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PIONEER NATURAL RESOURCES CO

Form 8-K

April 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 28, 2006

Pioneer Natural Resources Company

(Exact name of Registrant as specified in its charter)

| | | |
|---|-----------------------------|---|
| Delaware | 1-13245 | 75-2702753 |
| ----- | ----- | ----- |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|--|------------|
| 5205 N. O'Connor Blvd., Suite 900, Irving, Texas | 75039 |
| ----- | ----- |
| (Address of principal executive offices) | (Zip Code) |

(972) 444-9001

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

PIONEER NATURAL RESOURCES COMPANY

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PIONEER NATURAL RESOURCES COMPANY

Item 2.01. Completion of Acquisition or Disposition of Assets

On March 29, 2006, Pioneer Natural Resources Company (the "Company") issued a news release that is attached hereto as exhibit 99.1. In the news release, the Company announced that its wholly-owned subsidiary, Pioneer Natural Resources USA, Inc., had closed the sale of certain deepwater Gulf of Mexico assets to Marubeni Offshore Production (USA) Inc. ("Marubeni"), a subsidiary of Marubeni Corporation, for cash proceeds of \$1.3 billion before normal closing adjustments which are currently estimated to be approximately \$140 million. Pioneer expects to record an after-tax gain associated with the sale of approximately \$425 million to \$475 million. The sale of the assets was completed on March 28, 2006.

See Item 9.01(b) for pro forma financial information regarding the sale of the aforementioned deepwater Gulf of Mexico assets together with pro forma financial information of the probable completion of the previously announced Stock Purchase Agreements and related agreements with Apache Corporation and its subsidiaries (collectively, "Apache"), as a result of which Apache is expected to purchase the Company's Argentine operations and assets for cash proceeds of approximately \$675 million, subject to normal closing adjustments.

Item 9.01. Financial Statements and Exhibits

(b) Pro Forma Financial Information

The unaudited pro forma financial statements of the Company are presented on pages 4 through 12.

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(d) Exhibits

2.1 Purchase and Sale Agreement by and between Pioneer as Seller and Marubeni as Purchaser (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the Securities and Exchange Commission on February 28, 2006).

99.1 News Release dated March 28, 2006.

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PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

On February 22, 2006, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer Natural Resources Company (the "Company" or "Pioneer"), entered into a Purchase and Sale Agreement through which Marubeni Offshore Production (USA) Inc. ("Marubeni"), a subsidiary of Marubeni Corporation, would acquire certain deepwater Gulf of Mexico assets from Pioneer USA for \$1.3 billion, subject to normal closing adjustments. The effective date of the agreement is January 1, 2006, and the purchase price will be reduced by the amount of the interim period cash flow that Pioneer USA received from the assets between the effective date of the transaction and closing and other normal adjustments which are estimated to be approximately \$140 million. The closing of the transaction occurred on March 28, 2006.

On January 16, 2006, Pioneer entered into Stock Purchase Agreements and related agreements with Apache Corporation ("Apache"), by which Apache is expected to purchase Pioneer's Argentine operations and assets for cash proceeds of approximately \$675 million, subject to normal closing adjustments. The transaction is expected to close in April 2006.

The accompanying unaudited pro forma financial statements have been prepared to assist in analyses of the financial effects of the divestitures. This information is based on the historical financial statements of the Company and should be read in conjunction with the Company's historical consolidated financial statements and related notes included in the Company's 2005 Form 10-K filed with the United States Securities and Exchange Commission on February 17, 2006.

The accompanying unaudited pro forma balance sheet of the Company as of December 31, 2005 has been prepared to give effect to the divestitures as if they had each occurred on December 31, 2005. The accompanying unaudited pro forma statement of operations of the Company for the year ended December 31, 2005 has been prepared to give effect to the divestitures as if they had each occurred on January 1, 2005.

The unaudited pro forma financial statements included herein are not necessarily indicative of the results that might have occurred had the divestitures taken place on December 31, 2005 as it relates to the balance sheet or January 1, 2005 as it relates to the statement of operations and are not

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intended to be a projection of future results. In addition, future results may vary significantly from the results reflected in the accompanying unaudited pro forma financial statements because of normal production declines, changes in commodity prices, future acquisitions and divestitures, future development and exploration activities and other factors.

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PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA BALANCE SHEET
December 31, 2005
(in thousands)

| | | Pro Forma | | |
|--|--------------|--------------|----------------------|--------------------------------|
| | Pioneer | Argentina | Deepwater Properties | Other Adjustments |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents..... | \$ 18,802 | \$ (2,516) | \$ - | 1,074,955 (a) (175,342) (b) |
| Accounts receivable: | | | | |
| Trade, net..... | 336,062 | (21,502) | - | |
| Due from affiliates..... | 1,596 | 4,324 | - | |
| Inventories..... | 79,659 | (12,013) | - | |
| Prepaid expenses..... | 18,091 | (1,113) | - | |
| Deferred income taxes..... | 158,878 | (2,240) | - | |
| Other current assets: | | | | |
| Derivatives..... | 1,246 | - | - | |
| Other, net..... | 9,470 | (34) | - | |
| Total current assets..... | 623,804 | (35,094) | - | |
| Property, plant and equipment, at cost: | | | | |
| Oil and gas properties: | | | | |
| Proved properties..... | 8,499,253 | (988,722) | (873,199) | |
| Unproved properties..... | 313,881 | (95,331) | (34,811) | |
| Accumulated depletion, depreciation and amortization..... | (2,577,946) | 412,127 | 608,651 | |
| Total property, plant and equipment..... | 6,235,188 | (671,926) | (299,359) | |
| Goodwill..... | 311,651 | - | - | |
| Other property and equipment, net..... | 90,010 | (2,249) | - | |
| Other assets: | | | | |
| Derivatives..... | 1,048 | - | - | |
| Other, net..... | 67,533 | (8,295) | - | |
| | \$ 7,329,234 | \$ (717,564) | \$ (299,359) | |

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See accompanying notes to unaudited pro forma financial statements.

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PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA BALANCE SHEET

December 31, 2005

(in thousands)

| | Pro Forma | | | |
|---|------------|-------------|----------------------|-------------------|
| | Pioneer | Argentina | Deepwater Properties | Other Adjustments |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Accounts payable: | | | | |
| Trade..... | \$ 330,151 | \$ (26,024) | \$ - | |
| Due to affiliates..... | 15,053 | (881) | - | |
| Interest payable..... | 40,314 | (2,818) | - | (1,652) (c) |
| Income taxes payable..... | 22,470 | (6,087) | - | 196,094 (d) |
| Other current liabilities: | | | | |
| Derivatives..... | 320,098 | - | - | (80,059) (b) |
| Deferred revenue..... | 190,327 | - | - | |
| Other..... | 114,942 | (4,716) | (12,597) | |
| Total current liabilities..... | 1,033,355 | (40,526) | (12,597) | |
| Long-term debt..... | 2,058,412 | - | - | (900,000) (a) |
| Derivatives..... | 431,543 | - | - | (95,283) (b) |
| Deferred income taxes..... | 767,329 | (14,596) | - | 603 (c) |
| | | | | 195,576 (d) |
| Deferred revenue..... | 664,511 | - | - | |
| Other liabilities and minority interests. | 156,982 | (18,378) | (18,095) | |
| Stockholders' equity: | | | | |
| Common stock..... | 1,470 | - | - | |
| Additional paid-in capital..... | 3,775,794 | - | - | |
| Treasury stock, at cost..... | (882,382) | - | - | |
| Deferred compensation..... | (45,827) | 3,736 | - | |
| Retained earnings (accumulated deficit)..... | (184,320) | (641,412) | (400,496) | 1,974,955 (a) |
| | | | | 1,049 (c) |
| | | | | (391,670) (d) |
| Accumulated other comprehensive income (loss): | | | | |
| Net deferred hedge losses, net of tax..... | | | | |
| | (506,636) | - | 131,829 | |
| Cumulative translation adjustment... | 59,003 | (6,388) | - | |

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| | | | |
|---------------------------------|--------------|--------------|--------------|
| Total stockholders' equity..... | 2,217,102 | (644,064) | (268,667) |
| | ----- | ----- | ----- |
| Commitments and contingencies | \$ 7,329,234 | \$ (717,564) | \$ (299,359) |
| | ===== | ===== | ===== |

See accompanying notes to unaudited pro forma financial statements.

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PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
For the year ended December 31, 2005
(in thousands, except per share data)

| | | Pro Forma | | |
|---|--------------|--------------|-------------------------|----------------------|
| | Pioneer | Argentina | Deepwater Properties | Other Adjustments |
| | ----- | ----- | ----- | ----- |
| Revenues: | | | | |
| Oil and gas..... | \$ 2,215,677 | \$ (172,187) | \$ (593,077) | |
| Interest and other..... | 97,050 | (6,039) | (59,437) | |
| Gain on disposition of assets, net..... | 60,496 | (669) | - | |
| | ----- | ----- | ----- | |
| | 2,373,223 | (178,895) | (652,514) | |
| | ----- | ----- | ----- | |
| Costs and expenses: | | | | |
| Oil and gas production..... | 449,320 | (38,756) | (64,125) | |
| Depletion, depreciation and amortization..... | 568,018 | (85,800) | (182,275) | |
| Impairment of long-lived assets..... | 644 | - | - | |
| Exploration and abandonments..... | 266,751 | (24,527) | (39,087) | |
| General and administrative..... | 124,556 | (9,030) | - | |
| Accretion of discount on asset retirement obligations..... | 7,876 | (444) | (2,121) | |
| Interest..... | 127,787 | (1,700) | - | (23,097) (e) |
| Other..... | 112,812 | (3,910) | (8,212) | |
| | ----- | ----- | ----- | |
| | 1,657,764 | (164,167) | (295,820) | |
| | ----- | ----- | ----- | |
| Income from continuing operations before income taxes..... | 715,459 | (14,728) | (356,694) | |
| Income tax provision..... | (291,728) | 6,863 | - | 138,623 (f) |
| | ----- | ----- | ----- | |
| Income from continuing operations | \$ 423,731 | \$ (7,865) | \$ (356,694) | |
| | ===== | ===== | ===== | |
| Income per share from continuing operations: | | | | |
| Basic..... | \$ 3.09 | | | |

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| | |
|--------------------------------------|---------|
| | ===== |
| Diluted..... | \$ 3.02 |
| | ===== |
| Weighted average shares outstanding: | |
| Basic..... | 137,110 |
| | ===== |
| Diluted..... | 141,417 |
| | ===== |

See accompanying notes to unaudited pro forma financial statements.

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS

December 31, 2005

Note 1. Basis of Presentation

The accompanying unaudited pro forma balance sheet of Pioneer Natural Resources Company (the "Company" or "Pioneer") as of December 31, 2005 has been prepared to give effect to the divestitures, discussed below, as if they had each occurred on December 31, 2005.

The accompanying unaudited pro forma statement of operations of the Company for the year ended December 31, 2005 has been prepared to give effect to the divestitures, discussed below, as if they had each occurred on January 1, 2005. In accordance with the United States Securities and Exchange Commission presentation rules, the Company's unaudited pro forma statement of operations for the year ended December 31, 2005 does not include income from discontinued operations, net of tax, recognized during 2005 of \$110.8 million. This amount was recorded as a result of the Company's disposition of the Martin Creek, Conroy Black and Lookout Butte areas in Canada and certain assets on the shelf of the Gulf of Mexico.

On February 22, 2006, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, entered into a Purchase and Sale Agreement through which Marubeni Offshore Production (USA) Inc. ("Marubeni"), a subsidiary of Marubeni Corporation, would acquire certain deepwater Gulf of Mexico assets from Pioneer USA for \$1.3 billion, subject to normal closing adjustments. The effective date of the agreement is January 1, 2006, and the purchase price will be reduced by the amount of the interim period cash flow that Pioneer USA received from the assets between the effective date of the transaction and closing and other normal adjustments. The closing of the transaction occurred on March 28, 2006.

On January 16, 2006, the Company entered into Stock Purchase Agreements and related agreements with Apache Corporation ("Apache"), by which Apache is expected to purchase Pioneer's Argentine operations and assets for cash proceeds of approximately \$675 million, subject to normal closing adjustments. The transaction is expected to close in April 2006.

Following are descriptions of the individual columns included in the

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accompanying unaudited pro forma financial statements and notes to unaudited pro forma financial statements:

Pioneer - Represents the historical consolidated balance sheet of the Company as of December 31, 2005 and the historical consolidated statement of operations from continuing operations of the Company for the year ended December 31, 2005.

Argentina - Represents the historical balance sheet (excluding certain retained assets and liabilities, primarily working capital items) as of December 31, 2005 and the historical statement of operations for the year ended December 31, 2005 of the Company's Argentine operations being divested.

Deepwater Properties - Represents the historical assets, liabilities and accumulated other comprehensive loss (net deferred hedge losses, net of tax) as of December 31, 2005 and the historical revenues and expenses (including associated business interruption insurance recoveries and associated net hedge losses) for the year ended December 31, 2005 of the Company's deepwater Gulf of Mexico assets being divested.

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS December 31, 2005

Note 2. Pioneer Pro Forma Adjustments

(a) To adjust for the proceeds and related costs associated with the divestitures. The Company utilized a portion of the proceeds to pay off the outstanding debt associated with the Company's line of credit. The following is a table of the estimated proceeds, transaction costs and application of proceeds:

| | Argentina ----- | Deepwater Properties ----- (in thousands) |
|--|--------------------|--|
| Gross proceeds..... | \$ 675,000 | \$1,300,000 |
| Proceeds adjustments..... | 12,917 | 5,788 |
| Less - transaction costs..... | (13,600) | (5,150) |
| | ----- | ----- |
| Net proceeds..... | \$ 674,317 | \$1,300,638 |
| | ===== | ===== |
| Repayment of Company's line of credit..... | | |
| Increase in cash and cash equivalents..... | | |

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The following is a summarization of the gains on the divestitures:

| | Argentina ----- | Deepwater Properties ----- (in thousands) | |
|---|--------------------|--|----|
| Net proceeds..... | \$ 674,317 | \$1,300,638 | \$ |
| Net investment in divestitures, excluding cash..... | (638,896) | (400,496) | |
| | ----- | ----- | |
| Gains on disposition of assets..... | \$ 35,421 | \$ 900,142 | \$ |
| | ===== | ===== | |

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS
December 31, 2005

Note 3. Supplementary Pro Forma Information on Oil and Gas Producing
Activities

The following supplementary pro forma information for oil and gas producing activities is presented pursuant to the disclosure requirements of Statement of Financial Accounting Standards No. 69, "Disclosures About Oil and Gas Producing Activities" assuming that the divestment of the Argentine assets and deepwater Gulf of Mexico assets occurred on January 1, 2005.

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS
December 31, 2005

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Pro Forma Reserve Quantity Information

The following table sets forth the changes in net reserve quantities of oil and natural gas liquids ("NGL") combined in thousands of barrels ("MBbls"), gas in millions of cubic feet ("MMcf") and total in thousands of barrels of oil equivalents ("MBOE") associated with proved reserves on a pro forma basis for the year ended December 31, 2005:

| | Oil & NGLs (MBbls) | Gas (MMcf) | MBOE |
|--------------------------------------|--------------------------|---------------|----------|
| | ----- | ----- | ----- |
| Total Proved Reserves: | | | |
| UNITED STATES | | | |
| Balance at January 1, 2005..... | 354,279 | 2,874,143 | 833,303 |
| Revisions of previous estimates..... | (5,225) | (176,919) | (34,712) |
| Purchases of minerals-in-place..... | 65,800 | 83,179 | 79,663 |
| New discoveries and extensions..... | 225 | 103,616 | 17,494 |
| Production..... | (14,851) | (114,888) | (33,999) |
| Sales of mineral-in-place..... | (21,727) | (97,410) | (37,964) |
| | ----- | ----- | ----- |
| Balance at December 31, 2005..... | 378,499 | 2,671,721 | 823,785 |
| | ===== | ===== | ===== |
| CANADA | | | |
| Balance at January 1, 2005..... | 4,095 | 119,869 | 24,073 |
| Revisions of previous estimates..... | 434 | 15,887 | 3,082 |
| Purchases of minerals-in-place..... | - | 292 | 49 |
| New discoveries and extensions..... | 652 | 55,130 | 9,840 |
| Production..... | (311) | (15,665) | (2,922) |
| Sales of mineral-in-place..... | (2,447) | (44,999) | (9,947) |
| | ----- | ----- | ----- |
| Balance at December 31, 2005..... | 2,423 | 130,514 | 24,175 |
| | ===== | ===== | ===== |
| AFRICA | | | |
| Balance at January 1, 2005..... | 8,271 | - | 8,271 |
| Revisions of previous estimates..... | 184 | - | 184 |
| New discoveries and extensions..... | 2,043 | 60,395 | 12,109 |
| Production..... | (3,674) | - | (3,674) |
| | ----- | ----- | ----- |
| Balance at December 31, 2005..... | 6,824 | 60,395 | 16,890 |
| | ===== | ===== | ===== |
| TOTAL | | | |
| Balance at January 1, 2005..... | 366,645 | 2,944,012 | 865,647 |
| Revisions of previous estimates..... | (4,607) | (161,032) | (31,446) |
| Purchases of minerals-in-place..... | 65,800 | 83,471 | 79,712 |
| New discoveries and extensions..... | 2,920 | 219,141 | 39,443 |
| Production..... | (18,836) | (130,553) | (40,595) |
| Sales of mineral-in-place..... | (24,176) | (142,409) | (47,911) |
| | ----- | ----- | ----- |
| Balance at December 31, 2005..... | 387,746 | 2,862,630 | 864,850 |
| | ===== | ===== | ===== |
| Proved Developed Reserves: | | | |
| United States..... | 220,018 | 1,950,330 | 545,073 |
| Canada..... | 3,849 | 107,547 | 21,773 |
| Africa..... | 8,271 | - | 8,271 |
| | ----- | ----- | ----- |
| Balance at January 1, 2005..... | 232,138 | 2,057,877 | 575,117 |
| | ===== | ===== | ===== |

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| | | | |
|-----------------------------------|---------|-----------|---------|
| United States..... | 204,190 | 1,802,889 | 504,671 |
| Canada..... | 2,202 | 99,025 | 18,706 |
| Africa..... | 5,477 | - | 5,477 |
| | ----- | ----- | ----- |
| Balance at December 31, 2005..... | 211,869 | 1,901,914 | 528,854 |
| | ===== | ===== | ===== |

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS
December 31, 2005

Pro Forma Standardized Measure of Discounted Future Net Cash Flows

The following tables set forth the pro forma standardized measure of discounted future net cash flows ("SMOG") relating to proved oil, NGL and gas reserves of the Company as of December 31, 2005, as well as changes therein for the year then ended (in thousands):

SMOG:

UNITED STATES

Oil and gas producing activities:

| | |
|--------------------------------|---------------|
| Future cash inflows..... | \$ 36,093,210 |
| Future production costs..... | (10,751,619) |
| Future development costs..... | (2,674,228) |
| Future income tax expense..... | (7,350,220) |
| | ----- |

15,317,143

| | |
|---------------------------------|-------------|
| 10% annual discount factor..... | (9,827,320) |
| | ----- |

| | |
|---|--------------|
| Standardized measure of discounted future cash flows..... | \$ 5,489,823 |
| | ===== |

CANADA

Oil and gas producing activities:

| | |
|--------------------------------|--------------|
| Future cash inflows..... | \$ 1,062,258 |
| Future production costs..... | (404,891) |
| Future development costs..... | (46,312) |
| Future income tax expense..... | (166,333) |
| | ----- |

444,722

| | |
|---------------------------------|-----------|
| 10% annual discount factor..... | (190,655) |
| | ----- |

| | |
|---|------------|
| Standardized measure of discounted future cash flows..... | \$ 254,067 |
| | ===== |

AFRICA

Oil and gas producing activities:

| | |
|--------------------------------|------------|
| Future cash inflows..... | \$ 718,481 |
| Future production costs..... | (66,151) |
| Future development costs..... | (250,705) |
| Future income tax expense..... | (140,185) |
| | ----- |

261,440

| | |
|---------------------------------|-----------|
| 10% annual discount factor..... | (105,271) |
|---------------------------------|-----------|

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| | |
|---|----------------|
| Standardized measure of discounted future cash flows..... | \$ 156,169 |
| | ===== |
| TOTAL | |
| Oil and gas producing activities: | |
| Future cash inflows..... | \$ 37,873,949 |
| Future production costs..... | (11,222,661) |
| Future development costs..... | (2,971,245) |
| Future income tax expense..... | (7,656,738) |
| | ----- |
| | 16,023,305 |
| 10% annual discount factor..... | (10,123,246) |
| | ----- |
| Standardized measure of discounted future cash flows..... | \$ 5,900,059 |
| | ===== |
| Changes in SMOG: | |
| Oil and gas sales, net of production costs..... | \$ (1,432,118) |
| Net changes in prices and production costs..... | 3,037,917 |
| Extensions and discoveries..... | 417,346 |
| Development costs incurred during the period..... | 343,094 |
| Sales of minerals-in-place..... | (1,492,864) |
| Purchases of minerals-in-place..... | 645,315 |
| Revisions of estimated future development costs..... | (680,110) |
| Revisions of previous quantity estimates..... | (388,379) |
| Accretion of discount..... | 755,456 |
| Changes in production rates, timing and other..... | (204,986) |
| | ----- |
| Change in present value of future net revenues..... | 1,000,671 |
| Net change in present value of future income taxes..... | (511,862) |
| | ----- |
| | 488,809 |
| Balance, beginning of year..... | 5,411,249 |
| | ----- |
| Balance, end of year..... | \$ 5,900,059 |
| | ===== |

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PIONEER NATURAL RESOURCES COMPANY

S I G N A T U R E

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIONEER NATURAL RESOURCES COMPANY

Date: April 3, 2006

By: /s/ Darin G. Holderness

Darin G. Holderness
Vice President and Chief Accounting Officer

PIONEER NATURAL RESOURCES COMPANY

EXHIBIT INDEX

| Exhibit No. ----- | Description ----- |
|----------------------|--|
| 2.1 | Purchase and Sale Agreement by and between Pioneer as Seller and Marubeni as Purchaser (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the Securities and Exchange Commission on February 28, 2006). |
| 99.1(a) | News Release dated March 28, 2006. |

(a) Filed herewith.