

PLAINS EXPLORATION AND PRODUCTION COMPANY
(the "Company")

**CHARTER OF THE ORGANIZATION &
COMPENSATION COMMITTEE**

As amended on November 9, 2006

Purpose

The Organization & Compensation Committee (the "Committee") shall: (a) discharge the Board's responsibilities relating to compensation of the Company's directors, officers and administer the employee incentive compensation policies; and (b) review and discuss with management the Company's Compensation Discussion and Analysis and produce an annual report for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

Statement of Policy

The Committee should develop a compensation policy that creates a direct relationship between pay levels and corporate performance and returns to stockholders and vigilantly monitor the results of such policy to assure that the compensation payable to the Company's officers provides overall competitive pay levels, creates proper incentives to enhance stockholder value, rewards superior performance, and is justified by the returns available to the Company's stockholders, particularly when compared to the returns received by the stockholders of the Company's principal competitors.

Membership

The Committee shall consist of at least three members, each of whom must meet the independence criteria set forth in the Company's Corporate Governance Guidelines. Each member shall also satisfy, during his or her tenure on the Committee: (a) the definition of "Non-Employee Director" contained in Rule 16b-3(b)(3)(i) under the Securities Exchange Act of 1934, as amended; and (b) the definition of "outside director" under Section 162(m) of the Internal Revenue Code, as amended (the "Code"). The members of the Committee and its Chair shall be appointed and serve as provided in the Company's Corporate Governance Guidelines.

Responsibilities

1. The Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO and the other officers of the Company, evaluate the performance of the CEO and the other officers of the Company in light of those goals and objectives, and set the compensation levels of the CEO and the other officers of the Company based on such evaluations. To the extent that the CEO requests to receive only compensation of a materially lesser amount than

the Committee would otherwise recommend, either because the CEO is a significant stockholder in the Company or for other reasons, the Committee shall give what it deems to be appropriate consideration to the CEO's request.

2. In determining any long-term incentive component of the compensation of the CEO and the other officers of the Company, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to similar positions at comparable companies, the awards given to the Company's CEO and the other officers of the Company in past years, and other factors that the Committee believes are appropriate. To the extent that the CEO requests to receive no or only a nominal long-term incentive component of compensation or a materially lesser amount than the Committee would otherwise recommend, either because the CEO is a significant stockholder in the Company or for other reasons, the Committee shall give what it deems to be appropriate consideration to the CEO's request.
3. The Committee shall make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
4. The Committee shall adopt, administer, approve and ratify compensation and awards under incentive compensation and stock plans, including amendments to the awards made under any such plans, and review and monitor awards under such plans.
5. The Committee shall determine the Company's policy with respect to the application of Section 162(m) of the Code with respect to executive officer compensation.
6. As appropriate, obtain advice and assistance from outside legal, accounting or other advisors. As provided in the Company's Corporate Governance Guidelines, the Committee has the sole authority, without further authorization from the Board, to engage, compensate, oversee and terminate external independent consultants, counsel and other advisors as it determines necessary to carry out its duties. The Company shall provide appropriate funding (as determined by the Committee) for payment of compensation to advisors engaged by the Committee.
7. The Committee shall have the sole authority to determine if any compensation consultant is to be used to assist in the evaluation of director, CEO or other officer compensation and shall have sole authority to retain and terminate any such compensation consultant and to approve the consultant's fees and other retention terms.

8. The Committee shall make reports to the Board at least annually and as often as the Committee deems appropriate in executing its responsibilities under this Charter and with respect to any actions taken by the Committee outside adopted guidelines.
9. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
10. The Committee shall annually evaluate its own performance.
11. The Committee shall review and approve, for each and any officer of the Company, title and management responsibilities, employment agreements, severance arrangements and change in control provisions/agreements, and recommend to the Board for approval the slate of officers of the Company for the upcoming year at the time of the Annual Meeting of Shareholders.
12. The Committee shall review and discuss with management prior to filing of the Company's annual report on Form 10-K and annual meeting proxy statement the Company's Compensation Discussion and Analysis required by Item 402 of Regulation S-K and, based on such review and discussion, determine whether to recommend to the Board the inclusion of the Compensation Disclosure and Analysis in the Company's annual meeting proxy statement.
13. The Committee shall prepare and provide any report of the Committee required by the Board of Directors, the Securities and Exchange Commission, or the New York Stock Exchange, including the report required by the Securities and Exchange Commission to be included in the Company's annual meeting proxy statement.
14. Except as expressly provided in this Charter, the Certificate of Incorporation or Bylaws of the Company, or the Company's Corporate Governance Guidelines, the Committee shall fix its own rules of procedure.