

POGO PRODUCING CO

Form S-4/A

November 08, 2006

As filed with the Securities and Exchange Commission on November 8, 2006

Registration No. 333-136926

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Amendment No. 1 to Form S-4

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

### Pogo Producing Company

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**1311**  
(Primary Standard Industrial  
Classification Code Number)

**74-1659398**  
(I.R.S. Employer  
Identification No.)

**5 Greenway Plaza, Suite 2700  
Houston, Texas 77046-0504  
(713) 297-5000**  
(Address, including ZIP code, and telephone  
number, including area code, of the  
registrant's principal executive offices)

**Michael J. Killelea  
Senior Vice President and General Counsel  
5 Greenway Plaza, Suite 2700  
Houston, Texas 77046-0504  
(713) 297-5000**  
(Name, address, including ZIP code, and  
telephone number, including area code,  
of agent for service)

Copy to:

**Stephen A. Massad  
Baker Botts L.L.P.  
910 Louisiana  
One Shell Plaza  
Houston, Texas 77046-0504  
(713) 229-1475  
Fax: (713)-229-7775**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable following the effectiveness of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.**

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**SUBJECT TO COMPLETION, DATED NOVEMBER 8, 2006**

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting any offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PROSPECTUS**

**\$450,000,000**

## **Pogo Producing Company**

**Offer to Exchange**

**registered**

**7.875% Senior Subordinated Notes due 2013**

**for all outstanding**

**7.875% Senior Subordinated Notes due 2013**



**The Exchange Notes:**

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- will be freely tradable and otherwise substantially identical to the Outstanding Notes;
- will accrue interest at 7.875% per annum, payable semiannually on each May 1 and November 1; and
- will not be listed on any securities exchange or on any automated dealer quotation system, but may be sold in the over-the-counter market, in negotiated transactions or through a combination of those methods.

**The exchange offer:**

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- expires at 5:00 p.m., New York City time, on \_\_\_\_\_, \_\_\_\_\_, unless sooner terminated or extended; and
- is not conditioned upon any minimum principal amount of Outstanding Notes being tendered.

**You should note that:**

- we will exchange all Outstanding Notes that are validly tendered and not validly withdrawn for an equal principal amount of Exchange Notes that we have registered under the Securities Act of 1933;
- you may withdraw tenders of Outstanding Notes at any time prior to the expiration of the exchange offer;
- the exchange of Outstanding Notes for Exchange Notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes; and
- the exchange offer is subject to customary conditions, which we may waive in our sole discretion.

**Please consider carefully the risk factors beginning on page 14 of this prospectus before participating in the exchange offer.**

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

\_\_\_\_\_  
The date of this prospectus is \_\_\_\_\_, 2006.

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. You should rely only on the information we have provided or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front of this prospectus and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

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Each broker dealer that receives Exchange Notes pursuant to this exchange offer in exchange for securities acquired for its own account as a result of market making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such new securities. The letter of transmittal attached as an exhibit to the registration statement of which this prospectus forms a part states that by so acknowledging and by delivering a prospectus, a broker dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by such a broker dealer in connection with resales of such new securities. We have agreed that, starting on the date of the completion of the exchange offer to which this prospectus relates for up to 180 days following completion of the exchange offer (or such earlier date as eligible broker-dealers no longer own Exchange Notes), we will make this prospectus available to any broker dealer for use in connection with any such resale. See **Plan of Distribution**.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549.

Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public on the SEC's website at <http://www.sec.gov> and on our website at <http://www.pogoproducing.com>. However, the information on our website does not constitute a part of this prospectus. Reports and other information concerning us can also be inspected at the offices of the

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New York Stock Exchange, 20 Broad Street, New York, New York 10005. Our common stock is listed and traded on the New York Stock Exchange under the trading symbol PPP.

This prospectus is part of a registration statement we have filed with the SEC relating to the Notes. As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and these securities.

The information included in the documents described below is incorporated by reference and is considered to be a part of this prospectus. The most recent information that we file with the SEC automatically updates and supersedes older information. We are incorporating by reference into this prospectus (excluding any information that was furnished to (and not filed with) the SEC) the following documents (File No. 001-07792):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, which was filed with the SEC on March 2, 2006, as amended by the Form 10-K/A relating thereto, which was filed with the SEC on October 27, 2006;
- our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2006, June 30, 2006 and September 30, 2006 which were filed with the SEC on April 28, 2006, July 28, 2006, and October 30, 2006, respectively;
- our Current Reports on Form 8-K filed with the SEC on January 24, 2006, April 19, 2006, April 26, 2006, May 8, 2006, May 31, 2006, June 2, 2006, June 8, 2006 July 31, 2006 and August 7, 2006;
- Exhibits 99.1 and 99.2 to our Current Report on Form 8-K filed with the SEC on September 20, 2005.

Until the termination of the exchange offer described in this prospectus, we will also incorporate by reference all documents that we may file in the future under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, excluding any information therein that was furnished to (and not filed with) the SEC. In addition, all documents filed by us pursuant to the Exchange Act after the date of the initial registration statement and prior to effectiveness of the registration statement shall be deemed to be incorporated by reference into this prospectus.

We will provide you without charge a copy of any and all documents that have been incorporated by reference into this prospectus, except that exhibits to such documents will not be provided unless they are specifically incorporated by reference into such documents. Requests for copies of any such document should be directed to:

Pogo Producing Company  
5 Greenway Plaza, Suite 2700  
Houston, Texas 77046  
Attention: Corporate Secretary  
Telephone number is (713) 297-5000

To obtain timely delivery of any of our documents, you must make your request to us no later than \_\_\_\_\_, 2006. Unless sooner terminated, the exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, \_\_\_\_\_. The exchange offer can be extended by us in our sole discretion, but we currently do not intend to extend the expiration date. Please read "The Exchange Offer" for more detailed information.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements included or incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements included or incorporated by reference herein, other than statements of historical fact, are forward-looking statements. In some cases, you can identify our use of forward-looking statements by the words anticipate, estimate, expect, objective, projection, forecast, goal, and similar expressions. Such forward-looking statements include, without limitation, statements regarding expected production volumes, drilling of wells and related expenditures and other statements herein and therein regarding the timing of future events regarding our operations and our subsidiaries, and the statements under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations regarding our anticipated future financial position and cash requirements contained in our Annual Report on Form 10-K for the year ended December 31, 2005, as amended by the Form 10-K/A relating thereto, and our quarterly reports on Form 10-Q. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. We disclose the important factors that could cause actual results to differ materially from our expectations in cautionary statements included in this prospectus and in other filings by us with the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the factors set forth below, the risk factors described under the caption Risk Factors and other factors set forth or incorporated by reference in this prospectus. These factors include:

- the cyclical nature of the oil and natural gas industries;
- our ability to successfully and profitably find, produce and market oil and natural gas;
- uncertainties associated with the United States and worldwide economies;
- current and potential governmental regulatory actions in countries where we operate;
- substantial competition from larger companies;
- our ability to implement cost reductions;
- our ability to acquire and integrate additional oil and gas reserves;
- our ability to successfully dispose of portions of our existing business or properties;
- operating interruptions (including leaks, explosions, fires, mechanical failure, unscheduled downtime, transportation interruptions, and spills and releases and other environmental risks);
- fluctuations in foreign currency exchange rates in areas of the world where we conduct operations; and
- covenant restrictions in our debt agreements.

Many of these factors are beyond our ability to control or predict. We caution you against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels.

All subsequent written and oral forward-looking statements attributable to us and persons acting on our behalf are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this prospectus.

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. It is not complete and may not contain all of the information that you should consider before deciding whether to participate in this exchange offer. We encourage you to read this prospectus and the documents incorporated by reference in their entirety before participating in the exchange offer, including the information set forth under the heading Risk Factors. Unless the context requires otherwise or unless otherwise noted, when we use the terms Pogo, we, us, or our, we are referring to Pogo Producing Company and its subsidiaries. The term you refers to a prospective investor.*

### **Pogo Producing Company**

We explore for, develop and produce crude oil and natural gas. We are headquartered in Houston, Texas, and our business activities are primarily focused onshore in North America, where we own approximately 4,800,000 gross leasehold acres. Over the last several years, we have transitioned from a predominately offshore-focused company to one with a majority of its reserves located in the onshore regions of North America. As of December 31, 2005, approximately 86% of our reserves were located onshore. We also conduct exploratory activities offshore New Zealand, where we own approximately 6,354,000 gross acres, and offshore Vietnam, where we own approximately 1,480,000 acres.

For the year ended December 31, 2005 and the nine months ended September 30, 2006, our revenues were \$1,225.7 million and \$1,401.9 million (including \$305.3 million related to the sale of a 50% interest in our Gulf of Mexico properties discussed below), and net income was \$750.7 million and \$462.7 million, respectively.

Our 2005 year-end worldwide estimated proven reserves totaled 144,041 thousand barrels (Mbbbls) of oil, condensate and natural gas liquids, and 1,177,725 million cubic feet (MMcf) of natural gas, or a combined 2,042 billion cubic feet equivalent (Bcfe). During 2005, we grew our hydrocarbon asset base and achieved full reserves replacement of our worldwide production for the fourteenth consecutive year. In 2005, our average daily production of liquid hydrocarbons was 29,897 bbls, and average daily production of natural gas was 250.2 MMcf. For the nine months ended September 30, 2006, our average daily production of liquid hydrocarbons was 37,354 bbls, and average daily production of natural gas was 275.3 MMcf. We drilled 279 wells during 2005, successfully completing 91%, or 255, of those wells. For the nine months ended September 30, 2006, we drilled 370 wells, successfully completing 89%, or 330, of those wells. As of September 30, 2006, 80 wells were either drilling, completing or testing.

### **North American Operations**

#### *Domestic Onshore*

Our domestic onshore operations are concentrated in the Permian Basin area in New Mexico and West Texas, the Panhandle of Texas, the San Juan Basin in New Mexico and the Madden Field in Wyoming, which we collectively refer to as our Western U.S. region, as well as in the Texas and Louisiana gulf coasts, which we refer to as our Gulf Coast region. Domestic onshore reserves as of December 31, 2005 accounted for approximately 54% of our total proven reserves, with the Western U.S. region and the Gulf Coast region contributing approximately 39% and 15%, respectively, of our total proven reserves. During 2005, approximately 79% of our natural gas production and 38% of our oil and condensate production was from our domestic onshore properties, contributing approximately 60% of our consolidated oil and gas revenues.

In our Western U.S. region, we have actively explored in West Texas and New Mexico for more than 26 years, where we have discovered over 41 oil and natural gas fields. We believe that we have been one of the more active companies drilling for and acquiring oil and natural gas in the Permian Basin of

West Texas and southeastern New Mexico. In the last 15 years, we have drilled more than 1,000 wells in West Texas and New Mexico with a success rate of approximately 97%. In 2005, we participated in the drilling of 143 wells in these areas, 96% of which were successfully completed. During 2006, we plan to drill approximately 15 exploratory wells and approximately 200 development wells in various known fields and exploratory prospects in the San Juan Basin, southeastern New Mexico, West Texas and the Texas Panhandle, including activity on properties recently acquired from Latigo Petroleum, Inc., described below. In 2006, we also plan to drill approximately 64 wells in the Rocky Mountain area.

In the Gulf Coast region, we are actively exploring for, acquiring and developing oil and natural gas reserves, primarily in the coastal onshore areas of Louisiana and Texas. During 2005, we participated in drilling 19 wells in the Gulf Coast region, 95% of which were successfully completed. For 2006, we have budgeted to participate in 21 exploratory wells and 45 development wells on properties in our Gulf Coast region.

Other areas of activity that we operate out of our Gulf Coast region include the East Texas Basin, the Bakken Shale in North Dakota and the Illinois Basin in southwestern Indiana where, in October 2005, we acquired a 50% non-operated working interest in 232,000 gross acres where we and our partner are focusing on unconventional resource opportunities in the New Albany Shale. Our North American unconventional resource opportunities, which include acreage positions in the New Albany Shale, the Mannville and Ardley coal bed methane areas in Alberta, Canada, the Barnett Shale in North Texas and approximately 46,000 net leasehold acres in the Bakken Shale in North Dakota that we acquired in May 2006, now total in excess of 275,000 net leasehold acres. In Utah, we have acquired approximately 68,600 net acres around a recent major discovery in the central Utah thrust belt play. We are currently evaluating opportunities to add additional acreage in this prospective area.

*Acquisition of Latigo.* On May 2, 2006, we acquired Latigo Petroleum, Inc., a privately owned exploration and production company, for a purchase price of approximately \$764.9 million, including approximately \$210 million to retire Latigo's bank debt and purchase price adjustments. As of April 1, 2006, Latigo owned approximately 275 Bcfe of estimated proven reserves on approximately 104,000 net acres, plus approximately 300,000 net acres of undeveloped leasehold. Latigo's reserves are composed of 49% natural gas and 51% oil. Its development activities are concentrated in Texas, including the Collie Field in Reeves and Ward Counties in West Texas, and the Courson Ranches areas located in Roberts and Ochiltree Counties in the Texas Panhandle. Key exploration opportunities have been identified in the 250,000 acres of the Courson Ranches area. As of April 1, 2006, Latigo's production averaged approximately 3,300 net barrels of crude oil and 20 MMcf of natural gas per day. During 2006, we plan to drill approximately 100 exploratory and development wells in the acquired Latigo properties. For additional information regarding the impact on our business of this transaction and the sale of a 50% interest in our Gulf of Mexico properties, please read [Recent Developments](#).

We have implemented a hedging program related to the Latigo acquisition by entering into natural gas and crude oil option agreements designed to establish floor and ceiling prices on anticipated future production, known as costless collars, with volumes equal to approximately 75% of Latigo's production, extending throughout the remainder of 2006 and full years 2007 and 2008. We have in place oil costless collars covering 2,500 barrels of oil per day of that production, each with a floor of \$60.00 per barrel and with ceilings averaging \$84.25 per barrel for the balance of 2006, \$83.15 per barrel for 2007 and \$80.13 per barrel for 2008. We also have in place natural gas costless collars covering 15 MMcf per day of Latigo's production, with floors of \$7.00 per Mcf and ceilings ranging from \$10.60 to \$10.70 per Mcf for the remainder of 2006; floors of \$8.00 per Mcf and ceilings ranging from \$13.40 to \$13.65 per Mcf for 2007; and floors of \$8.00 per Mcf and ceilings ranging from \$12.05 to \$12.25 per Mcf for 2008.

*Canadian Onshore*

In September 2005, we completed the largest acquisition in our history, acquiring Northrock Resources Ltd., a Canadian company, for approximately \$1.7 billion. Northrock's principal producing properties are located in the Canadian provinces of Alberta, Saskatchewan and British Columbia. Northrock also participates in an active exploration program in the Northwest Territories and owns unconventional resource acreage positions in the Mannville and Ardley coal bed methane areas in Alberta. As of December 31, 2005, crude oil and natural gas reserves in Canada accounted for approximately 32% of our total proven reserves.

We have significantly expanded Northrock's existing exploration and development program since the acquisition. During the fourth quarter of 2005 (the first full quarter after the acquisition), Northrock contributed approximately 27% of our natural gas production and 41% of our oil and condensate production. Northrock also drilled 43 wells during that period, 39, or 91%, of which were successfully completed. For 2006, Northrock has initiated a very active exploration and development program and expects to drill 184 wells, including 33 exploratory wells.

Northrock also has an acquisition strategy focused on properties complementary to existing initiatives or new areas with anticipated significant development opportunities. In the fourth quarter of 2005, Northrock spent \$41.5 million acquiring producing properties located primarily in southern Alberta and southwestern Saskatchewan. We expect that Northrock will continue to selectively pursue incremental acquisition opportunities to supplement its exploration and development program in 2006.

*Domestic Offshore*

Approximately 14% of our proven reserves as of December 31, 2005 were located in the Gulf of Mexico. During 2005, approximately 14% of our natural gas production and 50% of our oil and condensate production came from our domestic offshore properties in the Gulf of Mexico, contributing approximately 30% of our consolidated oil and gas revenues. Our exploration and development efforts in this region are primarily focused in the shallower waters of the continental shelf.

Due to Hurricanes Katrina and Rita, substantially all of our Gulf of Mexico production was shut-in, and most has been restored incrementally since then. As of October 24, 2006, approximately 3,100 bbls of oil and 8 MMcf of natural gas of our net daily production remained shut-in as a result of the storms. Significant damage to platforms, plants and pipelines operated by others occurred, including facilities that are located in Eugene Island Block 330 and South Marsh Island Block 128. We expect remaining shut-in production to come back on-line by the end of the first quarter of 2007. Business interruption insurance covered some of the shut-in blocks in the Gulf of Mexico, commencing 60 days after the blocks were shut-in and continued for a period of one year thereafter (or less in the case of blocks where production was fully restored earlier). There is no assurance that recoveries under the policy will be sufficient to cover the cash flow we would have otherwise generated from the affected properties.

*Sale of 50% Interest in Gulf of Mexico Properties.* On May 31, 2006, we completed the sale of one-half of our federal and state Gulf of Mexico oil and gas leasehold interests and related pipelines and equipment for a purchase price of \$500 million, or approximately \$449.3 million after customary purchase price adjustments, to MitEnergy Upstream LLC, an affiliate of Mitsui & Co., Ltd., Mitsui & Co. (U.S.A.), Inc. and Mitsui Oil Exploration Co., Ltd. The sale of the 50% interest in these properties is equivalent to approximately 8,000 barrels per day of oil production and 24 MMcf per day of natural gas production, in each case as of March 31, 2006. The reserves sold represent approximately 143 Bcfe, or 6%, of our net estimated proven reserves. For additional information regarding the impact on our business of this transaction and our acquisition of Latigo, please read "Recent Developments."

### Other International Operations

We have conducted international exploration activities since the late 1970s in numerous oil and gas areas throughout the world. In addition to our Canadian operations, we currently hold exploratory acreage in New Zealand and Vietnam. Our explorationists continue to evaluate other international opportunities that are consistent with our exploration strategy and expertise. In August 2005, we sold our Thailand operations for \$820 million, and in June 2005, we sold our operations in Hungary for approximately \$9 million.

During 2004, we were granted three petroleum exploration permits over approximately 1,044,000 acres offshore of New Zealand and have acquired 428,000 acres of 3-D seismic data. We have a commitment to drill one well on the properties covered by each of the three permits by February 2008 or relinquish the permits. Drilling of the first of these wells is currently planned for the third quarter of 2007. In 2006, we were granted permits to explore approximately 5.3 million acres off the east coast of New Zealand where we will be required to commit to drill a well or relinquish that acreage by May 2008. Production permits of up to 40 years may be applied for if a commercial field is discovered. We have recently taken a 50% industry partner for a portion of the New Zealand license area. In April 2006, we signed a Production Sharing Contract for Block 124, which is offshore Vietnam, with PetroVietnam, the state oil company of Vietnam. Block 124 covers approximately 1,480,000 acres. We serve as operator of the block and currently have a 100% working interest and have recently completed the acquisition of 3-D seismic data.

### Recent Developments

*Acquisition of Latigo; Sale of 50% Interest in Gulf of Mexico Properties.* Since the beginning of 2005 we have taken significant steps to strategically reposition ourselves as a predominantly onshore North America exploration and development company. As described above, on May 2, 2006, we acquired Latigo for approximately \$764.9 million, featuring assets in the Permian Basin of West Texas and New Mexico, and in the Texas Panhandle area of the Anadarko Basin. In addition, on May 31, 2006, we completed the sale of a 50% interest in all of our Gulf of Mexico properties to an affiliate of Mitsui & Co., Mitsui & Co. (U.S.A.) and Mitsui Oil Exploration Co. for \$500 million, or approximately \$449.3 million after customary purchase price adjustments, the proceeds from which we primarily used to repay a portion of the debt used to finance the Latigo acquisition. These steps follow our acquisition of Northrock and sale of Thailand and Hungary operations in 2005.

The following table summarizes our 2005 year-end estimated proven reserves and those of Latigo, and it gives effect to the Latigo acquisition and the sale of the 50% interest in our Gulf of Mexico properties.

	Pogo Total Estimated Proven Reserves	Latigo Estimated Proven Reserves	Estimated Proven Reserves on Gulf of Mexico Sale Properties	Pogo Total Estimated Proven Reserves After Latigo Acquisition and Gulf of Mexico Sale
Oil, condensate and natural gas liquids (Mbbls)	144,041	25,969	15,846	154,164
Natural gas (MMcf)	1,177,725	102,196	48,287	1,231,634
Combined (MMcfe)	2,041,971	258,011 (a)	143,365	2,156,617 (a)

(a) As of April 1, 2006, based on interim drilling activity, we estimate that Latigo's combined proven reserves were approximately 275,000 MMcfe.

In addition to increasing our estimated proven oil and gas reserves on a net basis, we expect the Latigo and Gulf of Mexico transactions to:

- complement one of our existing core operating areas, with Latigo contributing a significant underdeveloped contiguous acreage position;
- extend our indicated reserves life to approximately 10 years;
- add over 400 development and exploration drilling locations to our inventory;
- reduce our total proven oil and gas reserves in the Gulf of Mexico to approximately 143,000 MMcfe, or 6% of our total proven reserves; and
- reduce the weather-related risks associated with operations in the Gulf of Mexico.

For additional information on the Latigo properties we recently acquired and the Gulf of Mexico properties we recently sold, please read *North American Operations Domestic Onshore Acquisition of Latigo* and *Domestic Offshore Sale of 50% Interest in Gulf of Mexico Properties*, respectively, above and refer to our Current Report on Form 8-K filed with the SEC on May 31, 2006, which is incorporated in this prospectus by reference.

*2006 Capital Budget.* We have established an \$880 million capital budget (excluding acquisitions) for 2006. In the third quarter of 2006, the capital budget was increased by 10% to \$880 million by our board of directors. We expect to spend approximately \$285 million on exploration and \$595 million on development activities. The budget calls for the drilling of approximately 550 wells during 2006. As of September 30, 2006, we had spent approximately 81% of our 2006 capital budget.

*Planned Divestiture of Non-Core Assets.* On October 18, 2006, we announced our intention to divest certain non-strategic oil and gas properties. We currently anticipate closing the first phase of the divestiture, which will include certain Gulf of Mexico, south Texas, east Texas and south Louisiana properties, by the end of the first quarter of 2007. The second phase, covering certain other properties in the Permian Basin, the Texas panhandle and in western Canada, should commence early in 2007 and be completed by mid-year. We plan to use the proceeds from the planned divestitures for debt reduction.

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Our principal executive offices are located at 5 Greenway Plaza, Suite 2700, Houston, Texas 77046. Our main telephone number is (713) 297-5000. We maintain a website on the Internet at <http://www.pogoproducing.com>. The information on our website is not incorporated by reference into this prospectus.



## The Exchange Offer

On June 6, 2006, we completed a private offering of \$450 million principal amount of 7.875% Senior Subordinated Notes due 2013, which we refer to as the Outstanding Notes. We sold the Outstanding Notes in transactions exempt from or not subject to the registration requirements under the Securities Act. Accordingly, the Outstanding Notes are subject to transfer restrictions. In general, you may not offer or sell the Outstanding Notes unless either they are registered under the Securities Act or the offer or sale is exempt from or not subject to registration under the Securities Act and applicable state securities laws.

In connection with the sale of the Outstanding Notes, we entered into an Exchange and Registration Rights Agreement with the initial purchasers of the Outstanding Notes. We agreed to use our reasonable best efforts to have the registration statement of which this prospectus is a part declared effective by the SEC within 180 days after the issue date of the Outstanding Notes and to commence and complete the exchange offer no later than 45 days after the registration statement becomes effective. In the exchange offer, you are entitled to exchange your Outstanding Notes for notes registered under the Securities Act with substantially identical terms, except that the existing transfer restrictions will be removed, which we refer to as the Exchange Notes. You should read the discussion under the headings Terms of the Exchange Notes and Description of the Exchange Notes for further information about the Exchange Notes. We refer to the Outstanding Notes and the Exchange Notes (separately or collectively as the context indicates) as the Notes.

We have summarized the terms of the exchange offer below. You should read the discussion under the heading The Exchange Offer for further information about the exchange offer and resale of the Exchange Notes. **If you fail to exchange your Outstanding Notes for Exchange Notes in the exchange offer, the existing transfer restrictions will remain in effect and the market value of your Outstanding Notes likely will be adversely affected because of a smaller float and reduced liquidity.**

Expiration Date	Unless sooner terminated, the exchange offer will expire at 5:00 p.m., New York City time, on _____, or such later date and time to which we extend it.
Withdrawal of Tenders	You may withdraw your tender of Outstanding Notes at any time prior to the expiration date. We will return to you, without charge, promptly after the expiration or termination of the exchange offer any Outstanding Notes that you tendered but that were not accepted for exchange.
Conditions to the Exchange Offer	<p>We will not be required to accept Outstanding Notes for exchange if, in our reasonable judgment, the exchange offer, or the making of any exchange by a holder of Outstanding Notes, would:</p> <ul style="list-style-type: none"><li>• violate applicable law or any applicable interpretation of the staff of the SEC; or</li><li>• be impaired by any action or proceeding that has been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer.</li></ul> <p>The exchange offer is not conditioned upon any minimum aggregate principal amount of Outstanding Notes being tendered.</p> <p>Please read The Exchange Offer Conditions to the Exchange Offer for more information about the conditions to the exchange offer.</p>

Procedures for Tendering  
Outstanding Notes

If you wish to participate in the exchange offer, you must complete, sign and date the letter of transmittal that we are providing with this prospectus and mail or deliver the letter of transmittal, together with the Outstanding Notes, to the exchange agent prior to the expiration date. If your Outstanding Notes are held through The Depository Trust Company (DTC), you may effect delivery of the Outstanding Notes by book-entry transfer.

In the alternative, if your Outstanding Notes are held through DTC, you may participate in the exchange offer through DTC's automated tender offer program. If you tender under this program, you will agree to be bound by the letter of transmittal as though you had signed it.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any Exchange Notes that you receive will be acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person to participate in the distribution of the Outstanding Notes or the Exchange Notes within the meaning of the Securities Act of 1933;
- you are not our affiliate, as defined in Rule 405 of the Securities Act, or, if you are our affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of the Exchange Notes;
- if you are a broker-dealer, you will receive Exchange Notes in exchange for Outstanding Notes that you acquired for your own account as a result of market-making activities or other trading activities, and you will deliver a prospectus in connection with any resale of such Exchange Notes;
- if you are a broker-dealer, you did not purchase the Outstanding Notes to be exchanged for the Exchange Notes from us; and
- you are not acting on behalf of any person who could not truthfully and completely make the foregoing representations.

Special Procedures for  
Beneficial Owners

If you own a beneficial interest in Outstanding Notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the Outstanding Notes in the exchange offer, please contact the registered holder as soon as possible and instruct it to tender on your behalf and to comply with our instructions described in this prospectus.

Guaranteed Delivery  
Procedures

You must tender your Outstanding Notes according to the guaranteed delivery procedures described in The Exchange Offer Guaranteed Delivery Procedures if any of the following apply:

- you wish to tender your Outstanding Notes but they are not immediately available;
- you cannot deliver your Outstanding Notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date; or
- you cannot comply with the applicable procedures under DTC's automated tender offer program prior to the expiration date.

Consequences of Failure to  
Exchange Your  
Outstanding Notes

Subject only to limited exceptions applicable to persons to whom the exchange offer is not available, if you do not exchange your Outstanding Notes in the exchange offer, you will no longer be entitled to registration rights. You will not be able to offer or sell the Outstanding Notes unless they are later registered, sold pursuant to an exemption from registration or sold in a transaction not subject to the Securities Act or state securities laws. Other than in connection with the exchange offer or as specified in the Exchange and Registration Rights Agreement, we are not obligated to, nor do we currently anticipate that we will, register the Outstanding Notes under the Securities Act. See The Exchange Offer Consequences of Failure to Exchange.

United States Federal Income  
Tax Consequences

We believe that the exchange of Outstanding Notes for Exchange Notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. Please read Certain United States Federal Income Tax Considerations.

Use of Proceeds

We will not receive any cash proceeds from the issuance of Exchange Notes in the exchange offer.

Plan of Distribution

All broker-dealers who receive Exchange Notes in the exchange offer have a prospectus delivery obligation. Based on SEC no-action letters, broker-dealers who acquired the Outstanding Notes as a result of market-making or other trading activities may use this exchange offer prospectus, as supplemented or amended, in connection with the resales of the Exchange Notes. We have agreed to make this prospectus available to any broker-dealer delivering a prospectus as required by law in connection with the resales of the Exchange Notes for up to 180 days following the completion of the exchange offer.

Broker-dealers who acquired the Outstanding Notes from us may n