 2011 and had 263 Bcfe of estimated proved reserves as of December 31, 2010. This transaction is expected to close in December 2011. We refer to this transaction in this prospectus supplement as the Panhandle Transaction.

On November 3, 2011, we agreed to sell all of our working interests in our conventional natural gas South Texas properties to a third party for $185 million. Our aggregate working interest in these properties generated total sales volumes of approximately 39 MMcfe per day during the third quarter of 2011 and had 120 Bcfe of estimated proved reserves as of December 31, 2010. This transaction is expected to close in December 2011.

We anticipate requesting an amendment from our bank group under our senior revolving credit facility to maintain the existing $1.8 billion borrowing base after taking into effect the proposed asset sales.

We cannot assure you that we will be able to complete the asset sales described above or obtain the amendment to our senior revolving credit facility.

Deepwater Gulf of Mexico

On October 28, 2011, we entered into a securities purchase agreement with affiliates of EIG Global Energy Partners, or EIG, pursuant to which we will receive $450 million of cash proceeds in exchange for a 20% equity interest in Plains Offshore Operations Inc., which we refer to as POI or Plains Offshore, a wholly owned subsidiary of PXP. Plains Offshore will hold all of our Gulf of Mexico assets. We expect to use the proceeds from this transaction to fund Plains Offshore s share of capital investment in the Lucius oil field and the Phobos prospect exploratory drilling planned for 2012. Under the agreement, Plains Offshore will issue to EIG-managed funds and accounts 450,000 shares of 8% convertible preferred stock and non-detachable warrants to purchase an aggregate of 9,121,000 shares of Plains Offshore s common stock with an exercise price of $20 per share. The 8% convertible preferred stock will pay quarterly cash dividends of 6% per annum and an additional 2% per annum dividend, which may be deferred and accumulated quarterly until paid. This transaction is subject to customary closing conditions and is expected to close in November 2011.

Effective June 1, 2011, we joined the Lucius and Hadrian working interest partners and executed a unit participation and unit operating agreement with respect to the Lucius field, located in the deepwater U.S. Gulf of Mexico. As part of the agreements, we have agreed to share in our portion of certain long lead equipment orders and detailed engineering work and have a commitment of approximately $334 million remaining under the development plan, with first production planned for the third quarter of 2014.

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In connection with the preferred stock private placement, Plains Offshore intends to enter into a $300 million senior revolving credit facility, or the POI senior credit facility, with a bank group. The POI senior credit facility will be guaranteed on a senior secured basis by PXP and certain of its subsidiaries and is expected to mature on the fifth anniversary of the closing date. The POI senior credit facility is not expected to be secured by Plains Offshore s assets, but Plains Offshore will be subject to certain affirmative and negative covenants, including restrictions on liens and incurring other indebtedness, as well as customary events of default, including a cross-default to our senior revolving credit facility.

We cannot assure you that we will be able to enter into the POI senior credit facility on these terms or at all.

Tender offers

On November 16, 2011, we announced fixed price tender offers for any and all of the $600 million outstanding principal amount of our 7 $^{3}/4$% Senior Notes due 2015, or 2015 Notes, and up to $400 million outstanding principal amount of our 7% Senior Notes due 2017, or 2017 Notes. We plan to increase the outstanding principal amount of our 2017 Notes being redeemed from $400 million to $500 million after receipt of an amendment of our senior revolving credit facility from the lenders thereunder. We have offered to purchase the 2015 Notes for cash equal to 104.125% of the principal amount, together with accrued and unpaid interest up to but not including the purchase date. We have offered to purchase the 2017 Notes for cash equal to 104.5% of the principal amount, together with accrued and unpaid interest up to but not including the purchase date. The tender offers are scheduled to expire at 5:00 p.m., New York City time, on December 15, 2011, unless otherwise extended by us.

Our offers to purchase the 2015 Notes and the 2017 Notes are being made on the terms and subject to the conditions set forth in the Offers to Purchase dated November 16, 2011, and this prospectus supplement and the accompanying prospectus shall not be deemed to constitute part of the tender offers. The tender offers are conditioned upon, among other things, our having available sufficient financing to pay the consideration in connection with the tender offers on terms and conditions satisfactory to us in our sole discretion, including without limitation from this notes offering and the net proceeds from the proposed asset sales. This notes offering is not conditioned on the successful consumation of the tender offers.

If fully subscribed, we expect that the payments made in the tender offers will cost approximately $1.18 billion (including accrued and unpaid interest of approximately $30.1 million and other fees and expenses) and will result in a pre-tax charge to our net income of approximately $54.7 million. The tender offers are expected to be funded with borrowings under our senior revolving credit facility, cash on hand and proceeds from the proposed asset sales, as described in Use of proceeds. There is no assurance that the tender offers will be subscribed for in any amount.

Derivatives

In September 2011, we realigned our existing 2012 West Texas Intermediate, or WTI, crude oil put option spread contracts that had an $80 per barrel floor price with a $60 per barrel limit on 40,000 barrels of oil per day by acquiring 2012 Brent crude oil three-way collars that have a $100 per barrel floor price with an $80 per barrel limit and a weighted average ceiling price of

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$120 per barrel. The realignment eliminated $89.1 million of deferred premiums and interest associated with the previous 2012 WTI crude oil put option spread contracts. We also paid net upfront premiums of approximately $2.6 million to enter into the 2012 Brent three-way collars. In addition, we converted 40,000 of the 160,000 MMBtu per day 2012 natural gas put option spread contracts that had a $4.30 per MMBtu floor price with a $3.00 per MMBtu limit to natural gas three-way collars that have a $4.30 per MMBtu floor price with a $3.00 per MMBtu limit and a weighted average ceiling price of $4.86 per MMBtu and reduced 2012 deferred premiums and interest by approximately $4.1 million. We also acquired 2013 Brent crude oil put option spread contracts that have a $90 per barrel floor price with a $70 per barrel limit and weighted average deferred premium and interest of $6.237 per barrel on 22,000 barrels of oil per day.

Crude oil marketing contracts

In August 2011, we entered into a new marketing contract with ConocoPhillips, effective January 1, 2012, for our California crude oil production that covers approximately 90% of our expected California production, extends the dedication from January 1, 2015 to January 1, 2023 and replaces the percent of NYMEX index pricing mechanism with a market-based pricing approach. Separately, we executed an agreement with a third party purchaser to sell our Eagle Ford crude oil using a Light Louisiana Sweet based pricing mechanism. Due to these new marketing contracts, we expect oil price realizations on a significant portion of our crude oil production to increase relative to WTI beginning in 2012.

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The offering

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section of this document entitled Description of notes. For purposes of this section of the summary and the description of notes included in this prospectus supplement, references to Plains, PXP, issuer, us, we and our refer only to Plains Exploration & Prod Company and do not include its subsidiaries.

Issuer	Plains Exploration & Production Company.
Securities	$1,000,000,000 aggregate principal amount of 6 3/4% senior notes due 2022.
Maturity	February 1, 2022.
Interest payment dates	Interest will be payable on the notes on February 1 and August 1 of each year, beginning on February 1, 2012.
	Interest will accrue on the notes from November 21, 2011.
Optional redemption	We may, at our option, redeem all or part of the notes at a make-whole price at any time prior to February 1, 2017.
	On or after such date, we may redeem notes at fixed redemption prices, plus accrued and unpaid interest, if any, to the date of redemption, as described under Description of notes Optional redemption.
	In addition, prior to February 1, 2015, we may, at our option, redeem up to 35% of the notes with the proceeds of certain equity offerings at a fixed redemption price, plus accrued and unpaid interest, if any, to the date of redemption, as described under Description of notes Optional redemption.
Ranking	The notes will be our general unsecured, senior obligations. Accordingly, they will rank:
	senior in right of payment to all of our existing and future subordinated indebtedness;
	pari passu in right of payment with any of our existing and future unsecured indebtedness that is not by its terms subordinated to the notes;
	effectively junior to our existing and future secured indebtedness, including indebtedness under our senior revolving credit facility and the POI senior credit facility, to the extent of the value of our assets constituting collateral securing that indebtedness; and

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structurally subordinate to all existing and future indebtedness and other liabilities (other than indebtedness and liabilities owed to us) of our non-guarantor subsidiaries.

As of September 30, 2011, on a pro forma basis after giving effect to the following (the Transaction Adjustments):

the issuance and sale of the notes and the application of the proceeds thereof to repay borrowings under our senior revolving credit facility;

the completion of the deepwater Gulf of Mexico financing transactions;

the completion of the proposed asset sales;

the repurchase of any and all of the $600 million outstanding principal amount of our 2015 Notes and up to $400 million outstanding principal amount of our 2017 Notes pursuant to the tender offers with cash on hand, proceeds from the proposed asset sales and borrowings under our senior revolving credit facility;

the increase in the outstanding principal amount of our 2017 Notes we are offering to purchase from $400 million to $500 million after receipt of an amendment of our senior revolving credit facility from the lenders thereunder;

the maintenance of the borrowing base under our senior revolving credit facility at $1.8 billion after receipt of an amendment from the lenders thereunder; and

the execution and delivery of the POI senior credit facility, which is anticipated to be guaranteed by us and certain of our subsidiaries, with $300 million in commitments,

we would have had total indebtedness of approximately $3.2 billion (none of which would have been secured, excluding approximately $1.2 million in letters of credit outstanding under our senior revolving credit facility), and we would have had approximately $1.4 billion and $300 million in additional secured borrowing capacity under our senior revolving credit facility and the POI senior credit facility, respectively.

Subsidiary guarantees

The notes initially will be jointly and severally guaranteed on a senior unsecured basis by some of our existing domestic subsidiaries. In the future, the guarantees will be released or terminated under certain circumstances.

Each subsidiary guarantee will be a general unsecured obligation of the subsidiary guarantor and will rank:

senior in right of payment to all existing and future subordinated indebtedness of that subsidiary guarantor;

pari passu in right of payment to all existing and future senior unsecured indebtedness of that subsidiary guarantor; and effectively junior to that subsidiary guarantor s existing and future secured indebtedness, including its guarantee of indebtedness under our senior revolving credit facility and the POI senior credit facility, to the extent of the value of the assets of such subsidiary guarantor constituting collateral securing that indebtedness.

Not all of our subsidiaries will guarantee the notes.

Covenants

The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- make certain investments or pay dividends or distributions on our capital stock or purchase or redeem or retire capital stock;
- sell assets, including capital stock of our restricted subsidiaries;
- restrict dividends or other payments by restricted subsidiaries;
- create liens that secure debt;
- enter into transactions with affiliates; and
- merge or consolidate with another company.

These covenants are subject to a number of important limitations and exceptions that are described later in this prospectus supplement under the caption Description of notes Covenants.

Change of control offer

If we experience certain kinds of changes of control coupled with a ratings downgrade, we must give holders of the notes the opportunity to sell us their notes at 101% of their principal amount, plus accrued and unpaid interest. However, in such an event, we might not be able to pay you the required repurchase price for the notes you present to us because we might not have sufficient funds available at that time, or the terms of our bank credit agreement may prevent us from applying funds to repurchase the notes.

Use of proceeds

We will receive net proceeds from this offering of approximately $984 million, after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds of this offering to repay amounts outstanding under our senior revolving credit facility and for general corporate purposes. We intend to use future borrowings under our senior revolving credit facility, together with cash on hand and cash received upon the completion of the proposed asset sales, to fund our pending tender offers and for

	general corporate purposes, which may include the redemption or repurchase of any of our 2015 Notes and our 2017 Notes not tendered in the tender offers and the retirement of other indebtedness.
Form	The notes will be represented by registered global securities registered in the name of Cede & Co., the nominee of the depositary, The Depository Trust Company, or DTC. Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants.
Risk factors	See Risk factors for a discussion of the risk factors you should carefully consider before deciding to invest in the notes.
Conflicts of interest	An underwriter has communicated to us that it and its affiliates hold a significant amount of our 2015 Notes and our 2017 Notes; certain other underwriters or their affiliates also hold some of our 2015 Notes or 2017 Notes. In addition, affiliates of certain of the underwriters are lenders under our senior revolving credit facility and will receive a portion of the net proceeds from this offering through the repayment of the borrowings they have extended under our senior revolving credit facility. Because 5% or more of the net proceeds of this offering, not including underwriting compensation, may be paid to affiliates of certain of the underwriters, this offering will be made in accordance with Rule 5121 of the Financial Industry Regulatory Authority, or FINRA, which requires that a qualified independent underwriter, or QIU, participate in the preparation of this prospectus supplement and perform the usual standards of due diligence with respect thereto. Morgan Stanley & Co. LLC is assuming the responsibilities of acting as QIU in connection with this offering. We have agreed to indemnify Morgan Stanley & Co. LLC against certain liabilities incurred in connection with it acting as QIU in this offering, including liabilities under the Securities Act. For more information, see Underwriting; Conflicts of interest.

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Summary historical consolidated financial data

The following table sets forth summary historical consolidated financial information that has been derived from (a) our audited statements of income and cash flows for each of the years ended December 31, 2008, 2009 and 2010 and our audited balance sheets as of December 31, 2008, 2009 and 2010 and (b) unaudited statements of income and cash flows for each of the nine month periods ended September 30, 2010 and 2011 and our unaudited balance sheets as of September 30, 2010 and 2011.

You should read this financial information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2010 and in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011, as well as our historical financial statements and notes thereto, all of which are incorporated by reference into this document. Historical results are not necessarily indicative of results that may be expected for any future period.

			Year ended December 31,		Nine months ended September 30,
(Dollars in thousands)	**2008(1)**	**2009**	**2010(2)**	**2010**	**2011**
				(unaudited)	
Income statement data:					
Revenues					
Oil and gas sales	$ 2,386,563	$ 1,185,124	$ 1,542,367	$ 1,134,617	$ 1,441,714
Other operating revenues	16,908	2,006	2,228	1,849	5,233
	2,403,471	1,187,130	1,544,595	1,136.466	1,446,947
Costs and expenses					
Production costs	626,428	423,967	451,902	330,114	398,133
General and administrative	153,306	144,586	136,437	101,969	94,964
Depreciation, depletion, amortization and accretion	621,484	421,580	551,118	392,648	466,072
Impairment of oil and gas properties(3)	3,629,666				