October 5, 2009

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856–5116

File Reference No. 1730–100

Re: Proposed Accounting Standards Update—Extractive Industries—Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures

Dear Mr. Golden:

Plains Exploration & Production Company ("PXP") is pleased to share its views on the Proposed Accounting Standards Update Extractive Industries—Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures ("Proposed Update"). PXP is an independent oil and gas company engaged in the upstream oil and gas business. Our primary activities consist of acquiring, exploring for, developing and producing oil and gas.

PXP has no equity method investments with significant oil and gas producing activities, thus questions 1-4 in the Proposed Update are not applicable to us, and as such we are not commenting on those questions.

Question 5: The Board decided that if the effect is significant and practical to estimate, an entity should disclose the effect (or portions of the effect) of the amendments to Topic 932 in this proposed Update on individual line items of the "roll-forward" disclosures of reserve quantity and the standardized measure for discounted future net cash flows. Do you agree with the Board’s decision not to require that an entity precisely measure and disclose the cumulative effect of every aspect of the adoption of the amendments to Topic 932 in this proposed Update on reserve quantities or the standardized measure for discounted future net cash flows? Please describe any operational or technical challenges with providing a "cumulative-effect" disclosure.

Requiring an entity to provide quantitative and qualitative disclosures associated with the cumulative effect of the adoption of the amendments in this Proposed Update will impose a significant additional time burden on the reserve valuation process in meeting year-end reporting deadlines. Changes in pricing impact the economic limits and thus the reserve
volumes. Some undeveloped projects may be economic under one pricing scenario but not under another, thus requiring time consuming analysis under both pricing scenarios. Even though the Board is not requiring an entity to precisely measure and disclose the cumulative effect of adopting the amendments in this Proposed Update, an entity would have to prepare reserve reports under both pricing bases in order to assess the significance of the impact using 12-month average prices as compared to using single day, year-end prices. This process will be costly as it effectively doubles the amount of work an entity will need to perform, and there simply is not sufficient time to prepare reserve reports under both pricing bases within the compressed timeframe for accelerated filers. The late issuance of this Proposed Update, relative to year-end reporting deadlines, does not allow time to prepare for the duplicate reporting, including the limited resources available from engineering firms and an entity’s internal personnel.

Additionally, providing quantitative and qualitative disclosures on the estimated effect of the amendments in this Proposed Update using different pricing scenarios would not, in our opinion, enhance the value of the disclosures, nor would it be of any meaningful benefit to the users of the financial statements.

We appreciate the opportunity to comment on the Proposed Update.

Sincerely,

[Signature]

Winston M. Talbert
Executive Vice President and Chief Financial Officer
Plains Exploration & Production Company