PXP

Plains Exploration & Production Company

April 15, 2009

Ms. Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549–1090

Re: File Reference No. S7–27–08

Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers

Dear Ms. Murphy:

Plains Exploration & Production Company ("PXP") is pleased to share its views on the Securities and Exchange Commission's ("SEC") Proposed Rule *Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers* ("Proposed Roadmap"). 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.

As capital markets have become increasingly global, PXP agrees that investors would benefit from an enhanced ability to compare financial information of U.S. companies with that of other companies around the globe. As such, we agree that U.S. reporting should move toward a single set of high-quality globally accepted accounting standards. However, the proposal by the SEC to allow or require companies in the U.S. to replace U.S. Generally Accepted Accounting Standards ("GAAP") with International Financial Reporting Standards (''IFRS'') as their primary basis of accounting should be based on the quality of the accounting standards and not just the desire to have globally accepted accounting standards. Once improved sufficiently to reach a level of comprehensive high-quality standards, IFRS could provide a common platform for companies to report, and investors to compare, financial information. However, we disagree with the Proposed Roadmap on the following specific points:

<u>Timing</u>

The decision on whether to mandate the use of IFRS for U.S. issuers will not be made until 2011, requiring implementation by large accelerated filers in 2014. This proposed timeline would require filers that provide three years of historical

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financial data to begin data conversion immediately in 2011. In order to accomplish this task, companies would be required to allocate limited resources to this conversion process prior to the SEC's final decision. In our opinion, a longer implementation period between the decision mandating the conversion and the first reporting period under the new standards should be provided.

Cost

Based on the planning we have already completed associated with the processes required to transition to the new standards, we believe the overall cost to accelerated filers will be extremely high. Under normal economic circumstances, it could be argued that the costs are outweighed by the anticipated benefits of a globally common platform for reporting and comparing financial results. However, with the current market meltdown and forecasts of future economic turmoil unseen since the Great Depression of the 1930s, we do not believe this is the appropriate time to burden U.S. companies with significant additional regulatory compliance costs. In addition, the adoption of IFRS will not only burden the issuers, but the entire investment community; the cost of training, for example, is expected to be significant to auditors, issuers and users of financial statements. Given the current economic crisis, it is not prudent to require resources to be expended on such an adoption.

Resources

As those who have spent time understanding the required efforts for this transition know all too clearly, there is a significant shortage of available resources that are trained and knowledgeable to the depth required to achieve an orderly transition to the new standards. To our knowledge international accounting standards have received very little, if any, attention in the accounting curricula of U.S. colleges and universities, and publicly available training is extremely limited, particularly given the lack of clarity around a final decision on conversion to IFRS. Also, we believe that the task of training experienced accounting professionals on IFRS, especially those in companies with a limited level of global operations, is clearly a challenge. We propose that the SEC recognize the additional benefit of allowing the time for and encouraging the development of international accounting standards curricula within our university accounting programs and in other training formats.

Convergence of the Standards

We believe a final decision regarding future accounting methodology should be made as soon as possible. If the selection is to transition to IFRS, then the SEC and the Financial Accounting Standards Board ("FASB") should accelerate convergence and work through the milestones required for transition to IFRS. We believe that it is critical that the standards under IFRS are significantly improved so that the goal of comprehensive high-quality global standards is achieved prior to adoption by U.S. issuers. The accounting standards to be adopted should be either superior in quality or at least comparable to the U.S. standards. Once the timeline is set for mandatory implementation of IFRS, no additional pronouncements should be issued by the FASB. Any new pronouncements would further complicate the transition and implementation plans of companies that are on the path to compliance.

Pro Forma Financial Statements

The timing for filing pro forma financial statements associated with acquisitions should be extended. A large accelerated filer that is reporting on IFRS will have difficulty filing pro forma financial statements within 71 days for an acquired company that has not adopted IFRS.

Selected Financial Data

PXP believes that in the first two years subsequent to implementation of IFRS, three years of selected financial data should be provided in annual financial statements, rather than the five years of data currently required. Presenting five years of selected financial data under IFRS would increase the cost of compliance without a clear benefit. Also, presenting two years of financial data under U.S. GAAP and three years of financial data under IFRS would be confusing to the users of the financial statements.

Reconciliation to U.S. GAAP

PXP believes that the adoption method should be consistent with the current disclosure requirements of IFRS 1, and not require ongoing reconciliations to U.S. GAAP for all periods presented. The cost of maintaining separate financial reporting systems for the purposes of preparing ongoing reconciliations would impose a significant burden on companies while providing minimal benefits to the users of the financial statements. Further, there should not be a requirement to have both the U.S. GAAP and IFRS financial statements audited for the same accounting period due to the excessive burden placed on the audit firms charged with executing the work, and the resulting costs to the audited companies.

We appreciate the opportunity to comment on the Proposed Roadmap.

Sincerely,

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