Latigo Petroleum, Inc.
Form 424B5
September 10, 2009
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-141110

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per unit	Maximum aggregate offering price	Amount of registration fee (1)
8 $^{5}/8$% Senior Notes due 2019	$400,000,000	100%	$400,000,000	$22,320
Guarantees of Senior Notes	(2)	(2)	(2)	None

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.
(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 7, 2007

PXP

Plains Exploration & Production Company

$400,000,000

8 5/8% Senior Notes due 2019

Interest will be payable on the notes on April 15 and October 15 of each year. The notes will mature on October 15, 2019. Interest on the notes will accrue from September 11, 2009, and the first interest payment on the notes will be due on April 15, 2010.

We may redeem all or part of the notes on or after October 15, 2014 at the applicable redemption prices described in this prospectus supplement and prior to such date at a make-whole redemption price. The redemption provisions are more fully described in this prospectus supplement under Description of notes Optional redemption. In addition, prior to October 15, 2012, 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 collateral securing that debt. 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-17 of this prospectus supplement and 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.

	Public offering price(1)	Underwriting discount	Proceeds, before expenses, to Plains(1)
Per note	98.335%	1.721%	96.614%
Total	$393,340,000	$6,883,450	$386,456,550

(1) Plus accrued interest, if any, from September 11, 2009 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 September 11, 2009 through The Depository Trust Company.

Joint book-running managers

J.P. Morgan

Barclays Capital

BMO Capital Markets

BofA Merrill Lynch

Morgan Stanley

Co-managers

BNP PARIBAS	**TD Securities**	**Citi**
RBS	**Scotia Capital**	**Wells Fargo Securities**

The date of this prospectus supplement is September 8, 2009.

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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

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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 or our refer to 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 them, 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, 2008;
- our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009;
- our Current Reports on Form 8-K and 8-K/A filed May 20, 2008, February 17, 2009, March 3, 2009, March 6, 2009, March 13, 2009, April 6, 2009, April 23, 2009 and August 7, 2009; 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, Summary historical consolidated financial data, Summary historical reserve and operating data, 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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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 for our obligation to disclose material information under U.S. federal securities laws, 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 expressi forward-looking statements. The 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 availability (or lack thereof) of capital to fund our business strategy and/or operations;
- the impact of current and future laws and governmental regulations;
- environmental 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 for a more complete understanding of this offering. You should read Risk factors beginning on page S-17 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 included various pro forma numbers throughout this prospectus supplement. Such pro forma information is for illustrative purposes only and should not be viewed as indicative of future results.

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-94 of this prospectus supplement. Except in the Description of notes and unless the context requires otherwise, references to Plains, PXP, us, we and our mean Plains Exploration & Production Company together with its subsidiaries.

Plains Exploration & Production Company

We are an independent oil and gas company primarily engaged in the activities of acquiring, developing, exploring and producing oil and gas properties primarily in the United States. We own oil and gas properties with principal operations in:

- Onshore California;
- Offshore California;
- the Gulf of Mexico;
- the Gulf Coast Region;
- the Mid-Continent Region; 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. In addition to the assets in our principal focus areas listed above, we also have an interest in an exploration prospect offshore Vietnam. We believe our balanced portfolio of assets, our recent significant deleveraging transactions 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. As of December 31, 2008, we had estimated proved reserves of 292.1 MMBOE, of which 61% was comprised of oil and 72% was proved developed.

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

Recent developments

Haynesville Carry

On August 6, 2009 we announced an amendment to our joint venture agreement with Chesapeake Energy Corporation, or Chesapeake, that accelerates the payment of our remaining commitment to fund 50% of Chesapeake s share of drilling and completion costs for future Haynesville Shale wells, which we refer to as the Haynesville Carry. In this amendment, we agreed to pay $1.1 billion for the remaining Haynesville Carry balance due Chesapeake as of September 30, 2009, which we estimated at $1.25 billion. This payment represents an approximate 12% reduction in the total amount due. Additionally, Chesapeake has committed to drill at least 150 wells per year under the participation agreement for the three year period starting October 1, 2009. Further, we have agreed to terminate our one-time option exercisable in June of 2010 to avoid paying the last $800 million of the Haynesville Carry in exchange for an assignment to Chesapeake of 50% of our interest in our Haynesville acreage. The closing of this transaction is expected to occur on September 29, 2009.

Increase in 2009 Capital Budget

In August 2009, we revised our 2009 capital budget to $1.4 billion from $1.05 billion. The increase reflects our participation in anticipated additional Haynesville Shale wells and additional acreage purchases offset by the elimination of the Haynesville Carry in the fourth quarter, combined with a slower than anticipated reduction in rig rates and service costs as well as additional Gulf of Mexico exploratory drilling. Our revised 2009 capital budget continues to be focused on our major development areas. Our resources will be primarily directed to the Haynesville Shale, the California long-life oil resource base, the Flatrock area development, delineation of the Friesian discovery, and high-impact Miocene and Paleogene exploration projects in the Gulf of Mexico shelf and deep water. To maximize economic returns, we continue to reduce operating expenses in all of our field locations and general and administrative costs. We are also aggressively managing our inventory, our cost structure and our financial flexibility.

Modified derivative positions and recent offerings

During 2009, we have continued to strengthen our liquidity by monetizing hedges, issuing new senior notes and selling shares of our common stock.

In the first quarter of 2009, we monetized our 2009 and 2010 crude oil put option contracts on 40,000 BOPD with weighted average strike prices of $106.16 per barrel and $111.49 per barrel, respectively. In addition, we terminated our crude oil swaps on 20,000 BOPD in 2009. As a result of this monetization, we received approximately $1.1 billion in net proceeds, which we used to reduce the outstanding balance on our senior revolving credit facility and for other general corporate purposes. In connection with this monetization, we also entered into crude oil put option contracts on 40,000 BOPD in 2010. These put options have a strike price of $55 per barrel. Additionally, in separate transactions, we acquired natural gas three-way collars on 85,000 MMbtu per day for 2010.

In March 2009, we issued $365 million of 10% Senior Notes due 2016, which were sold to the public at 92.373% of the face value to yield 11.625% to maturity. In April 2009, an additional $200 million of 10% Senior Notes due 2016 were sold to the public at 92.969% of the face value, plus interest accrued from March 6, 2009, to yield 11.5% to maturity. We received $511 million of net proceeds, after deducting the underwriting discounts, original issue discounts and offering expenses. We used the net proceeds to reduce indebtedness outstanding under our senior revolving credit facility and for general corporate purposes, including capital expenditures.

During the second quarter of 2009, we sold 13.8 million shares of our common stock at a price of $18.70 per share to the public and received $250.9 million of net proceeds after deducting the underwriting discounts and offering expenses. The net proceeds are being used for general corporate purposes, including future capital expenditures.

In August 2009, we sold 17.25 million shares of our common stock at a price of $24.00 per share to the public and received $397.1 million of net proceeds after deducting the underwriting discounts and offering expenses. The net proceeds are being used for general corporate purposes, including to fund a portion of the $1.1 billion payment for the Haynesville Carry.

Description of Operating Areas

Gulf Coast Region, including Haynesville Shale and South and East Texas

Haynesville Shale. In July 2008, we acquired from Chesapeake Energy Corporation, or Chesapeake, a 20% interest in Chesapeake s Haynesville Shale leasehold. The Haynesville Shale is characterized by gas production from the Jurassic aged Haynesville shale formation, and typical well depth is 10,500 feet. The area is currently being developed with approximately 4,000 foot horizontal wells with a measured total depth of 16,000 feet. We have rights to approximately 113,000 net acres with 1,400 potential net drilling locations. Drilling operations began in July 2008 and production commenced during the third quarter of 2008. Haynesville Shale average daily net production during the second quarter of 2009 was 28 MMcfe per day net to us, a 100% increase from the 14 MMcfe per day net average during the first quarter of 2009. Production is expected to exceed approximately 70 MMcfe net per day by year-end 2009 and approximately 125 MMcfe net per day by year-end 2010. Chesapeake is expected to operate an average of 33 rigs in the second half of 2009 and 36 rigs in 2010.

South Texas. We own interests in oil and gas properties on approximately 94,448 gross acres (62,846 net acres) with 321 square miles of 3-D seismic located in South Texas, including approximately 52,648 gross acres (29,453 net acres) that we acquired in April 2008 from a private company.

Our South Texas development activities are primarily focused on gas reserves concentrated in the Los Mogotes, Lopez Ranch, Mills Bennett and Javelina Fields. The fields produce from the Eocene Yegua and Wilcox formations, found at depths generally ranging from 7,000 to 14,000 feet. In 2009, we plan to continue focusing on development in these fields, but at a reduced rate.

Jefferson County, Texas. We hold a 100% working interest in approximately 72,233 gross acres, including the Oligocene, Frio and Vicksburg reservoirs in the Big Mac prospect area. We own over 275 square miles of 3-D seismic data, and interpretation of that data has yielded a number of exploratory prospects.

Polk and Tyler Counties, Texas. We hold approximately 63,186 gross acres, including the Cretaceous Woodbine and Austin Chalk Formations. We own approximately 125 square miles of new, proprietary 3-D seismic data, and interpretation of that data has yielded a number of exploratory prospects.

South Louisiana. We have approximately 35,872 gross acres in central South Louisiana on which to explore for Oligocene and deeper Eocene targets. We own over 165 square miles of new 3-D

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seismic data in central South Louisiana and hold a 100% working interest. We plan to drill a well on this acreage in the second half of 2009.

Gulf of Mexico

We have both exploration and development projects in the Gulf of Mexico asset area, which includes coastal onshore and offshore areas of Texas and Louisiana and the Gulf of Mexico.

We have an exploration agreement with McMoRan Exploration Co. to participate in several of their Miocene exploratory prospects.

Production commenced at Flatrock, where we own a 30% working interest, in the first quarter of 2008. In May 2009, the operator completed a planned facility expansion at the Tiger Shoal production facility.

As of June 30, 2009, a well drilled on South Timbalier Block 168, where we own a 35% working interest, was temporarily abandoned awaiting completion.

Positive drilling results at the Blueberry Hill deep gas exploratory well, operated by McMoRan and located on Louisiana State Lease 340 in the Gulf of Mexico, indicate a potential discovery. The exploratory sidetrack well was drilled to a true vertical depth of 21,900 feet and log-while-drilling tools indicated resistive zones approximating 150 gross feet. Operations are currently underway to deepen the well to a proposed total depth of 24,000 feet to assess deeper targets. We hold a 47.9% working interest.

A drilling rig is on location at the Davy Jones prospect. McMoRan, as the operator, is re-entering a previously abandoned well bore located on South Marsh Island Block 230 in the Gulf of Mexico, which had been drilled to 19,957 feet, and plans to deepen the well to a proposed total depth of 28,000 feet. We have a 28% working interest.

In the deepwater area of the Gulf of Mexico, we have a 50% working interest in the Friesian discovery well announced in November 2006. The Friesian #2 well, operated by us and located in Green Canyon 643 was drilled to a total depth of approximately 33,900 feet and encountered approximately 500 net feet of oil pay in the M-13 through M-18 sands. Well results are being evaluated and early stage commercialization initiatives for Freisian production are under study with multiple parties to target initial production by 2012.

In August 2009, Shell Offshore Inc. discontinued operations on the Salida prospect at a depth of approximately 27,300 feet. Evaluation of the well determined it was non-commercial, and it is being plugged and abandoned.

During 2009, we plan to participate in development wells and select exploration wells in the Gulf of Mexico. Drilling commenced during the second quarter and is continuing on the Northwood exploration prospect operated by Chevron U.S.A. Inc. in Green Canyon Block 945. Drilling on the Rickenbacker prospect in Keathley Canyon Block 470 operated by Anadarko Petroleum Corporation is expected to begin during the third quarter.

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International

Vietnam. In November 2007, we acquired Pogo Producing Company, or Pogo, which had entered into a production sharing contract with PetroVietnam, the state oil company of Vietnam. Our interest in Block 124 covers approximately 1,480,000 gross acres offshore central Vietnam. We have completed the interpretation of approximately 850 square kilometers of 3-D seismic data and the drilling of two exploratory wells, which were plugged and abandoned after encountering a minor structurally controlled hydrocarbon accumulation in one well. We continue to evaluate the wells and future operations in Block 124. In the event that we discontinue operations, we will record a pre-tax writedown of approximately $54 million and expect to receive a corresponding tax benefit for the period.

Onshore California

Los Angeles Basin. We hold a 100% working interest in the majority of our Los Angeles Basin properties, including Inglewood, Las Cienegas, Montebello, Packard and San Vicente. The LA Basin properties are characterized by light crude (18 to 29 degree API gravity), have well depths ranging from 2,000 feet to over 10,000 feet and include both primary production and mature waterfloods where producing wells have high water cuts.

San Joaquin Basin. Our San Joaquin Basin properties are primarily in the Cymric, Midway Sunset and South Belridge Fields. These are long-lived fields that have heavier oil (12 to 16 degree API gravity) and shallow wells (generally less than 2,000 feet) that require enhanced oil recovery techniques, including steam injection, and produce with high water cuts.

During 2009, we plan to continue developing these long-lived reserve properties, focusing on capital investment projects that provide the best returns under the current low commodity price and high service cost environment as well as targeting production cost reductions. We are evaluating our exposure to the recently announced positive industry discovery in Kern County, California. The discovery area is under evaluation and apparently consists of conventional oil and gas bearing formations. We hold approximately 9,800 net acres in the Kern County area.

Other Onshore California. We hold a 100% working interest (94% net revenue interest) in the Arroyo Grande Field located in San Luis Obispo County, California. This is a long-lived field that has heavier oil (12 to 16 degree API gravity) and well depths averaging 1,700 feet and requires continuous steam injection.

We recently obtained permits to construct a water reclamation and treatment facility to improve operating efficiencies for oil recovery activities. The new facility will accelerate field development and production growth. We have elected to delay construction as a result of the current low commodity price and high service cost environment and plan to focus our capital on higher return projects.

Offshore California

Point Arguello. We hold a 69.3% working interest (58% net revenue interest) in the Point Arguello Unit and the various partnerships owning the related transportation, processing and marketing infrastructure. Much of the activity on this property in 2009 will concentrate on maintaining production.

Point Pedernales. We hold a 100% working interest (83% net revenue interest) in the Pt. Pedernales Field, which includes one platform that is utilized to exploit the Federal OCS Monterey Reservoir by extended reach directional wells and support facilities which lie within the onshore Lompoc Field. Much of the activity on this property in 2009 will concentrate on maintaining production.

Mid-Continent Region

We have interests in oil and gas properties on approximately 532,292 gross leasehold acres with 715 square miles of 3-D seismic located in Texas and Oklahoma. Development activities are concentrated in the Courson Ranch area located primarily in Roberts and Hutchinson Counties in Texas as well as in the Wheeler and Marvin Lake Prospects in Wheeler and Hemphill Counties in Texas. The structural and stratigraphic objectives include Cleveland Sands, Mississippian carbonates, Granite and Atoka Wash, found at varying depths. Exploration opportunities of various stratigraphic and structural plays have been identified in the Mid-Continent Region on a concentration of ranches principally located in Roberts and Hutchinson Counties.

In 2009, we plan to concentrate our development drilling on the Wheeler and Marvin Lake Prospects as well as additional exploration drilling at the Courson and Turkey Track Ranches at a reduced rate, and have targeted production cost reductions.

We are currently evaluating our exposure to the recently announced positive industry Granite Wash results in the Texas Panhandle. We hold leases covering 9,040 gross and about 5,650 net acres in the Stiles Ranch Field area in Wheeler County, Texas. The acreage is located within the productive trend of horizontal drilling that is targeting multiple Pennsylvanian Granite Wash/Atoka Wash reservoirs. In addition to the horizontal potential at Wheeler, we are also evaluating the horizontal potential of the Marvin Lake Area in Hemphill County, Texas, where we hold approximately 14,000 gross/net acres. We have identified a minimum of 29 horizontal well locations targeting discrete units within the Granite Wash/Atoka Wash section. More information is being obtained and added to the interpretation both regionally and locally. It is likely that more locations will be identified as additional information is integrated and the critical criteria for economically attractive horizontal targets are better defined.

Rocky Mountains

Wind River Basin. We own a 14% working interest in the Madden Unit and Lost Cabin Gas Plant located in central Wyoming. The Madden Unit is a federal unit operated by a third party and consists of approximately 64,104 gross acres in the Wind River Basin. The Madden Unit is characterized by gas production from multiple stratigraphic horizons of the Lower Fort Union, Lance, Mesaverde and Cody sands and the Madison Dolomite. Production from the Madden Unit is typically found at depths ranging from 5,500 to 25,000 feet. Some of the gas produced from the Madden Unit requires processing at the Lost Cabin Gas Plant to remove high concentrations of carbon dioxide and sulfur. We will continue to target, among other objectives, the Lower Fort Union Sands during the remainder of 2009.

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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 & Production Company and do not include its subsidiaries.

Issuer Plains Exploration & Production Company.

Securities $400,000,000 aggregate principal amount of 8 5/8% senior notes due 2019.

Maturity October 15, 2019.

Interest payment dates April 15 and October 15 of each year, beginning on April 15, 2010. Interest will accrue from September 11, 2009.

Optional redemption We may, at our option, redeem all or part of the notes at a make-whole price at any time prior to October 15, 2014.

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 October 15, 2012, we may, at our option, redeem up to 35% of the notes with the proceeds of certain equity offerings.

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, to the extent of the value of our assets constituting collateral securing that indebtedness; and
- 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 June 30, 2009, on an as adjusted basis after giving effect to the issuance and sale of the notes and the application of the net proceeds thereof as set forth under Use of proceeds, we would have had

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total indebtedness of approximately $2.5 billion (none of which would have been secured), excluding approximately $1.3 million in letters of credit outstanding under our senior revolving credit facility.

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 may 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, 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

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	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 $386 million, after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, including to fund a portion of the $1.1 billion payment for the Haynesville Carry.
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.

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Summary historical consolidated financial data

The following table sets forth selected consolidated historical financial information that has been derived from our (a) audited statements of income and cash flows for each of the years ended December 31, 2006, 2007 and 2008 and our audited balance sheets as of December 31, 2006, 2007 and 2008 and (b) unaudited statements of income and cash flows for each of the six month periods ended June 30, 2008 and 2009 and our unaudited balance sheets as of June 30, 2008 and 2009.

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, 2008 and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, as well as our historical financial statements and notes thereto 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,		Six months ended June 30,
(Dollars in thousands)	**2006(1)**	**2007(2)**	**2008(3)**	**2008(4)**	**2009**
Income statement data:					
Revenues					
Oil and gas sales	$1,016,046	$1,269,792	$2,386,563	$1,348,754	$506,008
Other operating revenues	2,457	3,048	16,908	7,026	1,185
	1,018,503	1,272,840	2,403,471	1,355,780	507,193
Costs and expenses					
Production costs	313,125	413,122	626,428	316,171	221,463
General and administrative	123,134	124,006	153,306	85,131	74,647
Depreciation, depletion, amortization and accretion	216,782	316,078	621,484	278,212	186,023
Impairment of oil and gas properties(5)			3,629,666		
Legal settlement recovery					(87,272)
Gain on sale of oil and gas properties	(982,988)				
Other operating expenses					5,956
	(329,947)	853,206	5,030,884	679,514	400,817
Income (loss) from operations	1,348,450	419,634	(2,627,413)	676,266	106,376
Other income (expense)					
Gain on sale of assets			65,689	34,658	
Interest expense	(64,675)	(68,908)	(116,991)	(54,120)	(37,932)
Debt extinguishment costs	(45,063)		(18,256)	(10,263)	(10,910)
(Loss) gain on mark-to-market derivative contracts(6)	(297,503)	(88,549)	1,555,917	(60,908)	(1,578)
Gain on termination of merger agreement	37,902				
Other income (expense)	5,496	6,322	(12,575)	1,661	192
Income (loss) before income taxes and cumulative effect of accounting change	984,607	268,499	(1,153,629)	587,294	56,148
Income tax (expense) benefit	(384,897)	(109,748)	444,535	(220,875)	(7,301)
Income (loss) before cumulative effect of accounting change	599,710	158,751	(709,094)	366,419	48,847
Cumulative effect of accounting change	(2,182)				

Net income (loss)	$ 597,528	$ 158,751	$ (709,094)	$ 366,419	$ 48,847

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(Dollars in thousands)	2006(1)	2007(2)	Year ended December 31, 2008(3)	Six months ended June 30, 2008(4)	2009
Other financial data:					
Net cash provided by operating activities	$ 674,981	$ 588,112	$1,371,409	$ 609,362	$ 141,690
Net cash provided by (used in) investing activities	811,999	(2,243,137)	(227,790)	871,348	544,001
Net cash (used in) provided by financing activities	(1,487,633)	1,679,572	(857,190)	(1,503,662)	(541,721)
EBITDA(7)	$1,254,273	$ 643,685	$ (428,190)	$ 913,016	$ 273,016
Ratio of earnings to fixed charges(8)	13.8	3.1	[9]	7.3	1.1

(Dollars in thousands)	2006	2007	At December 31, 2008	At June 30, 2008	2009
Balance sheet data:					
Cash and cash equivalents	$ 899	$ 25,446	$ 311,875	$ 2,494	$ 455,845
Total assets	2,463,228	9,693,351	7,111,915	8,577,415	6,564,057
Total liabilities	1,332,545	6,355,104	4,734,635	5,152,607	3,855,028
Total equity	1,130,683	3,338,247	2,377,280	3,424,808	2,709,029

(1) Historical results for 2006 reflect the results from the oil and gas properties sold to subsidiaries of Occidental Petroleum Corporation through the closing date in September 2006.

(2) Historical results for 2007 include our acquisition of Pogo Producing Company effective November 6, 2007 and the Piceance Basin properties effective May 31, 2007.

(3) Reflects the February 2008 divestiture of 50% of our working interests in the Piceance and Permian Basins and of all of our interests in the San Juan Basin and Barnett Shale, the April 2008 acquisition of the South Texas properties and the December 2008 divestiture of the remainder of our interests in the Piceance and Permian Basins.

(4) Reflects the February 2008 divestiture of 50% of our working interest in the Piceance and Permian Basins and of all of our interests in the San Juan Basin and the Barnett Shale, and the April 2008 acquisition of the South Texas properties.

(5) We are required to perform a full cost ceiling test each quarter. At December 31, 2008, our capitalized costs of oil and gas properties exceeded the ceiling based on average year-end realized prices of $31.75 per Bbl for oil and $5.50 per Mcf for natural gas, and we recorded an impairment of oil and gas properties. Year-end NYMEX prices were $44.60 per Bbl for oil and $5.71 per Mcf for natural gas.

(6) We do not currently use hedge accounting for our derivative instruments. Consequently, these derivative contracts are marked-to-market each quarter with fair value gains and losses, both realized and unrealized, recognized currently as a gain or loss on mark-to-market derivative contracts on the income statement.

(7) EBITDA represents net earnings before income taxes, interest expense, depreciation, depletion and amortization. EBITDA is a performance measure that is not calculated in accordance with generally accepted accounting principles, or GAAP, and should not be considered as an alternative to net income, income before taxes, net cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. We believe that EBITDA is a widely accepted financial indicator of a company s ability to incur and service debt and to fund capital expenditures used by debt holders, lenders, ratings agencies, industry analysts and financial statement users. Because EBITDA

is commonly used, we believe it is useful in evaluating our operating trends and our ability to meet our interest obligations in connection with this offering. EBITDA calculations may vary among entities, so our computation of EBITDA may not be comparable to EBITDA or similar measures of other entities.

The following table provides a reconciliation of net income to EBITDA:

			Year ended December 31,		Six months ended June 30,
(Dollars in thousands)	**2006(1)**	**2007(2)**	**2008(3)**	**2008(4)**	**2009**
Net income (loss)	$ 597,528	$158,751	$(709,094)	$366,419	$ 48,847
Income tax expense (benefit)	384,897	109,748	(444,535)	220,875	7,301
Interest expense	64,675	68,908	116,991	54,120	37,932
Depreciation, depletion and amortization	207,173	306,278	608,448	271,602	178,936
EBITDA	$1,254,273	$643,685	$(428,190)	$913,016	$273,016

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EBITDA includes the following items of income (expense):

(Dollars in thousands)	2006	2007	Year ended December 31, 2008	2008	Six months ended June 30, 2009
Impairment of oil and gas properties	$	$	$(3,629,666)	$	$
Gain on sale of oil and gas properties	982,988				
Gain on sale of assets			65,689	34,658	
Gain on termination of merger agreement	37,902				
(Loss) gain on mark-to-market derivative contracts	(297,503)	(88,549)	1,555,917	(60,908)	(1,578)
Hedging losses included in oil and gas sales and production costs	(145,755)				
Stock based compensation expense	(55,485)	(52,019)	(50,401)	(40,451)	(32,566)
Legal settlement recovery					87,272
Debt extinguishment costs	(45,063)		(18,256)	(10,263)	(10,910)

Cash (payments) receipts for derivatives and stock appreciation rights or SARs were:

(Dollars in thousands)	2006	2007	Year ended December 31, 2008	2008	Six months ended June 30, 2009
Derivative settlements	$(121,990)	$(103,549)	$(34,284)	$(42,681)	$ 307,353
Elimination of swaps and collars	(593,283)				
Monetization of crude oil puts and swaps					1,074,361
SARs	(17,720)	(8,322)	(59,078)	(58,357)	(305)

(8) For each of the periods presented there were no outstanding shares of preferred stock.

[9] Total fixed charges exceeded total adjusted earnings available for payment of fixed charges by $1,222 million, primarily due to impairment of oil and gas properties recorded in December 2008.

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Summary unaudited pro forma condensed consolidated financial data

The following table sets forth summary unaudited pro forma condensed consolidated financial data for the year ended December 31, 2008 as adjusted to reflect the pro forma effects of:

- Our February 2008 sale of our interests in certain oil and gas properties located in the San Juan Basin and the Barnett Shale for $199 million in net cash proceeds, which was used to repay indebtedness outstanding under our senior revolving credit facility;

- Our February 2008 sale of 50% of our interests in oil and gas properties located in the Permian and Piceance Basins for approximately $1.53 billion in net cash proceeds, $300 million of which was placed in escrow for acquisition of oil and gas properties through the use of a tax deferred like kind exchange which was completed in April 2008 and the remainder of which was used primarily to repay indebtedness outstanding under our senior revolving credit facility; and

- Our December 2008 sale of our remaining interests in oil and gas properties located in the Permian and Piceance Basins for net cash proceeds of approximately $1.24 billion, of which approximately $240 million was reserved for estimated income taxes relating to the sale and for general corporate purposes and the remainder of which was used to repay indebtedness outstanding under our senior revolving credit facility.

The summary unaudited pro forma statement of income gives effect to all transactions as if they were completed on January 1, 2008. The unaudited pro forma statement of income does not purport to represent what our results of operations would have been if these transactions had occurred on January 1, 2008. We believe the assumptions used provide a reasonable basis for presenting the significant effects directly attributable to the transactions.

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This summary unaudited pro forma condensed consolidated financial data summarizes the financial information set forth in more detail in our Current Report on Form 8-K/A filed March 3, 2009 and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2008.

(Dollars in thousands)	**Year ended December 31, 2008**
Pro forma income statement data:	
Revenues	
Oil and gas sales	$ 2,053,862
Other operating revenues	16,908
	2,070,770
Costs and expenses	
Production costs	528,822
General and administrative	153,306
Depreciation, depletion, amortization and accretion	527,634
Impairment of oil and gas properties(1)	3,629,666
	4,839,428
Loss from operations	(2,768,658)
Other income (expense)	
Gain on sale of assets	65,689
Interest expense	(93,474)
Debt extinguishment costs	(18,408)
Gain on mark-to-market derivative contracts(2)	1,555,917
Other income (expense)	(11,179)
Loss from continuing operations before income taxes	(1,270,113)
Income tax benefit	488,245
Loss from continuing operations	$ (781,868)
Other financial data:	
Pro forma EBITDA(3)	$ (660,082)

(1) We are required to perform a full cost ceiling test each quarter. At December 31, 2008, our capitalized costs of oil and gas properties exceeded the ceiling based on average year-end realized prices of $31.75 per Bbl for oil and $5.50 per Mcf for natural gas, and we recorded an impairment of oil and gas properties. Year-end NYMEX prices were $44.60 per Bbl for oil and $5.71 per Mcf for natural gas.

(2) We do not currently use hedge accounting for our derivative instruments, because the derivatives do not qualify or we have elected not to use hedge accounting. Consequently, these derivative contracts are marked-to-market each quarter with fair value gains and losses, both realized and unrealized, recognized currently as a gain or loss on mark-to-market derivative contracts on the income statement.

(3) Pro forma EBITDA represents net earnings before income taxes, interest expense, depreciation, depletion and amortization. EBITDA is a performance measure that is not calculated in accordance with generally accepted accounting principles, or GAAP, and should not be

considered as an alternative to net income, income before taxes, net cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. We believe that EBITDA is a widely accepted financial indicator of a company s ability to incur and service debt and to fund capital expenditures used by debt holders, lenders, ratings agencies, industry analysts and financial statement users. Because EBITDA is commonly used, we believe it is useful in evaluating our operating trends and our ability to meet our interest obligations in connection with this offering. 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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The following table provides a reconciliation of pro forma loss from continuing operations to pro forma EBITDA:

(Dollars in thousands)	Year ended December 31, 2008
Pro forma loss from continuing operations	$(781,868)
Income tax benefit	(488,245)
Interest expense	93,474
Depreciation, depletion, and amortization	516,557
Pro forma EBITDA	$(660,082)

Pro forma EBITDA includes the following items of income (expense):

(Dollars in thousands)	Year ended December 31, 2008
Impairment of oil and gas properties	$(3,629,666)
Gain on sale of assets	65,689
Gain on mark-to-market derivative contracts	1,555,917
Stock based compensation expense	(50,401)
Debt extinguishment costs	(18,408)

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Summary historical reserve and operating data

The following table sets forth certain information with respect to our oil and gas reserves as of December 31, 2006, 2007 and 2008 and production for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2008 and 2009. The 2008 reserve information included in this table is based upon (1) reserve reports prepared by the independent petroleum consulting firms of Netherland, Sewell & Associates, Inc. and Ryder Scott Company, L.P. (95% of reserve volumes) and (2) reserve volumes prepared by us, which were not audited by an independent petroleum consulting firm (5% of reserve volumes). In 2007, our reserves were based upon (1) reserve reports prepared by Netherland, Sewell & Associates, Inc. and Ryder Scott Company, L.P. (80% of reserve volumes), (2) reserve volumes prepared by us and audited by Ryder Scott Company, L.P. and Miller and Lents, Ltd. (19% of reserve volumes) and (3) reserve volumes prepared by us which were not audited by an independent petroleum consulting firm (1% of reserve volumes). In 2006, 100% of our reserves were based on reserve reports prepared by Netherland, Sewell & Associates, Inc. The reserve volumes and values were determined under the method prescribed by the SEC, which requires the application of year-end prices for each year, held constant throughout the projected reserve life.

This information should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

	Year ended December 31,			Six months ended June 30,	
	2006	**2007**	**2008**	**2008**	**2009**
Estimated net proved reserves (at end of period):					
Oil (MBbl)	333,217	436,533	177,707		
Gas (MMcf)	110,922	1,519,976	686,357		
Total (MBOE)	351,704	689,862	292,100		
Percent oil	95%	63%	61%		
Percent proved developed	52%	51%	72%		
Standardized measure ($/thousands)	$2,510,663	$7,623,323	$1,136,374		
Reserve additions (including revisions) (MBOE)	16,114	361,213	(156,884)(1)		
Reserve life (years)	17.3	18.0	9.9		
Sales:					
Oil, Condensate and NGL s (MBbl)	18,975	18,124	20,294	10,265	8,886
Gas (MMcf)	15,806	27,010	77,031	38,463	34,377
Total (MBOE)	21,609	22,625	33,133	16,675	14,615
Average sales price per unit before derivative transactions					
Oil, Condensate and NGL s ($/Bbl)	$ 55.62	$ 61.60	$ 87.05	$ 97.65	$ 42.33
Gas ($/Mcf)	6.73	5.68	8.05	9.01	3.77
$/BOE	53.76	56.12	72.03	80.89	34.62
Production Expenses($/BOE)	14.49	18.25	18.91	18.96	15.15

(1) Includes 204 MMBOE of negative revisions due to significantly lower average year-end realized prices for oil and gas, the widening of differentials impacting our California properties and development and production costs, which were reflective of the high commodity price environment during the first nine months of 2008. Average year-end realized prices were $85.50 per Bbl and $6.28 per Mcf at December 31, 2007 and $31.75 per Bbl and $5.50 per Mcf at December 31, 2008.

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Risk factors

An investment in the notes involves risks. You should consider carefully the risk factors included below and under the caption Risk factors beginning on page 1 of the accompanying prospectus, as well as those discussed under the caption Risk factors in our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, when evaluating an investment in the notes.

Risks relating to the notes

We may not be able to generate enough cash flow to meet our debt obligations.

We expect our earnings and cash flow to vary significantly from year to year due to the cyclical nature of our industry. As a result, the amount of debt that we can manage in some periods may not be appropriate for us in other periods. In addition, our future cash flow may be insufficient to meet our debt obligations and commitments, including the notes. Any insufficiency could negatively impact our business. A range of economic, competitive, business and industry factors will affect our future financial performance, and, as a result, our ability to generate cash flow from operations and to pay our debt, including the notes. Many of these factors, such as oil and gas prices, economic and financial conditions in our industry and the global economy or competitive initiatives of our competitors, are beyond our control.

If we do not generate enough cash flow from operations to satisfy our debt obligations, we may have to undertake alternative financing plans, such as:

- refinancing or restructuring our debt;
- selling assets;
- reducing or delaying capital investments; or
- seeking to raise additional capital.

However, any alternative financing plans that we undertake, if necessary, may not allow us to meet our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the notes, or to obtain alternative financing, could materially and adversely affect our business, financial condition, results of operations and prospects.

Our debt could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities, or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal on our debt or to comply with any restrictive terms of our debt;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impair our ability to obtain additional financing in the future; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

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In addition, if we fail to comply with the covenants or other terms of any agreements governing our debt, our lenders will have the right to accelerate the maturity of that debt and foreclose upon the collateral, if any, securing that debt. Realization of any of these factors could adversely affect our financial condition.

The notes and the guarantees will be unsecured and effectively subordinated to our and our subsidiary guarantors existing and future secured indebtedness and structurally subordinated to any existing or future indebtedness and other liabilities of our non-guarantor subsidiaries.

The notes and the guarantees will be general unsecured senior obligations ranking effectively junior in right of payment to all existing and future secured debt of ours and that of each subsidiary guarantor, including obligations under our senior revolving credit facility, to the extent of the value of the collateral securing the debt and will be subordinate in right of payment to any existing or future indebtedness and other liabilities of our non-guarantor subsidiaries. As of June 30, 2009, on an as adjusted basis after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom as set forth under Use of proceeds, we and our subsidiary guarantors would have had no secured debt outstanding (other than approximately $1.3 million of letters of credit outstanding) under our senior revolving credit facility. After the completion of this offering, we will have an additional $1.22 billion available for future secured borrowings under our senior revolving credit facility.

If we or a subsidiary guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of ours or that subsidiary guarantor will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that does not rank junior to the notes, including all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

In addition, creditors of current and future subsidiaries that do not guarantee the notes will have claims, with respect to the assets of those subsidiaries, that rank structurally senior to the notes. In the event of any distribution or payment of assets of such subsidiaries in any dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding, the claims of those creditors must be satisfied prior to making any such distribution or payment to Plains in respect of its direct or indirect equity interests in such subsidiaries.

We may be able to incur substantially more debt. This could exacerbate the risks associated with our indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. After the completion of this offering, we will have approximately $1.22 billion in additional borrowing capacity under our senior revolving credit facility. Any additional borrowings would be secured, and as a result, effectively senior to the notes and the guarantees of the notes by our subsidiary guarantors, to the extent of the value of the collateral securing that indebtedness. In addition, the holders of our previously issued 7 5/8% senior notes due 2018 (of which $400 million in principal amount is outstanding), the holders of our previously issued 7% senior notes due 2017 (of which $500 million in principal amount is outstanding), the holders of our previously issued 7 3/4% senior notes due 2015 (of which $600 million in principal amount is

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outstanding), the holders of our previously issued 10% senior notes due 2016 (of which $565 million in principal amount is outstanding), as well as the holders of any future debt we may incur that ranks equally with the notes, will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you.

If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. As of June 30, 2009, on an as adjusted basis after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom as set forth under Use of proceeds, we would have had total indebtedness of approximately $2.5 billion (none of which would have been secured), excluding approximately $1.3 million in letters of credit outstanding under our senior revolving credit facility. Our level of indebtedness may prevent us from engaging in certain transactions that might otherwise be beneficial to us by limiting our ability to obtain additional financing, limiting our flexibility in operating our business or otherwise. In addition, we could be at a competitive disadvantage against other less leveraged competitors that have more cash flow to devote to their business. Any of these factors could result in a material adverse effect on our business, financial condition, results of operations, business prospects and ability to satisfy our obligations under the notes.

Restrictions in our existing and future debt agreements could limit our growth and our ability to respond to changing conditions.

The indenture governing the notes (and our existing 7 5/8% senior notes due 2018, our existing 7% senior notes due 2017, our existing 7 3/4% senior notes due 2015 and our existing 10% senior notes due 2016), our senior revolving credit facility and agreements governing our other indebtedness contain a number of significant covenants in addition to covenants restricting the incurrence of additional debt. These covenants limit our ability and the ability of our restricted subsidiaries, among other things, to:

- pay dividends or distributions on our capital stock or to repurchase our capital stock;
- repurchase subordinated debt;
- make certain investments;
- create certain liens on our assets to secure debt;
- merge or to enter into other business combination transactions;
- issue and sell capital stock of our subsidiaries;
- enter into certain transactions with affiliates; and