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PIONEER NATURAL RESOURCES CO

Form 8-K

April 25, 2002

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): April 23, 2002

PIONEER NATURAL RESOURCES COMPANY

(Exact name of Registrant as specified in its charter)

DELAWARE	1-13245	75-2702753
----- (State or other jurisdiction of incorporation or organization)	----- Commission File Number	----- (I.R.S. Employer Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS	75039
----- (Address of principal executive offices)	----- (Zip code)

Registrant's Telephone Number, including area code : (972) 444-9001

Not applicable

(Former name, former address and former fiscal year,
if changed since last report)

PIONEER NATURAL RESOURCES COMPANY

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PIONEER NATURAL RESOURCES COMPANY

ITEM 5. OTHER EVENTS

On April 24, 2002, Pioneer Natural Resources Company ("Pioneer" or the "Company") announced financial and operating results for the quarter ended March 31, 2002.

FIRST QUARTER 2002 RESULTS

Pioneer reported a net loss of \$2.0 million, or \$0.02 per share, for the first quarter of 2002. The first quarter net loss included a noncash \$5.4 million, or \$0.05 per share, charge for the remeasurement of the Argentine peso denominated net monetary assets. Earnings as adjusted for the above items were \$3.4 million or \$0.03 per share. For the same period last year, Pioneer reported net income of \$67.9 million, or \$0.68 per diluted share, which included a gain on the sale of assets of \$7.3 million, or \$0.07 per share, and an \$8.8 million, or \$0.09 per share, mark-to-market charge related to derivatives not treated as hedges. Cash flow from operations for the 2002 first quarter was \$50.0 million compared to \$131.7 million for the first quarter of 2001.

On March 31, 2002, Pioneer had 104.3 million common shares outstanding. Pioneer issued 11.5 million new shares of common stock on April 22, 2002 under a public offering at \$21.50 per share, resulting in approximately \$236 million of net proceeds to the Company.

On an oil equivalent basis, sales averaged 110,703 barrels per day (BPD). First quarter oil sales averaged 34,541 BPD, natural gas liquid sales averaged 21,539 BPD and gas sales averaged 328 million cubic feet per day

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(MMcfpd). Realized prices (including the effects of commodity price hedges) for oil and natural gas liquids for the first quarter were \$23.17 and \$10.73 per barrel, respectively. The realized price for gas was \$2.47 per Mcf.

First quarter production costs averaged \$5.12 per barrel oil equivalent (BOE), decreasing 8% from the prior year quarter, primarily due to lower field fuel and production taxes that are directly related to commodity price changes. Exploration and abandonment costs of \$21 million for the quarter included \$10 million of geologic and geophysical costs including seismic costs, \$1 million of noncash leasehold abandonments including expired leases, and \$10 million of exploration costs including \$8.6 million related to the expensing of the Turnberry well drilled during the first quarter of 2001.

For the same quarter last year, Pioneer reported oil sales of 35,140 BPD, natural gas liquid sales of 20,426 BPD and gas sales of 333 MMcfpd. Realized prices for the 2001 first quarter were \$25.03 per barrel for oil, \$22.71 per barrel for natural gas liquids and \$4.58 per Mcf for gas.

OPERATIONS UPDATE

Development activities continue in the U.S., Canada and South Africa. Pioneer's "Big 4" development projects are progressing toward first production over the next 13 months as previously announced. Pioneer and its partner, Mariner Energy, Inc., have selected El Paso Energy Partners, L.P. (NYSE:EPN) to construct, install, own and operate the production platform and other facilities associated with the Falcon field discovery in the western deepwater Gulf of Mexico. Pioneer is the operator of the Falcon field with a 75 percent working interest, and the new platform is scheduled to be completed for first production during the first quarter of 2003. Pioneer is evaluating and preparing several prospects on the 24 blocks it holds surrounding the Falcon field for potential drilling later this year.

In the central deepwater Gulf of Mexico, an appraisal well is currently being drilled on the Ozona Deep discovery drilled in 2001, and Pioneer plans to drill the Triton prospect near the infrastructure planned for the Devils Tower development during the summer of 2002. Pioneer also plans to drill two appraisal wells on the Company's Olowi Block in Gabon beginning in early May.

Onshore Texas, Pioneer is running three rigs and plans to increase its drilling activity in its Spraberry oil and gas field and West Panhandle gas field. Pioneer completed 21 wells in Canada during the 2002 winter drilling season, and daily production from the new wells is anticipated to be approximately 12 Mmcfpd.

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PIONEER NATURAL RESOURCES COMPANY
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)
(Unaudited)

March 31, 2002	December 31, 2001
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ASSETS

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Current assets:		
Cash and cash equivalents	\$ 16,757	\$ 14,334
Accounts receivable	88,862	82,211
Inventories	11,974	14,549
Deferred income taxes	6,400	6,400
Other current assets	43,248	138,149
	-----	-----
Total current assets	167,241	255,643
	-----	-----
Property, plant and equipment, at cost:		
Oil and gas properties, using the successful efforts method of accounting	3,971,409	3,879,568
Accumulated depletion, depreciation and amortization	(1,143,441)	(1,095,310)
	-----	-----
	2,827,968	2,784,258
	-----	-----
Deferred income taxes	84,319	84,319
Other assets, net	83,722	146,833
	-----	-----
	\$ 3,163,250	\$ 3,271,053
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 100,127	\$ 99,165
Interest payable	37,115	37,410
Other current liabilities	76,867	91,634
	-----	-----
Total current liabilities	214,109	228,209
	-----	-----
Long-term debt	1,587,853	1,577,304
Other noncurrent liabilities	163,844	166,383
Deferred income taxes	5,633	13,768
Stockholders' equity	1,191,811	1,285,389
	-----	-----
	\$ 3,163,250	\$ 3,271,053
	=====	=====

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	Three months ended March 31,	
	2002	2001
Revenues:		
Oil and gas	\$ 165,539	\$ 257,986
Interest and other	1,193	5,167
Gain (loss) on disposition of assets, net	(74)	7,293
	-----	-----
	166,658	270,446
	-----	-----
Costs and expenses:		
Oil and gas production	51,018	55,802
Depletion, depreciation and amortization - oil and gas	48,237	48,045
Depletion, depreciation and amortization - other	2,151	4,116
Exploration and abandonments	21,120	22,883
General and administrative	11,918	10,448
Interest	26,317	35,616
Other	8,266	25,217
	-----	-----
	169,027	202,127
	-----	-----
Income (loss) before income taxes	(2,369)	68,319
Income tax (provision) benefit	410	(400)
	-----	-----
Net income (loss)	\$ (1,959)	\$ 67,919
	=====	=====
Net income (loss) per share:		
Basic	\$ (.02)	\$.69
	=====	=====
Diluted	\$ (.02)	\$.68
	=====	=====
Weighted average basic shares outstanding:		
Basic	104,055	98,379
	=====	=====
Diluted	104,055	99,708
	=====	=====

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	Three months ended March 31,	
	2002	2001
Cash flows from operations:		
Net income (loss)	\$ (1,959)	\$ 67,919
Depletion, depreciation and amortization	50,388	52,161
Exploration expenses, including dry holes	18,666	21,847
Deferred income taxes	(684)	(4,800)
(Gain) loss on disposition of assets, net	74	(7,293)
Interest related amortization	(992)	2,998
Derivative mark-to-market	124	8,753
Other noncash items	12,860	1,806
Changes in operating assets and liabilities:		
Accounts receivable	(13,721)	26,449
Inventories	2,239	1,124
Other current assets	(7)	(5,954)
Accounts payable	(14,456)	(25,607)
Interest payable	(295)	720
Other current liabilities	(2,201)	(8,389)
Net cash provided by operating activities	50,036	131,734
Net cash used in investing activities	(38,772)	(88,801)
Net cash used in financing activities	(8,065)	(50,548)
Net increase (decrease) in cash and cash equivalents	3,199	(7,615)
Effect of exchange rate changes on cash and cash equivalents	(776)	(239)
Cash and cash equivalents, beginning of period	14,334	26,159
Cash and cash equivalents, end of period	\$ 16,757	\$ 18,305

PIONEER NATURAL RESOURCES COMPANY
SUMMARY PRODUCTION AND PRICE DATA

Three months ended March 31,	
2002	2001

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Average Daily Production:			
Oil (Bbls) -	U.S.	24,305	24,651
	Argentina	10,126	9,646
	Canada	110	843
		-----	-----
	Total	34,541	35,140
Natural gas liquids (Bbls) -	U.S.	19,919	18,922
	Argentina	642	516
	Canada	978	988
		-----	-----
	Total	21,539	20,426
Gas (Mcf) -	U.S.	215,837	208,678
	Argentina	65,119	80,035
	Canada	46,780	43,973
		-----	-----
	Total	327,736	332,686
Total Production:			
Oil (MBbls)		3,109	3,163
Natural gas liquids (MBbls)		1,939	1,838
Gas (MMcf)		29,496	29,942
Equivalent barrels (MBOE)		9,963	9,991
Average Price*:			
Oil (per Bbl) -	U.S.	\$ 24.27	\$ 25.25
	Argentina	\$ 20.61	\$ 24.59
	Canada	\$ 17.55	\$ 23.83
	Average	\$ 23.17	\$ 25.03
Natural gas liquids (per Bbl) -	U.S.	\$ 10.70	\$ 22.51
	Argentina	\$ 8.97	\$ 27.04
	Canada	\$ 12.41	\$ 24.33
	Average	\$ 10.73	\$ 22.71
Gas (per Mcf) -	U.S.	\$ 3.05	\$ 5.61
	Argentina	\$.68	\$ 1.25
	Canada	\$ 2.27	\$ 5.81
	Average	\$ 2.47	\$ 4.58

 * Average prices include the effects of commodity hedges.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

12.1 Ratio of Earnings to Fixed Charges and Earnings to Fixed

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Charges and Preferred Stock Dividends

99.1 News Release dated April 23, 2002

99.2 News Release dated April 24, 2002

ITEM 9. REGULATION FD DISCLOSURE

The information in this document includes forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, and the business prospects of Pioneer Natural Resources Company (the "Company"), are subject to a number of risks and uncertainties which may cause the Company's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of oil and gas prices, product supply and demand, competition, international operations and associated international political and economic instability, government regulation or action, litigation, the costs and results of drilling and operations, the Company's ability to replace reserves or implement its business plans, access to and cost of capital, uncertainties about estimates of reserves, quality of technical data, and environmental risks. These and other risks are described in the Company's 2001 Annual Report on Form 10-K that is available from the Company or the Securities and Exchange Commission.

Within this Current Report on Form 8-K, the following oil and gas terms have specific meanings: "Bbl" means a standard barrel of 42 United States gallons; "MMBtu" means one million British thermal units and is an energy equivalent measure of natural gas; "Mcf" means one thousand cubic feet and is a measure of natural gas volume; and, "NYMEX" means The New York Mercantile Exchange.

On April 23, 2002 and April 24, 2002, the Company issued news releases. The news releases are attached hereto as exhibits 99.1 and 99.2 and provide the following information:

- o a news release dated April 23, 2002 announcing the completion of the Company's public offering of 11.5 million shares of its common stock at \$21.50 per share, including 1.5 million shares sold pursuant to the exercise of the underwriters' over-allotment option. The news release also announced that the \$236 million of net proceeds from the sale of these shares will be principally used to fund the acquisition of additional interests in the Falcon field and associated assets in the deepwater Gulf of Mexico and for the acquisition of additional working interests and a gathering system in the West Panhandle gas field. Pending these uses of the net proceeds of the shares issued, the Company will pay down its bank line of credit.
- o a news release dated April 24, 2002 announcing the Company's financial and operating results for the quarter ended March 31, 2002 and the Company's second quarter 2002 outlook based on current expectations.

The following table summarizes, as of April 23, 2002, the Company's (i) open oil hedge positions, (ii) open gas hedge positions and (iii) deferred gains and losses on terminated commodity hedges. Deferred gains and losses on terminated commodity hedges will be recognized as increases or decreases to oil and gas revenues during the periods in which the hedges were originally scheduled to mature.

PIONEER NATURAL RESOURCES COMPANY
SUPPLEMENTAL COMMODITY HEDGE INFORMATION
AS OF APRIL 23, 2002

Open Oil Hedge Positions

	2002			2003
	Second Quarter	Third Quarter	Fourth Quarter	
DAILY OIL PRODUCTION:				
SWAPS:				
Existing Volume (Bbl).....	8,000	8,000	5,000	2,975
NYMEX price.....	\$ 26.35	\$ 24.76	\$ 24.45	24.02
New Volume (Bbl).....	6,341	13,000	14,000	10,000
NYMEX price.....	\$ 24.59	\$ 23.34	\$ 23.46	\$ 24.13
COLLARS:				
Volume (Bbl).....	6,000	--	--	--
NYMEX price:				
Ceiling.....	\$ 28.61			
Floor.....	\$ 25.00			

Open Gas Hedge Positions

	2002			2003	2004
	Second Quarter	Third Quarter	Fourth Quarter		
DAILY GAS PRODUCTION:					
SWAPS:					
Existing Volume (Mcf).....	140,000	190,000	190,000	--	55,000
NYMEX Price* (MMBtu).....	\$ 4.35	\$ 4.25	\$ 4.25	--	\$ 3.70
New Volume (Mcf).....	-	-	-	150,000	50,000
NYMEX Price* (MMBtu).....				\$ 3.70	\$ 3.60
COLLARS:					
Existing Volume (Mcf).....	20,000	20,000	20,000	--	--
NYMEX Price* (MMBtu):					
Ceiling.....	\$ 6.00	\$ 6.00	\$ 6.00		
Floor.....	\$ 4.50	\$ 4.50	\$ 4.50		
New Volume (Mcf).....	50,000	83,152	100,000	--	--
NYMEX Price* (MMBtu):					
Ceiling.....	\$ 3.10	\$ 3.20	\$ 3.20		

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Floor..... \$ 2.45 \$ 2.50 \$ 2.50

Deferred Gains (Losses) on Terminated Commodity Hedges (in thousands)

	2002			2003	2004	2005
	Second Quarter	Third Quarter	Fourth Quarter			
OIL**	\$ 1,640	\$ --	\$ --	\$ --	\$ --	\$ --
GAS**	(11,516)	(11,643)	(11,643)	72,546	43,230	1,220
	<u>\$ (9,876)</u>	<u>\$ (11,643)</u>	<u>\$ (11,643)</u>	<u>\$ 72,546</u>	<u>\$ 43,230</u>	<u>\$ 1,220</u>

* Approximate, based on historical differentials to index prices.

** Cash has been paid on deferred hedge losses and received on deferred hedge gains except for the following: (i) a \$1.6 million receivable for the 2002 oil hedge gains, (ii) a \$6.6 million payable for certain 2002 gas hedge losses and (iii) a \$1.3 million receivable for certain of the 2003 gas hedge gains.

PIONEER NATURAL RESOURCES COMPANY

SIGNATURES

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 25, 2002

By: /s/ RICH DEALY

Rich Dealy
Vice President and Chief Accounting Officer

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PIONEER NATURAL RESOURCES COMPANY

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
12.1*	Ratio of Earnings to Fixed Charges and Earnings to Fixed Charges and Preferred Stock Dividends
99.1*	News Release dated April 23, 2002
99.2*	News Release dated April 24, 2002

* filed herewith