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PIONEER NATURAL RESOURCES CO

Form 8-K

April 21, 2005

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 18, 2005

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 1.01. Entry into a Material Definitive Agreement

On April 19, 2005, 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 it has sold to Wolfcamp Oil and Gas Trust (the "Purchaser") less than one percent of its total proved reserves, or 7.3 million barrels of oil equivalent of proved reserves, by means of a volumetric production payment ("VPP") for total proceeds of \$300 million and the assumption of the Company's obligations under certain derivative hedge agreements, referred to below. The production payment purchase and sale agreement governing the VPP transaction is attached hereto as exhibit 99.2.

The Purchaser is a subsidiary and/or affiliate of Barclays Bank PLC. The Company periodically enters into derivative agreements with Barclays Bank PLC to hedge commodity price risk and interest rate risk. In accordance with the terms of the VPP, the Purchaser assumed the Company's rights and obligations under certain derivative agreements. The counterparty to the derivative obligations assumed by the Purchaser is Barclays Bank PLC. Barclays Bank PLC is also a party to the Company's \$700 million 5-Year Revolving Credit Agreement dated as of December 16, 2003, as amended, and to the Company's \$900 million 364-Day Credit Agreement dated as of September 28, 2004, as amended.

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The VPP represents limited term overriding royalty interests in oil and gas reserves which: (i) entitle the Purchaser to receive production volumes over a period of time from specific lease interests; (ii) are free and clear of all associated future production costs and capital expenditures; (iii) are nonrecourse to the Company (i.e., the Purchaser's only recourse is to the assets acquired); (iv) transfers title to the Purchaser and (v) allows the Company to retain the assets after the VPP's volumetric obligations have been satisfied.

The VPP sells 6.0 billion cubic feet of Spraberry field gas volumes over an expected 32-month term beginning in May 2005 and 6.2 million barrels of Spraberry field oil volumes over an expected five-year term beginning in January 2006.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

- 99.1 News Release dated April 19, 2005.
- 99.2 Production Payment Purchase and Sale Agreement dated as of April 18, 2005 among Pioneer Natural Resources USA, Inc. and Pioneer Natural Resources Properties LP, as the Seller, and Wolfcamp Oil and Gas Trust, as the Buyer.

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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 21, 2005

By: /s/ Darin G. Holderness

Darin G. Holderness
Vice President and Chief Accounting Officer

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PIONEER NATURAL RESOURCES COMPANY

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|---|
| 99.1(a) | News Release dated April 18, 2005. |
| 99.2(a) | Production Payment Purchase and Sale Agreement dated as of April 19, 2005 among Pioneer Natural Resources USA, Inc. and Pioneer Natural Resources Properties LP, as the Seller, and Wolfcamp Oil and Gas Trust, as the Buyer. |

(a) filed herewith