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PIONEER NATURAL RESOURCES CO
Form S-4/A
June 29, 2001

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 29, 2001.
REGISTRATION NO. 333-59094

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PIONEER NATURAL RESOURCES COMPANY
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

1311
(Primary standard industrial
classification code number)

75-2702753
(I.R.S. Employer
Identification No.)

1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 77039
(972) 444-9001
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

SCOTT D. SHEFFIELD
PIONEER NATURAL RESOURCES COMPANY
1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 77039
(972) 444-9001
(Name, address, including zip code, and telephone
number, including area code, of agent for service)

COPIES TO:

ROBERT L. KIMBALL
VINSON & Elkins L.L.P.
3700 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

BRIAN M. LIDJI
Sayles, Lidji & Werbner
A Professional Corporation
4400 Renaissance Tower
1201 Elm Street

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(214) 220-7700

Dallas, Texas 75270
(214) 939-8700

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement which relates to the merger of limited partnerships with and into Pioneer Natural Resources USA, Inc. pursuant to the merger agreement described in the enclosed proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)
Common Stock, \$0.01 par value	6,587,764	\$8.55	\$56,300,000

(1) Based upon the registrant's estimate of the maximum number of shares that might be issued in connection with the proposed merger transaction.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f), based on the book value of the unaffiliated partnership interests to be cancelled in the transaction, computed as of the latest practicable date. A filing fee of \$20,500 was paid pursuant to the filing on April 17, 2001 by the registrant and Pioneer Natural Resources USA, Inc. of a preliminary Schedule 13e-3. Pursuant to Rule 240.0-11(a)(2) of the Securities Exchange Act of 1934, this amount has been credited against the amount that would otherwise be payable in connection with this filing, resulting in no additional payment herewith.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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PIONEER NATURAL RESOURCES USA, INC.
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039

NOTICE OF SPECIAL MEETINGS OF LIMITED PARTNERS
TO BE HELD ON , 2001

To the Limited Partners of 46
Parker & Parsley Limited Partnerships:

This is a notice that a special meeting of the limited partners of each of the following 46 limited partnerships will be held on , 2001, at 10:00 a.m., at the Dallas Marriott Las Colinas Hotel, Irving, Texas 75039:

Parker & Parsley 81-I, Ltd.	Parker & Parsley 88-A Conv., L.P.
Parker & Parsley 81-II, Ltd.	Parker & Parsley 88-A, L.P.
Parker & Parsley 82-I, Ltd.	Parker & Parsley 88-B Conv., L.P.
Parker & Parsley 82-II, Ltd.	Parker & Parsley 88-B, L.P.
Parker & Parsley 82-III, Ltd.	Parker & Parsley 88-C Conv., L.P.
Parker & Parsley 83-A, Ltd.	Parker & Parsley 88-C, L.P.
Parker & Parsley 83-B, Ltd.	Parker & Parsley Producing Properties 88,
Parker & Parsley 84-A, Ltd.	Parker & Parsley Private Investment 88,
Parker & Parsley 85-A, Ltd.	Parker & Parsley 89-A Conv., L.P.
Parker & Parsley 85-B, Ltd.	Parker & Parsley 89-A, L.P.
Parker & Parsley Private Investment 85-A, Ltd.	Parker & Parsley 89-B Conv., L.P.
Parker & Parsley Selected 85 Private Investment, Ltd.	Parker & Parsley 89-B, L.P.
Parker & Parsley 86-A, Ltd.	Parker & Parsley Private Investment 89,
Parker & Parsley 86-B, Ltd.	Parker & Parsley 90-A Conv., L.P.
Parker & Parsley 86-C, Ltd.	Parker & Parsley 90-A, L.P.
Parker & Parsley Private Investment 86, Ltd.	Parker & Parsley 90-B Conv., L.P.
Parker & Parsley 87-A Conv., Ltd.	Parker & Parsley 90-B, L.P.
Parker & Parsley 87-A , Ltd.	Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 87-B Conv., Ltd.	Parker & Parsley 90-C, L.P.
Parker & Parsley 87-B, Ltd.	Parker & Parsley Private Investment 90,
Parker & Parsley Producing Properties 87-A, Ltd.	Parker & Parsley 90 Spraberry Private De
Parker & Parsley Producing Properties 87-B, Ltd.	Parker & Parsley 91-A, L.P.
Parker & Parsley Private Investment 87, Ltd.	Parker & Parsley 91-B, L.P.

Parker & Parsley Petroleum USA, Inc. and other predecessors of Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, sponsored each of the partnerships. Pioneer USA is the managing or sole general partner of each of the partnerships. Pioneer USA is a direct 100% owned subsidiary of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent.

The purpose of the special meeting for each partnership in which you own an interest is for you to consider and vote on the following matters:

1. A proposal to approve an Agreement and Plan of Merger dated as of ,

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2001, among Pioneer Parent, Pioneer USA and each of the partnerships. Each partnership that approves this proposal, which we call a participating partnership, will merge with and into Pioneer USA, with Pioneer USA surviving the merger. Each partnership interest of a participating partnership, other than Pioneer USA's partnership interests, will be converted into shares of common stock, par value \$.01 per share, of Pioneer Parent. The number of shares of common stock Pioneer Parent will offer for all partnership interests of a participating partnership will be based on (1) the participating partnership's merger value and (2) the average closing price of the Pioneer Parent common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the initial date of the special meeting for the partnership. The merger value for a participating partnership is equal to the sum of the present value of estimated future net revenues from the partnership's estimated oil and gas reserves and its net working capital, in each case as of March 31, 2001, less its pro rata share, based on its reserve value, of the estimated expenses and fees of the mergers of all of the partnerships and less the cash distribution to be mailed on or about July 12, 2001, by the partnership to its partners. For purposes of illustration in this document, we have calculated the number of shares to be issued based on an assumed average closing price of \$18.00 per share of Pioneer Parent common stock. Prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer Parent common stock for the ten trading days ending three business days before the initial date of the special meeting. The Pioneer Parent common stock will be allocated among the partners based on the liquidation provisions of each partnership agreement. Pioneer Parent will not issue fractional shares to any limited partner upon completion of the merger of any partnership. Instead, Pioneer Parent will round any fractional shares of Pioneer Parent common stock up to the nearest whole share. Pioneer USA will not receive any Pioneer Parent common stock for its partnership interests in the participating partnerships.

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2. A proposal to amend the partnership agreement of each partnership to permit the partnership's merger with Pioneer USA. If the amendment is not approved, that partnership cannot merge into Pioneer USA even if the partners of that partnership approve the merger agreement.

3. A proposal (A) to approve the opinion issued to Pioneer USA by on behalf of the limited partners of each partnership that neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners (1) will result in the loss of any limited partner's limited liability or (2) will adversely affect the federal income tax classification of the partnership or any of its limited partners and (B) to approve the selection of as special legal counsel for the limited partners of each partnership to render the legal opinion.

4. Other business that properly comes before the special meeting or any adjournments or postponements of the special meeting. Pioneer USA is not aware of any other business for the special meeting.

The accompanying proxy statement/prospectus contains information about each merger, including the amount of Pioneer Parent common stock that will be offered to limited partners per \$1,000 initial investment in each partnership, and

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descriptions of the merger agreement, the merger amendment and the legal opinion of the special legal counsel for the limited partners. The proxy statement/prospectus also contains a copy of the merger agreement, the merger amendment and the legal opinion.

Pioneer USA set the close of business on _____, 2001, as the record date to identify the limited partners who are entitled to notice of and to vote at each special meeting or any adjournments or postponements of the special meeting. During the ten business days before the special meeting, you may examine lists of the limited partners of each partnership in which you own an interest at the offices of Pioneer USA during normal business hours for any purpose relevant to the special meeting for each partnership in which you own an interest.

ON _____, 2001, PIONEER USA'S BOARD OF DIRECTORS UNANIMOUSLY DETERMINED THAT THE MERGER OF EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST IS ADVISABLE, FAIR TO YOU AS AN UNAFFILIATED LIMITED PARTNER, AND IN YOUR BEST INTERESTS. THE BOARD RECOMMENDS THAT YOU, AS AN UNAFFILIATED LIMITED PARTNER, VOTE FOR THE MERGER AGREEMENT, THE MERGER AMENDMENT, THE SELECTION OF SPECIAL LEGAL COUNSEL FOR THE LIMITED PARTNERS AND THAT COUNSEL'S LEGAL OPINION FOR EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST. ALTHOUGH PIONEER USA'S BOARD OF DIRECTORS HAS ATTEMPTED TO FULFILL ITS FIDUCIARY DUTIES TO YOU, PIONEER USA'S BOARD OF DIRECTORS HAD CONFLICTING INTERESTS IN EVALUATING EACH MERGER BECAUSE EACH MEMBER OF ITS BOARD OF DIRECTORS IS ALSO AN OFFICER OF PIONEER PARENT. Each partnership requires a favorable vote of the holders of a majority of its limited partnership interests to approve the merger agreement, the merger amendment, the selection of special legal counsel for the limited partners and that counsel's legal opinion, except that Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. each require the favorable vote of the holders, other than Pioneer USA, of 6-2/3% of its limited partnership interests to approve those merger proposals.

IF YOU DO NOT SEND IN YOUR PROXY CARD OR VOTE AT THE SPECIAL MEETING FOR A PARTNERSHIP IN WHICH YOU OWN AN INTEREST, IT WILL HAVE THE SAME EFFECT AS IF YOU VOTED AGAINST THE MERGER OF THAT PARTNERSHIP.

You are requested to sign, vote and date the enclosed proxy card and return it promptly in the enclosed envelope, even if you expect to be present at each special meeting for the partnerships in which you own an interest. If you give a proxy, you can revoke it at any time before the special meeting for the partnership as to which you are revoking your proxy. If you are present at the special meeting for a partnership in which you own an interest, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,

_____, 2001

Mark L. Withrow
Director, Executive Vice President,
General Counsel and Secretary

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the

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Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROXY STATEMENT/PROSPECTUS, SUBJECT TO COMPLETION, DATED
JUNE , 2001

[LOGO]

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 75039

, 2001

Dear Limited Partners:

Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and we at Pioneer Natural Resources USA, Inc., a Delaware corporation and 100% owned subsidiary of Pioneer Parent that we call Pioneer USA, desire to acquire 46 limited partnerships. We are the managing or sole general partner of each of the partnerships.

If you and the other limited partners of a partnership approve the merger of the partnership, the partnership will be merged with and into Pioneer USA, with Pioneer USA surviving the merger. We call each partnership that merges into Pioneer USA a participating partnership. Each partnership interest of a participating partnership will be converted into shares of common stock, par value \$.01 per share, of Pioneer Parent. The number of shares of common stock Pioneer Parent will offer for all partnership interests of a participating partnership will be based on (1) the participating partnership's merger value and (2) the average closing price of the Pioneer Parent common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the initial date of the special meeting for the partnership. The merger value for a participating partnership is equal to the sum of the present value of estimated future net revenues from the partnership's estimated oil and gas reserves and its net working capital, in each case as of March 31, 2001, less its pro rata share, based on its reserve value, of the estimated expenses and fees of the mergers of all of the partnerships and less the cash distribution to be mailed on or about July 12, 2001, by the partnership to its partners.

The merger value for each partnership is based on the reserve value of the partnership's underlying properties, which reserve value has not been reduced for general and administrative expenses. As a result, we believe the merger value is essentially the same value or a higher value than the liquidation value that might have been achieved by selling the partnership's property interests on March 31, 2001, and liquidating the partnership at that time.

We have retained Robert A. Stanger & Co., Inc., which we call Stanger, to issue an opinion regarding the fairness of the merger value to the limited partners in connection with the merger of each partnership. The written opinion of Stanger is contained in this document. You should read all of it carefully.

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We can complete the merger of each partnership only if the holders of its limited partnership interests approve the merger agreement, the amendment to the partnership agreement to permit the merger, the selection of special legal counsel for the limited partners and that counsel's legal opinion. This document provides information about each proposed merger. This document also constitutes a prospectus by Pioneer Parent for up to an aggregate of 5,855,813 shares of Pioneer Parent common stock to be issued in the proposed merger transaction, based on an assumed average closing price of \$18.00 per share of Pioneer Parent common stock. Please give all of this information your careful attention.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting for each partnership in which you own an interest, please take the time to vote by completing and mailing to us the enclosed proxy card. This will not prevent you from revoking your proxy at any time prior to the special meeting for each partnership in which you own an interest or from voting your partnership interests in person if you later choose to attend the special meeting for each partnership in which you own an interest.

We intend to mail certificates representing shares of Pioneer Parent common stock to the partners of each partnership that approves the merger transaction promptly after completing the merger of the partnership. Certificates representing partnership interests will be automatically cancelled, and you will not have to surrender your certificates to receive the Pioneer Parent common stock.

YOUR CERTIFICATE THAT YOU ARE NOT A FOREIGN PERSON, WHICH WE CALL A CERTIFICATION OF NON-FOREIGN STATUS, IS IMPORTANT. Whether or not you plan to vote on the merger of each partnership in which you own an interest, please take the time to complete and return to us the enclosed certification of non-foreign status. If we receive a properly completed certification of non-foreign status from you, we will not withhold federal income taxes on the Pioneer Parent common stock to be issued to you upon the merger of each partnership in which you own an interest.

Sincerely,

Mark L. Withrow
Director, Executive Vice President,
General Counsel and Secretary

YOU SHOULD CAREFULLY CONSIDER THE RISKS RELATING TO THE MERGER OF EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST DESCRIBED IN "RISK FACTORS" BEGINNING ON PAGE 17. THESE INCLUDE:

- o THE MERGER VALUE FOR THE PARTNERSHIP DETERMINES THE AMOUNT OF PIONEER PARENT COMMON STOCK YOU WILL RECEIVE IN THE MERGER OF THE PARTNERSHIP. PIONEER PARENT AND PIONEER USA DETERMINED EACH MERGER VALUE AND WILL NOT ADJUST IT FOR CHANGES IN PARTNERSHIP VALUE BEFORE THE MERGER IS COMPLETED.
- o YOU WERE NOT INDEPENDENTLY REPRESENTED IN ESTABLISHING THE TERMS OF ANY MERGER.

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- o OUR BOARD OF DIRECTORS HAD CONFLICTING INTERESTS IN EVALUATING EACH MERGER BECAUSE EACH MEMBER OF OUR BOARD OF DIRECTORS IS ALSO AN OFFICER OF PIONEER PARENT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED ANY OF THE MERGERS, THE PIONEER PARENT COMMON STOCK TO BE ISSUED IN EACH MERGER OR THE FAIRNESS OR THE MERITS OF EACH MERGER OR HAVE DETERMINED WHETHER THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus is dated _____, 2001. It is first being mailed to the limited partners on or about _____, 2001.

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PIONEER NATURAL RESOURCES COMPANY

The world map below reflects the geographic locations of Pioneer Parent's exploration, development and production operations.

[MAP]

WHERE YOU CAN FIND MORE INFORMATION

Pioneer Parent and each of the 25 partnerships listed below that we call a reporting partnership file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission:

Parker & Parsley 82-I, Ltd.	Parker & Parsley Producing Properties 87-
Parker & Parsley 82-II, Ltd.	Parker & Parsley 88-A, L.P.
Parker & Parsley 83-A, Ltd.	Parker & Parsley 88-B, L.P.
Parker & Parsley 83-B, Ltd.	Parker & Parsley Producing Properties 88-
Parker & Parsley 84-A, Ltd.	Parker & Parsley 89-A, L.P.
Parker & Parsley 85-A, Ltd.	Parker & Parsley 90-A L.P.
Parker & Parsley 85-B, Ltd.	Parker & Parsley 90-B Conv., L.P.
Parker & Parsley 86-A, Ltd.	Parker & Parsley 90-B, L.P.
Parker & Parsley 86-B, Ltd.	Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 86-C, Ltd.	Parker & Parsley 90-C, L.P.
Parker & Parsley 87-A, Ltd.	Parker & Parsley 91-A, L.P.
Parker & Parsley 87-B, Ltd.	Parker & Parsley 91-B, L.P.
Parker & Parsley Producing Properties 87-A, Ltd.	

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You may read and copy any reports, statements or other information that Pioneer Parent or any reporting partnership files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549, or at the SEC's public reference rooms at 7 World Trade Center, Suite 1300 New York, New York 10048 and at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of these materials may also be obtained from the SEC at prescribed rates by writing to the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Pioneer Parent's and each reporting partnership's filings with the SEC are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>.

Pioneer Parent's common stock is listed on the New York Stock Exchange and the Toronto Stock Exchange, under the symbol "PXD." Pioneer Parent's reports and other information filed with the SEC can also be inspected at the offices of the New York Stock Exchange and the Toronto Stock Exchange.

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Pioneer Parent filed a registration statement on Form S-4 to register with the SEC Pioneer Parent common stock to be issued to the limited partners of each participating partnership. This document is a part of that registration statement and constitutes the prospectus of Pioneer Parent in addition to being the proxy statement of each partnership. As allowed by SEC rules, this document does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows Pioneer Parent to incorporate by reference information into this document, which means that Pioneer Parent can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in this document. This document incorporates by reference the documents set forth below that Pioneer Parent has previously filed with the SEC and that contain important information about Pioneer Parent and its finances:

- o Quarterly Report on Form 10-Q for the three months ended March 31, 2001

- o Annual Report on Form 10-K for the year ended December 31, 2000

- o The description of Pioneer Parent common stock contained in Pioneer Parent's registration statement on Form 8-A filed on August 5, 1997, as amended by Form 8-A/A filed on August 8, 1997.

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Pioneer Parent is also incorporating by reference additional documents that it files with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this document and the date of the special meeting for each partnership.

The supplement to this document for each partnership contains financial information for the partnership. The information supplement for each partnership constitutes an integral part of this document. Please carefully read the supplement for each partnership in which you are a limited partner.

Pioneer Parent has supplied all information contained or incorporated by reference in this document relating to Pioneer Parent, and each partnership has supplied all the information contained in this document relating to the partnership.

You can obtain any of the documents incorporated by reference through Pioneer Parent or the SEC. Documents incorporated by reference are available from Pioneer Parent without charge. Exhibits to the documents will not be sent, however, unless those exhibits have specifically been incorporated by reference as exhibits in this document. Limited partners of each partnership may obtain documents incorporated by reference in this document by requesting them in writing or by telephone at the following address:

Pioneer Natural Resources Company
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 77039
Telephone: (972) 444-9001
Attention: Investor Relations

IF YOU WOULD LIKE TO REQUEST DOCUMENTS FROM PIONEER PARENT OR ANY PARTNERSHIP IN WHICH YOU OWN AN INTEREST, PLEASE DO SO BY _____, 2001 [INSERT 5TH BUSINESS DAY BEFORE MEETING] TO RECEIVE THEM BEFORE THE SPECIAL MEETING FOR THE PARTNERSHIP.

You should rely only on the information contained or incorporated by reference in this document to vote on the merger of each partnership in which you own an interest. We have not authorized anyone to give any information that is different from what is contained in this document. This document is dated _____, 2001. You should not assume that the information contained in this document is accurate as of any date other than that date, and neither the mailing of this document to you nor the issuance of Pioneer Parent common stock in the merger of each partnership shall create an implication to the contrary.

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WE HAVE PREPARED A SEPARATE SUPPLEMENT TO THIS DOCUMENT FOR EACH PARTNERSHIP. EACH SUPPLEMENT INCLUDES:

- o A TABLE CONTAINING:
 - THE AGGREGATE INITIAL INVESTMENT BY THE LIMITED PARTNERS
 - THE AGGREGATE HISTORICAL LIMITED PARTNER DISTRIBUTIONS THROUGH JULY 31, 2001
 - THE MERGER VALUE ATTRIBUTABLE TO PARTNERSHIP INTERESTS OF LIMITED PARTNERS, EXCLUDING PIONEER USA
 - THE MERGER VALUE PER \$1,000 LIMITED PARTNER INVESTMENT
 - THE MERGER VALUE PER \$1,000 LIMITED PARTNER INVESTMENT AS A MULTIPLE OF DISTRIBUTIONS FOR THE PAST FOUR QUARTERLY DISTRIBUTIONS INCLUDING THE DISTRIBUTION IN JULY 2001
 - THE BOOK VALUE PER \$1,000 LIMITED PARTNER INVESTMENT AS OF MARCH 31, 2001 AND AS OF DECEMBER 31, 2000
 - THE GOING CONCERN VALUE PER \$1,000 LIMITED PARTNER INVESTMENT

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- THE LIQUIDATION VALUE PER \$1,000 LIMITED PARTNER INVESTMENT

- THE ORDINARY TAX LOSS PER \$1,000 LIMITED PARTNER INVESTMENT IN YEAR OF INITIAL INVESTMENT

- o INFORMATION ABOUT:
 - THE LEGAL OPINION FOR THE LIMITED PARTNERS

 - THE TERM OF THE PARTNERSHIP

- o FOR EACH PARTNERSHIP THAT IS SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, WHICH WE CALL A REPORTING PARTNERSHIP, THE PARTNERSHIP'S QUARTERLY REPORT ON FORM 10-Q, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE THREE MONTHS ENDED MARCH 31, 2001

- o FOR EACH REPORTING PARTNERSHIP, THE PARTNERSHIP'S ANNUAL REPORT ON FORM 10-K, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE YEAR ENDED DECEMBER 31, 2000

- o FOR EACH PARTNERSHIP THAT IS NOT SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, WHICH WE CALL A NONREPORTING PARTNERSHIP, THE PARTNERSHIP'S FINANCIAL STATEMENTS, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE THREE MONTHS ENDED MARCH 31, 2001

- o FOR EACH NONREPORTING PARTNERSHIP, THE PARTNERSHIP'S FINANCIAL STATEMENTS, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE YEAR ENDED DECEMBER 31, 2000

- o SELECTED HISTORICAL FINANCIAL DATA FOR THE PARTNERSHIP FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000 AND THE FIVE YEARS ENDED DECEMBER 31, 2000

THE SUPPLEMENT CONSTITUTES AN INTEGRAL PART OF THIS DOCUMENT FOR EACH PARTNERSHIP. PLEASE CAREFULLY READ ALL OF THE SUPPLEMENTS FOR THE PARTNERSHIPS IN WHICH YOU ARE A LIMITED PARTNER.

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QUESTIONS AND ANSWERS ABOUT THE MERGER OF EACH PARTNERSHIP

Q: HOW DO I VOTE?

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A: After reading this document, please fill out and sign your proxy card. Then mail your signed proxy card in the enclosed return envelope as soon as possible so that your partnership interests will be represented at the special meeting for each partnership in which you own an interest.

Q: WHAT HAPPENS IF I DO NOT RETURN A PROXY CARD?

A: The failure to return your proxy card will have the same effect as voting against the merger for each partnership in which you own an interest.

Q: MAY I VOTE IN PERSON?

A: Yes. You may attend the special meeting for each partnership in which you own an interest and vote your partnership interests in person, rather than signing and mailing your proxy card.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. You may revoke your vote at any time before your proxy is voted at the special meeting for each partnership in which you own an interest by following the instructions beginning on page 59. You then may either change your vote by sending in a new proxy card or by attending the special meeting for each partnership in which you own an interest and voting in person.

Q: IF MY PARTNERSHIP INTERESTS ARE HELD IN A RETIREMENT ACCOUNT BY A CUSTODIAN, WILL MY CUSTODIAN VOTE MY PARTNERSHIP INTERESTS FOR ME?

A: Your custodian will not be able to vote your partnership interests. You should refer to the instructions included on your proxy card to vote your partnership interests.

Q: SHOULD I SEND IN MY CERTIFICATES FOR MY PARTNERSHIP INTERESTS NOW?

A: No. If the merger of a partnership in which you own an interest is completed, your certificates representing your partnership interests in that partnership will be automatically cancelled. We will automatically mail certificates representing Pioneer Parent common stock issued to you on completion of the merger of that partnership.

Q: AM I ENTITLED TO APPRAISAL OR DISSENTERS' RIGHTS?

A: No. You will not have any appraisal or dissenters' rights in connection with the merger of any partnership in which you own an interest.

Q: WHAT HAPPENS TO MY FUTURE CASH DISTRIBUTIONS?

A: Since your partnership interests in participating partnerships will be cancelled upon completion of the merger of each such partnership, you will not receive any future distributions on those interests. Pioneer Parent's board of directors did not declare dividends to the holders of Pioneer Parent common stock during 1999, 2000 or the three months ended March 31, 2001. The amount of dividends, if any, paid by Pioneer Parent in the future will depend on business conditions, its financial condition and earnings, and other factors.

Q: WHO CAN HELP ANSWER MY QUESTIONS?

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A: If you have any questions about the merger of any of the partnerships in which you own an interest, please call Pioneer Parent's information agent, D.F. King & Co., Inc., at (XXX) XXX-XXXX.

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SUMMARY

To understand the merger of each partnership in which you own an interest and to obtain a more detailed description of the legal terms of each such merger, you should carefully read this entire document, the related partnership supplements, and the documents described in "Where You Can Find More Information" on the inside front cover page of this document. For definitions of oil and gas terms used in this document, see "Commonly Used Oil and Gas Terms" on page 81.

When we use the terms "Pioneer USA," "we," "us" or "our," we are referring to your sole or managing general partner, Pioneer Natural Resources USA, Inc., including its consolidated subsidiaries and predecessors, unless the context otherwise requires. When we use the term "Pioneer Parent," we are referring to Pioneer Natural Resources Company. When we use the term "merger proposals," we are referring to the proposals to approve the merger agreement, the merger amendment, the selection of special legal counsel for the limited partners and the legal opinion of that counsel. When we use the term "participating partnership," we are referring to each partnership the limited partners of which approve the merger proposals.

THE MERGERS

Pioneer Parent proposes to acquire each partnership by merging each partnership into us. We will be the survivor of each merger. The partnership interests of each participating partnership, other than our interests, will be converted into Pioneer Parent common stock.

The number of shares of common stock Pioneer Parent will offer for all partnership interests of a participating partnership will be based on (1) the merger value for the partnership as described below and (2) the average closing price of the Pioneer Parent common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the initial date of the special meeting for the partnership. Pioneer Parent and Pioneer USA determined the merger value for each partnership primarily based on the present value of estimated future net revenues from the partnership's estimated oil and gas reserves at March 31, 2001, which was reviewed by Williamson Petroleum Consultants, Inc. as of March 31, 2001. Pioneer Parent and Pioneer USA used the following parameters in calculating the present value of estimated future net revenues: (1) a five-year New York Mercantile Exchange, or NYMEX, futures price for oil and gas as of March 30, 2001 with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a 10.0% discount rate. For 2001, the oil and gas prices were based on the average NYMEX futures price for

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the nine-month period beginning on April 1, 2001 and ending December 31, 2001. See the table on page 6 for the NYMEX futures prices. See "Method of Determining Merger Value For Each Partnership and Amount of Pioneer Parent Common Stock Offered -- Components of Merger Value For Each Partnership" on page 44 of this document for information on the basis of pricing. In addition, each partnership's merger value includes its net working capital as of March 31, 2001, less its pro rata share, based on its reserve value, of the estimated expenses and fees of the mergers of all of the partnerships and less the cash distribution to be mailed on or about July 12, 2001, by the partnership to its partners. The Pioneer Parent common stock will be allocated among the partners of a participating partnership based on the liquidation provisions of the partnership agreement of the partnership.

On pages 4 and 5 of this document is a table that shows important information about each partnership, including the amount of Pioneer Parent common stock that will be offered in the merger for each \$1,000 of initial investment for that partnership. For purposes of illustration in this document, we have calculated the number of shares to be issued based on an assumed average closing price of \$18.00 per share of Pioneer Parent common stock. Prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer Parent common stock for the ten trading days ending three business days before the initial date of the special meeting.

Pioneer Parent and Pioneer USA agreed to structure the transaction as a merger of each partnership instead of as a property sale followed by liquidation of each partnership because the merger will:

- o require fewer legal documents;
- o reduce filing fees and other costs; and
- o result in the same amount of Pioneer Parent common stock to the limited partners as would a property sale and liquidation using the same commodity prices.

Pioneer Parent and Pioneer USA expect to sign the merger agreement as soon as the Securities and Exchange Commission declares effective under the Securities Act of 1933 the registration statement that includes this document. However, if the oil and gas commodity prices materially increase or decrease from the prices used in calculating the merger value for any partnership, Pioneer Parent or Pioneer USA might abandon the proposed merger of the partnership before submitting the merger proposals to the limited partners for approval. In addition, Pioneer Parent may abandon the proposed merger of any or all of the partnerships at any time prior to the special meeting for any such partnership for any reason including changes in, among other things, the price of Pioneer Parent common stock, the market prices for oil and gas generally or the oil and gas industry generally.

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THE COMPANIES

PIONEER NATURAL RESOURCES COMPANY

1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

Pioneer Parent is a large, independent exploration and production company with total proved reserves equivalent to 3.8 trillion cubic feet of natural gas, or 628 million barrels of oil. Pioneer Parent's proved reserves are balanced equally between natural gas and oil, and Pioneer Parent has a reserves-to-production ratio of 14 years. Sixty-seven percent of Pioneer Parent's proved reserves are in three U.S. areas: the Hugoton gas field, the West Panhandle gas field, and the Spraberry oil and natural gas field. Pioneer Parent also has properties in East Texas, the Gulf Coast, and the offshore Gulf of Mexico as well as in Argentina, Canada, South Africa, and Gabon. Pioneer Parent seeks to increase net asset value and production by combining lower risk development drilling with higher-risk exploration activity.

Pioneer Parent's common stock is traded on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "PXD." Pioneer Parent prepared this document to offer its common stock to you. See "Pioneer Parent" on page 69 of this document for more information about Pioneer Parent.

Pioneer Parent files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Those SEC filings are available to you in the same manner as each reporting partnership's information. See "Where You Can Find More Information" on the inside front cover page of this document.

PIONEER NATURAL RESOURCES USA, INC.

1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

We prepared this document to solicit your proxy. We are a 100% owned subsidiary of Pioneer Parent. We directly own almost all of Pioneer Parent's United States oil and gas properties.

THE PARTNERSHIPS

c/o Pioneer Natural Resources USA, Inc.
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

The name of each partnership is found in the table beginning on page 4. Each partnership produces and sells oil and gas. Each partnership was formed to provide the general and limited partners cash flow from operations and, except for Parker & Parsley Producing Properties 87-A, Ltd., Parker & Parsley Producing

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Properties 87-B, Ltd. and Parker & Parsley Producing Properties 88-A, L.P., a one time deduction for intangible drilling and development costs. See the supplement to this document for each of your partnerships for specific information about the partnership, including the merger value as a multiple of distributions for the past four quarterly distributions including the distribution in July 2001. As a result of each partnership's oil and gas operations, each partnership distributes cash to the limited and general partners from the partnership's net cash flows. These distributions are made quarterly, unless sufficient cash is not available.

The partnerships' properties consist of interests in approximately 1,100 oil and gas wells that are located primarily in the Spraberry field of the Permian Basin of West Texas. We operate approximately 92% of the partnerships' wells. At December 31, 2000, the partnerships' combined total proved reserves were 33.6 million barrels of oil equivalent, or MMBOE, consisting of 27.3 million barrels, or MMBbls, of oil and natural gas liquids and 37.6 billion cubic feet, or Bcf, of natural gas. Approximately 93% of the reserves are attributable to the limited partners' partnership interests, excluding partnership interests we directly own. Approximately 81% of the total proved reserves attributable to the properties are oil and liquids, and 19% are natural gas, based on six Mcf of gas being equivalent to one Bbl of oil. See "The Partnerships" on page 71 of this document for more information about the partnerships.

RISK FACTORS

You should carefully consider the risks relating to the merger of each partnership in which you own an interest described in "Risk Factors" beginning on page 17 of this document. These include:

- o The merger value for the partnership determines the amount of Pioneer Parent common stock you will receive in the merger of the partnership. Pioneer Parent and Pioneer USA determined each merger value and will not adjust it for changes in partnership value before the merger is completed.
- o You were not independently represented in establishing the terms of any merger.
- o Our board of directors had conflicting interests in evaluating each merger because each member of our board of directors is also an officer of Pioneer Parent.
- o Repurchase offers in 2001 by each of the six partnerships with a repurchase obligation were higher than the merger value for the partnership.
- o Limited partners who become Pioneer Parent stockholders will own stock in a

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corporation rather than a limited partnership interest in a limited partnership resulting in a fundamental change in the nature of their investments.

SUMMARY TABLE -- MERGER VALUE AND AMOUNT OF INITIAL LIMITED PARTNER INVESTMENT REPAID

The table on pages 4 and 5 contains the following summary information for each partnership:

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- o the merger value attributable to:
 - Pioneer USA's partnership interests, whether general or limited;
 - the partnership interests of the unaffiliated limited partners of the nonmanaging general partner, if any, of each partnership;
 - the limited partners' partnership interests, including the estimated number of shares of Pioneer Parent common stock offered to the limited partners other than Pioneer USA;
- o for each \$1,000 initial limited partner investment in the partnership:
 - the estimated number of shares of Pioneer Parent common stock offered;
 - the merger value;
 - the total historical cash distributions through July 31, 2001; and
 - the total amount of initial investment by the limited partners that has been repaid, after giving effect to the merger of the partnership, stated in dollars and as a percentage; and
- o the aggregate reserve value attributable to the limited partners other than Pioneer USA per barrel of oil equivalent, or BOE.

This information is based on assumptions, including the following:

- o Pioneer Parent and Pioneer USA engaged Williamson Petroleum Consultants, Inc. to review the estimates of each partnership's reserves as of March 31, 2001.
- o Pioneer Parent and Pioneer USA estimated the present value of estimated

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future net revenues for each partnership from the estimated reserves for each partnership at March 31, 2001. Pioneer Parent and Pioneer USA used the following parameters in calculating the present value of estimated future net revenues: (1) a five-year NYMEX futures price for oil and gas as of March 30, 2001, with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a discount rate of 10.0%.

See "Method of Determining Merger Value for Each Partnership and Amount of Pioneer Parent Common Stock Offered - Components of Merger Value for Each Partnership."

You should read the following table together with the detailed information in Table 2 and Table 3 of Appendix A to this document. For purposes of illustration in this document, we have calculated the number of shares to be issued based on an assumed average closing price of \$18.00 per share of Pioneer Parent common stock. Prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer Parent common stock for the ten trading days ending three business days before the initial date of the special meeting.

Interests in some partnerships were sold in units at prices other than \$1,000. We have presented this information based on a \$1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per \$1,000 investment is the same as the value or amount attributable to a single unit investment. See Table 1 of Appendix A to this document for the initial subscription price for each unit.

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SUMMARY TABLE -- MERGER VALUE AND AMOUNT OF INITIAL LIMITED
PARTNER INVESTMENT REPAID

	PIONEER USA	NONMANAGING GENERAL PARTNERS	MERGER VALUE
	MERGER VALUE	MERGER VALUE	AGGREGATE MERGER VALUE
PARKER & PARSLEY 81-I, LTD.	\$ 225,691	\$ 16,187	\$ 680,74
PARKER & PARSLEY 81-II, LTD.	142,209	5,774	510,26
PARKER & PARSLEY 82-I, LTD.	384,588	13,293	921,47
PARKER & PARSLEY 82-II, LTD.	417,948	12,957	1,258,42

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PARKER & PARSLEY 82-III, LTD.	305,950	9,928	837,66
PARKER & PARSLEY 83-A, LTD.	940,944	37,001	2,824,14
PARKER & PARSLEY 83-B, LTD.	1,233,793	48,095	3,657,50
PARKER & PARSLEY 84-A, LTD.	1,285,776	56,545	4,068,29
PARKER & PARSLEY 85-A, LTD.	41,068	--	1,450,48
PARKER & PARSLEY 85-B, LTD.	20,207	--	1,232,80
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	50,076	--	1,514,33
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	24,401	--	960,83
PARKER & PARSLEY 86-A, LTD.	24,320	--	1,798,78
PARKER & PARSLEY 86-B, LTD.	67,657	--	4,055,06
PARKER & PARSLEY 86-C, LTD.	41,133	--	3,381,73
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	12,640	--	1,334,08
PARKER & PARSLEY 87-A CONV., LTD.	14,150	--	788,57
PARKER & PARSLEY 87-A, LTD.	88,920	--	5,894,40
PARKER & PARSLEY 87-B CONV., LTD.	12,012	--	1,051,03
PARKER & PARSLEY 87-B, LTD.	49,926	--	4,294,06
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	35,132	--	2,816,16
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	62,154	--	2,452,31
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	29,502	--	3,127,66
PARKER & PARSLEY 88-A CONV., L.P.	21,672	--	994,89
PARKER & PARSLEY 88-A, L.P.	74,684	--	3,399,20
PARKER & PARSLEY 88-B CONV., L.P.	18,200	--	1,227,49
PARKER & PARSLEY 88-B, L.P.	59,211	--	3,009,32

----- MERGER VALUE -----	----- PER \$1,000 INITIAL LI -----
LIMITED PARTNERS -----	
ESTIMATED NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED (a) -----	ESTIMATED NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED (a) -----

PARKER & PARSLEY 81-I, LTD.	34,941	5.01	\$
PARKER & PARSLEY 81-II, LTD.	26,098	4.07	
PARKER & PARSLEY 82-I, LTD.	46,867	4.45	
PARKER & PARSLEY 82-II, LTD.	66,611	5.65	
PARKER & PARSLEY 82-III, LTD.	43,763	6.76	
PARKER & PARSLEY 83-A, LTD.	147,944	7.86	
PARKER & PARSLEY 83-B, LTD.	192,943	8.58	
PARKER & PARSLEY 84-A, LTD.	212,803	11.19	
PARKER & PARSLEY 85-A, LTD.	75,698	8.03	
PARKER & PARSLEY 85-B, LTD.	64,189	8.09	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	79,624	16.32	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	49,064	10.64	
PARKER & PARSLEY 86-A, LTD.	99,327	9.84	
PARKER & PARSLEY 86-B, LTD.	212,709	12.45	
PARKER & PARSLEY 86-C, LTD.	172,489	8.96	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	69,518	14.13	
PARKER & PARSLEY 87-A CONV., LTD.	40,619	10.63	
PARKER & PARSLEY 87-A, LTD.	303,553	10.60	
PARKER & PARSLEY 87-B CONV., LTD.	54,887	11.18	
PARKER & PARSLEY 87-B, LTD.	224,249	11.19	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	142,778	11.73	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	129,782	21.64	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	162,263	15.48	

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PARKER & PARSLEY 88-A CONV., L.P.	51,030	13.63
PARKER & PARSLEY 88-A, L.P.	174,379	13.66
PARKER & PARSLEY 88-B CONV., L.P.	64,453	17.82
PARKER & PARSLEY 88-B, L.P.	158,016	17.83

 PER \$1,000 INITIAL
 LIMITED PARTNER INVESTMENT

	AMOUNT OF INITIAL INVESTMENT REPAID		LIMITED PARTNERS' AGGREGATE RESERVE VALUE PER BOE
	----- \$ -----	----- % -----	
PARKER & PARSLEY 81-I, LTD.	\$ 747.26	74.73%	\$ 3.92
PARKER & PARSLEY 81-II, LTD.	915.21	91.52%	3.42
PARKER & PARSLEY 82-I, LTD.	1,065.99	106.60%	3.50
PARKER & PARSLEY 82-II, LTD.	1,243.59	124.36%	4.05
PARKER & PARSLEY 82-III, LTD.	1,107.06	110.71%	3.83
PARKER & PARSLEY 83-A, LTD.	1,469.69	146.97%	3.53
PARKER & PARSLEY 83-B, LTD.	1,686.57	168.66%	3.53
PARKER & PARSLEY 84-A, LTD.	1,672.88	167.29%	3.55
PARKER & PARSLEY 85-A, LTD.	901.86	90.19%	3.82
PARKER & PARSLEY 85-B, LTD.	1,100.51	110.05%	4.01
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	1,425.33	142.53%	4.39
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	1,158.72	115.87%	3.81
PARKER & PARSLEY 86-A, LTD.	1,537.71	153.77%	3.80
PARKER & PARSLEY 86-B, LTD.	1,799.89	179.99%	4.14
PARKER & PARSLEY 86-C, LTD.	1,648.15	164.82%	3.76
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	1,888.66	188.87%	4.00
PARKER & PARSLEY 87-A CONV., LTD.	1,523.38	152.34%	4.03
PARKER & PARSLEY 87-A, LTD.	1,522.91	152.29%	4.06
PARKER & PARSLEY 87-B CONV., LTD.	1,452.71	145.27%	3.92
PARKER & PARSLEY 87-B, LTD.	1,452.91	145.29%	3.92
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	1,211.55	121.16%	3.90
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	1,516.56	151.66%	4.19
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	1,854.43	185.44%	3.87
PARKER & PARSLEY 88-A CONV., L.P.	1,365.84	136.58%	4.04
PARKER & PARSLEY 88-A, L.P.	1,366.49	136.65%	4.04
PARKER & PARSLEY 88-B CONV., L.P.	1,450.53	145.05%	4.21
PARKER & PARSLEY 88-B, L.P.	1,450.76	145.08%	4.21

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	PIONEER USA	NONMANAGING GENERAL PARTNERS	AGGREGATE
	MERGER VALUE	MERGER VALUE	MERGER VALUE
PARKER & PARSLEY 88-C CONV., L.P.	12,256	--	996,33
PARKER & PARSLEY 88-C, L.P.	8,093	--	706,14
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	34,210	--	2,107,96
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	34,558	--	3,624,60
PARKER & PARSLEY 89-A CONV., L.P.	9,323	--	981,52
PARKER & PARSLEY 89-A, L.P.	62,481	--	2,886,52
PARKER & PARSLEY 89-B CONV., L.P.	23,671	--	1,897,79
PARKER & PARSLEY 89-B, L.P.	40,152	--	2,073,10
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	30,131	--	2,028,26
PARKER & PARSLEY 90-A CONV., L.P.	9,110	--	608,38
PARKER & PARSLEY 90-A, L.P.	52,103	--	1,732,96
PARKER & PARSLEY 90-B CONV., L.P.	53,040	--	3,371,52
PARKER & PARSLEY 90-B, L.P.	108,517	--	9,195,04
PARKER & PARSLEY 90-C CONV., L.P.	25,877	--	1,944,13
PARKER & PARSLEY 90-C, L.P.	36,317	--	3,122,41
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	53,018	--	3,609,42
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	15,154	--	1,616,75
PARKER & PARSLEY 91-A, L.P.	65,151	--	4,950,06
PARKER & PARSLEY 91-B, L.P.	54,733	--	5,259,99
	\$ 6,411,859	\$ 199,780	\$ 112,254,72

	MERGER VALUE	PER \$1,000 INITIAL LI
LIMITED PARTNERS	ESTIMATED NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED (a)	ESTIMATED NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED (a)
PARKER & PARSLEY 88-C CONV., L.P.	52,091	15.32
PARKER & PARSLEY 88-C, L.P.	36,905	15.21
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	110,684	19.86
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	190,067	19.08
PARKER & PARSLEY 89-A CONV., L.P.	51,277	18.33
PARKER & PARSLEY 89-A, L.P.	150,814	18.37
PARKER & PARSLEY 89-B CONV., L.P.	98,772	15.71
PARKER & PARSLEY 89-B, L.P.	107,886	15.69
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	105,568	15.04
PARKER & PARSLEY 90-A CONV., L.P.	31,376	13.38
PARKER & PARSLEY 90-A, L.P.	89,388	13.41
PARKER & PARSLEY 90-B CONV., L.P.	173,955	14.72
PARKER & PARSLEY 90-B, L.P.	474,473	14.74

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PARKER & PARSLEY 90-C CONV., L.P.	101,666	13.55
PARKER & PARSLEY 90-C, L.P.	163,255	13.51
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	188,136	17.24
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	83,349	16.03
PARKER & PARSLEY 91-A, L.P.	258,020	22.29
PARKER & PARSLEY 91-B, L.P.	276,435	24.60
	-----	-----
	5,844,714	613.50
	=====	=====

 PER \$1,000 INITIAL
 LIMITED PARTNER INVESTMENT

	AMOUNT OF INITIAL INVESTMENT REPAID		LIMITED PARTNERS' AGGREGATE RESERVE VALUE PER BOE
	----- \$	----- %	
PARKER & PARSLEY 88-C CONV., L.P.	1,328.49	132.85%	4.13
PARKER & PARSLEY 88-C, L.P.	1,326.20	132.62%	4.13
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	1,592.28	159.23%	4.23
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	1,529.45	152.95%	4.33
PARKER & PARSLEY 89-A CONV., L.P.	1,400.23	140.02%	4.35
PARKER & PARSLEY 89-A, L.P.	1,400.87	140.09%	4.35
PARKER & PARSLEY 89-B CONV., L.P.	1,214.21	121.42%	4.08
PARKER & PARSLEY 89-B, L.P.	1,213.82	121.38%	4.08
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	1,071.16	107.12%	4.27
PARKER & PARSLEY 90-A CONV., L.P.	1,150.53	115.05%	4.19
PARKER & PARSLEY 90-A, L.P.	1,151.20	115.12%	4.19
PARKER & PARSLEY 90-B CONV., L.P.	1,001.69	100.17%	4.26
PARKER & PARSLEY 90-B, L.P.	1,002.19	100.22%	4.25
PARKER & PARSLEY 90-C CONV., L.P.	901.29	90.13%	4.19
PARKER & PARSLEY 90-C, L.P.	900.59	90.06%	4.19
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	1,133.61	113.36%	4.34
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	1,048.86	104.89%	3.78
PARKER & PARSLEY 91-A, L.P.	1,255.67	125.57%	4.52
PARKER & PARSLEY 91-B, L.P.	1,180.33	118.03%	4.61
	-----	-----	-----
	\$60,339.82		
	=====		

 (a) For this preliminary document, the number of shares of Pioneer common stock offered is based upon an assumed average closing price of \$18.00 per share of Pioneer common stock.

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The following table shows the NYMEX futures price for oil and gas as of March 30, 2001, which Pioneer Parent and Pioneer USA used in the calculation of the reserve value portion of the merger value for each partnership:

DATE -----	OILS (\$/Bbl) -----	GAS (\$/Mcf) (1) -----
Apr - Dec 2001	26.17	5.18
2002	24.36	4.61
2003	22.83	4.16
2004	22.31	4.09
2005	21.97	4.12
Thereafter	21.97	4.12

(1) The NYMEX price for gas is quoted in dollars per million British thermal units, or MMBTU. We converted those prices to dollars per thousand cubic feet, or Mcf.

The reserve value portion of the merger value for each partnership was calculated using a 10.0% discount rate.

EXAMPLE CALCULATION OF MERGER VALUE FOR PARKER & Parsley 81-I, Ltd.

Merger value for limited partners:

Reserve value (Table 16 of Appendix A to this document)	(1)	\$	627,135
Plus working capital value	(2)		65,041
Less estimated merger expenses and fees	(3)		(11,429)

Aggregate merger value (page 4 of this document)			680,747
Less July 2001 distribution	(4)		(51,812)

Merger value (page 4 of this document and Table 2 of Appendix A to this document)	(5)	\$	628,935
			=====

Initial investment:

Initial investment by limited partners (Table 1 of Appendix A to this document)		\$	7,410,000
Less initial investment by Pioneer USA (Table 6 of Appendix A to this document)			433,000

Initial investment without Pioneer USA		\$	6,977,000
			=====

Number of per \$1,000 limited partner investments:	(6)	6,977
		=====

Per \$1,000 limited partner investment as set forth in Table 3 of Appendix A to this document:

Reserve value		\$	89.88		(1) divided b
Working capital value			9.32		(2) divided b
Less estimated merger expenses and fees			(1.64)		(3) divided b

Aggregate merger value			97.56		

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Less July 2001 distribution	(7.43)	(4) divided b

Merger value	\$ 90.13	
	=====	
Aggregate number of shares of Pioneer Parent common stock offered to limited partners of the partnership before rounding	34,940.83	(5) divided b
	=====	
Aggregate number of shares of Pioneer Parent common stock offered to limited partners of the partnership rounded up to the nearest whole share	(7) 34,941	
	=====	
Number of shares of Pioneer Parent common stock offered per \$1,000 limited partner investment	5.01	(7) divided b
	=====	

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BENEFITS AND DISADVANTAGES TO THE LIMITED PARTNERS

We believe the merger of each partnership provides the following benefits to the limited partners of the partnership:

Liquidity. None of the partnership interests of any of the partnerships are traded on a national stock exchange or in any other significant market. No liquid market exists for interests in any of the partnerships. Although some partnership interests are occasionally sold in private or an informal secondary market for limited partner securities, we believe the potential buyers in such transactions are few and the prices generally reflect a significant discount for illiquidity. See Table 15 of Appendix A for historical information about recent trades of partnership interests in each partnership. Repurchase obligations exist in only a few of the partnerships and are limited in both amount and price by formula in the partnership agreements. See Table 8 of Appendix A for repurchase information.

The merger of each partnership provides liquidity to the limited partners of that partnership at a price based on oil and gas reserve values, not on limited market demand for illiquid partnership interests. All limited partners of a participating partnership will receive Pioneer Parent common stock in exchange for their partnership interests shortly after completion of the merger of the partnership. Shares of Pioneer Parent common stock are freely transferable and listed on the New York Stock Exchange and the Toronto Stock Exchange. On April 16, 2001, the last full trading day prior to the announcement of the proposed merger of each partnership, the last reported sales price of Pioneer Parent common stock, as reported by the New York Stock Exchange, was \$17.27.

Oil and Gas Investment Vehicle. Pioneer Parent's common stock provides an oil and gas investment vehicle that we believe will be advantageous to the partnership interests in each partnership because:

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- o Expansion and Balancing of Reserves. The limited partners will have the opportunity to benefit from Pioneer Parent's efforts (1) to expand its reserve base through acquisitions and development or exploratory drilling, and (2) to maintain a strategic balance between oil and natural gas reserves. At December 31, 2000, Pioneer Parent's reserve mix was 50% oil and NGLs and 50% natural gas compared to the combined partnerships' reserve mix of 81% oil and NGLs and 19% natural gas at such date.

- o Geographic Diversification and Larger Oil and Gas Reserve Base. By combining each participating partnership into a single ownership entity, the merger of the partnership provides the limited partners of the partnership with an investment portfolio substantially larger and more geographically diversified than the portfolio of the partnership individually. This increased size and the resulting consolidation of operations spread the risk of an investment in Pioneer Parent over a broader group of assets and reduces the dependence of the investment upon the performance of any particular asset or group of assets, such as assets in the same geographical area.

Liquidation Value. The merger value for each partnership is based on the value of the underlying properties, which we believe is essentially the same value or a higher value than that could be achieved by selling the partnership's property interests and liquidating the partnership at that time. In addition, we believe that the value of Pioneer Parent common stock to be distributed to each limited partner in the merger of each partnership is higher than what the limited partners would otherwise receive over the life of the partnership, assuming the same oil and gas commodity prices and operating costs as used to determine the reserve value for each partnership and giving effect to the time value of money, for the following reasons:

- o The partnership agreement for each partnership requires cash distributions to be reduced by general and administrative expenses allocable to the partnership. The merger value for each partnership reflects a liquidation value based on a reserve value that has not been reduced for general and administrative expenses.

- o The merger value for each partnership is based primarily upon the reserve value for the partnership, which was determined using recent NYMEX futures oil and gas prices that are, on average, higher than historical oil and gas prices. It is likely that actual oil and gas prices will vary often and possibly widely, as has been demonstrated historically, from the prices used to prepare these estimates. Although future oil and gas prices could be higher than the prices on March 30, 2001 which were used in calculating the merger value for each partnership, using a fixed date for determining the merger value for each partnership eliminates the potential loss in value that could occur if oil and gas prices decline.

Acceleration of Realization of Value. Pioneer Parent's common stock provides the limited partners of each participating partnership with liquidity earlier than if the limited partners remain in the partnership and receive the expected ordinary cash distributions from oil and gas production. Because each

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partnership's properties are mature producing properties, we believe that production from those properties will continue to decline at the rate predicted in the partnership's oil and gas engineering reserve reports. Accordingly, cash distributions from each partnership are also expected to decline, subject to variation for changes in oil and gas prices.

Elimination of Partnership Tax Reports. The merger of each participating partnership will eliminate the limited partners' Schedule K-1 tax reports for the partnership for tax years after the merger occurs. This is expected to simplify the limited partners' individual tax return preparation and reduce preparation costs.

We also considered the following disadvantages of the merger of each partnership:

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- o Limited partners of each partnership will own stock in a corporation which is a different investment objective from investing in a partnership designed to generate recurring cash distributions.
- o Limited partners who become Pioneer Parent stockholders will no longer receive partnership cash distributions.
- o Pioneer Parent will engage in the acquisition, exploration and development of new oil and gas properties which will expose limited partners of each partnership to all of the attendant risks associated with such activities. Each partnership owns producing properties and does not conduct drilling activities. Pioneer Parent's activities may, therefore, involve greater risks than the activities of each partnership, but also offer the potential for additional benefits if the acquisition and exploitation activities are successful.
- o Increases in prices for oil and gas may have a more direct effect on limited partners of each partnership due to the immediate effect on potential cash distributions. However, we believe that an increase in oil and gas prices will also have an indirect beneficial effect on the market price for Pioneer Parent common stock.
- o Limited partners who become Pioneer Parent stockholders will be subject to the volatility of the market value of Pioneer Parent common stock. Market factors that may affect the common stock price will include factors other than those that affect the value of a limited partner's interest in a partnership, such as general market conditions.
- o Limited partners who become Pioneer Parent stockholders may have to

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recognize a taxable gain on the transaction.

FRACTIONAL SHARES

Pioneer Parent will not issue fractional shares to any limited partner upon completion of the merger of any partnership. Instead, Pioneer Parent will round any fractional shares of Pioneer Parent common stock up to the nearest whole share.

RECOMMENDATION TO LIMITED PARTNERS (SEE PAGE 32)

On _____, 2001, our board of directors unanimously determined that the merger of each partnership in which you own an interest is advisable, fair to you, as an unaffiliated limited partner, and in your best interests. Our board recommends that you, as an unaffiliated limited partner, vote for the merger proposals for each partnership in which you own an interest. Although our board of directors has attempted to fulfill its fiduciary duties to you, our board of directors had conflicting interests in evaluating each merger because each member of our board of directors is also an officer of Pioneer Parent.

FAIRNESS

In deciding to approve the merger of each partnership on _____, 2001, our board of directors decided that each merger of a partnership in which you own an interest is advisable, fair to you, as an unaffiliated limited partner, and in your best interests based on a variety of factors. These factors include:

- o the form and amount of consideration offered to you;

- o the comparison of the amount of Pioneer Parent common stock offered in each merger to the future cash distributions otherwise expected as oil and gas production continues to decline and general and administrative expenses continue to be incurred;

- o the elimination after the merger of each participating partnership of its limited partners' tax preparation costs relating to partnership tax information;

- o the belief that the price offered by Pioneer Parent is a competitive price because of:
 - the commodity pricing used in determining the merger value for each partnership;
 - Pioneer USA's position as operator of most of each partnership's wells; and
 - Pioneer USA's significant ownership of nearby properties; and

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- o the fairness opinion from Stanger.

FAIRNESS OPINION OF FINANCIAL ADVISOR
(SEE PAGE 33)

Stanger has issued a fairness opinion dated _____, 2001, that, subject to the qualifications expressed in the opinion, the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The full text of the form of written opinion of Stanger is attached to this document as Appendix D. You should read all of it carefully. THE OPINION OF STANGER IS DIRECTED TO OUR BOARD OF DIRECTORS. IT IS NOT A RECOMMENDATION TO YOU ABOUT HOW YOU SHOULD VOTE ON MATTERS RELATING TO THE PROPOSED MERGER OF ANY PARTNERSHIP IN WHICH YOU OWN AN INTEREST.

MATERIAL U.S. FEDERAL INCOME
TAX CONSEQUENCES
(SEE PAGE 48)

You will generally recognize gain or loss equal to the difference between (1) the value of the Pioneer

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Parent common stock you receive in the merger of each partnership in which you own interests and (2) your adjusted tax basis in your partnership interests in that participating partnership. Your gain or loss will be capital or ordinary depending on the nature of the assets held by each participating partnership in which you own an interest and the amount of depletion and intangible drilling and development costs that must be recaptured. You must calculate your ordinary and capital gain or loss separately for each partnership in which you own an interest.

TAX MATTERS ARE VERY COMPLICATED. THE TAX CONSEQUENCES TO YOU OF EACH MERGER OF A PARTNERSHIP IN WHICH YOU OWN AN INTEREST WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD SEEK TAX ADVICE FOR A FULL UNDERSTANDING OF THE PARTICULAR TAX CONSEQUENCES OF EACH SUCH MERGER TO YOU.

CERTIFICATION OF NON-FOREIGN STATUS

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YOUR CERTIFICATE THAT YOU ARE NOT A FOREIGN PERSON, WHICH WE CALL A CERTIFICATION OF NON-FOREIGN STATUS, IS IMPORTANT. Whether or not you plan to vote on the merger of each partnership in which you own an interest, please take the time to complete and return to us the enclosed certification of non-foreign status. If we receive a properly completed certification of non-foreign status from you, we will not withhold federal income taxes on the Pioneer Parent common stock to be issued to you upon the merger of each partnership in which you own an interest.

If we, on behalf of a partnership, are required to withhold federal income taxes from the Pioneer Parent common stock to be issued to you upon the merger of each partnership in which you own an interest, we will be entitled to deduct and withhold such taxes from the Pioneer Parent common stock otherwise payable to you. If amounts are withheld, we may, in our sole discretion:

- o sell any Pioneer Parent common stock withheld from you and use the sale proceeds to pay the required withholding taxes;
- o hold any Pioneer Parent common stock withheld from you as security until you satisfy the required withholding taxes, at which time the withheld Pioneer Parent common stock will be released to you; or
- o take such other reasonable action, at your expense, as is required or appropriate to satisfy the required withholding taxes.

Any amounts withheld as described above shall be treated as having been paid to you.

RECORD DATE; VOTING POWER

You may vote at the special meeting for each partnership in which you own an interest if you owned partnership interests as of the close of business on , 2001. We call this date the record date. For each partnership in which you own a partnership interest, you may cast one vote representing your percentage of partnership interests in that partnership. The percentage of partnership interests that you own is determined by comparing the amount of:

- o your, or your predecessor's, initial investment, including any additional assessments, in the partnership; to
- o the total investment of all partners, including any additional assessments, in the partnership.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting for each partnership in which you own an interest, please take the time to vote by completing and mailing to us the enclosed proxy card. This will not prevent you from revoking your proxy at any time prior to the special meeting for each partnership in which you own an interest or from voting your partnership interests in person if you later choose to attend the special meeting for each partnership in which you own an interest.

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PARTNER VOTE REQUIRED TO APPROVE THE MERGERS

The favorable vote of the holders of a majority of the limited partnership interests in a partnership is required to approve the merger proposals for that partnership, except that Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. each require the favorable vote of the holders, other than Pioneer USA, of 66-2/3% of its limited partnership interests to approve the merger proposals.

We are generally entitled under the partnership agreements to vote partnership interests we hold as limited partners at the special meeting for each partnership in which we hold an interest. See "The Special Meetings -- Record Date; Voting Rights and Proxies" on page 58 of this document. We plan to vote all our partnership interests for the merger proposals. The voting interest that we hold in each partnership is found in Table 6 of Appendix A.

Except as set forth above and in "Ownership of Partnership Interests" on page 64 of this document, none of Pioneer Parent, Pioneer USA, or, to the knowledge of Pioneer USA, any of their directors or executive officers, or any associate or subsidiary of Pioneer Parent, Pioneer USA or any such director or officer, beneficially owns any partnership interests of any partnership or is otherwise entitled to vote any partnership interests.

If limited partners of a partnership approve the merger agreement, but do not approve the merger amendment, or vice versa, the partnership will not be able to merge. LIMITED PARTNERS WHO WANT THEIR PARTNERSHIP TO PARTICIPATE IN THE MERGER SHOULD VOTE FOR EACH OF THE MERGER PROPOSALS.

CONDITIONS TO EACH MERGER (SEE PAGE 55)

We will complete the merger of each partnership only if the conditions of the merger agreement are satisfied or, if permitted, waived. These conditions include:

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- o the limited partners' adoption and approval of the merger proposals;
- o the absence of any law or court order that prohibits the merger; and
- o the absence of any lawsuit challenging the legality or any aspect of the merger.

So long as the law allows us to do so, Pioneer Parent and we may choose to complete a merger of any partnership even though a condition has not been satisfied if the limited partners have approved the merger proposals. Pioneer Parent and we may complete the merger of any one or some of the partnerships for which the listed conditions have been satisfied, even if limited partners in other partnerships do not approve the merger proposals.

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TERMINATION OF THE MERGER OF A PARTNERSHIP (SEE PAGE 56)

Pioneer Parent and Pioneer USA may jointly terminate the merger agreement, for any or all of the partnerships, at any time, even after limited partner approval. Either Pioneer Parent or Pioneer USA may terminate the merger agreement for any or all of the partnerships in some circumstances, including the following:

- o the limited partners of a partnership fail to approve that partnership's merger; or
- o if any of the other parties is in material breach of the merger agreement.

In addition, (1) Pioneer USA may terminate the merger agreement for any partnership, if Pioneer USA determines that termination of the merger agreement is required for its board of directors to comply with its fiduciary duties and (2) Pioneer Parent may abandon the proposed merger of any or all of the partnerships at any time prior to the special meeting for any such partnership for any reason including changes in, among other things, the price of Pioneer Parent common stock, the market prices for oil and gas generally or the oil and gas industry generally.

EFFECT OF DEBT OWED BY A LIMITED PARTNER TO PIONEER USA ON AMOUNT OF PIONEER PARENT COMMON STOCK TO BE RECEIVED BY THE LIMITED PARTNER

If a limited partner is indebted to Pioneer USA for any portion of the limited partner's original investment in the partnership, Pioneer USA plans to apply the Pioneer Parent common stock that would otherwise be distributed to the limited partner upon completion of the merger of the partnership against that limited partner's indebtedness. If a limited partner's indebtedness to Pioneer USA is less than the merger value allocated to limited partnership interests held by the limited partner, the limited partner will receive Pioneer Parent common stock equal to the amount by which such merger value exceeds such indebtedness. If a limited partner's indebtedness to Pioneer USA is greater than the merger value allocated to the limited partnership interests held by the limited partner, Pioneer USA may collect the deficiency from the limited partner.

EFFECTS OF THE MERGER OF A PARTNERSHIP ON ITS LIMITED PARTNERS WHO DO NOT VOTE IN FAVOR OF THE MERGER

You will be bound by the merger of a partnership in which you own interests if the limited partners in your partnership vote a majority, or 66-2/3% for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of their partnership interests in favor of the merger, even if you vote against the merger. If the merger of your partnership occurs, you will be entitled to receive only an amount of Pioneer Parent common stock based on the merger value

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for your partnership interests. You will not have appraisal, dissenters' or similar rights in connection with the merger, even if you vote against the merger.

FUTURE OF A PARTNERSHIP THAT DOES NOT PARTICIPATE IN THE MERGER (SEE PAGE 51)

If your partnership does not participate in the merger of that partnership for any reason, that partnership will remain in existence. Some reasons your partnership might not participate in the merger are (1) that the limited partners vote against the merger, (2) that a condition in the merger agreement is not satisfied, or (3) that Pioneer Parent or we exercise a termination right with respect to the merger for that partnership.

At about the same time that we mail certificates representing shares of Pioneer Parent common stock to the partners of each participating partnership in payment of the merger value for that partnership, we will mail any cash distributions that were delayed for administrative purposes prior to the completion of the merger of each participating partnership to the partners of each nonparticipating partnership.

We have not formulated an alternative business plan for any nonparticipating partnership. The business objectives of each nonparticipating partnership will continue as they are. We plan to continue to manage each nonparticipating partnership and operate it in accordance with the terms of its current partnership agreement. Each nonparticipating partnership will continue to operate as a separate legal entity with its own assets and liabilities. Distributions from any nonparticipating partnership are expected to continue to decline since its production revenues are expected to continue to decline more quickly than its production costs. Regardless of whether any nonparticipating partnership distributes cash, limited partners must continue to include their share of partnership income and loss in their individual tax returns.

The board of directors of each of Pioneer Parent and Pioneer USA will decide what, if any, actions Pioneer Parent or Pioneer USA, respectively, will take regarding any nonparticipating partnership. Potential activities might include a tender offer for partnership interests of limited partners or a proposal to acquire

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the assets of, or merge with, one or more of the nonparticipating partnerships. The proposal may be on terms similar to or different from those of the mergers described in this document.

EXPENSES AND FEES

The expenses and fees to be incurred in connection with the merger of each

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partnership are expected to be approximately \$2.0 million in total. Each participating partnership will pay its pro rata share, based on its reserve value, of those estimated expenses and fees. Each nonparticipating partnership will pay a portion of the estimated expenses and fees of the mergers otherwise allocable to the partnership based on a fraction, the numerator of which is the percentage of the partnership's limited partnership interests that are voted in favor of the merger proposals and the denominator of which is the percentage of the partnership's limited partnership interests for which votes are cast. Pioneer Parent has agreed to pay (1) the remainder of the estimated expenses and fees otherwise allocable to such nonparticipating partnership, (2) any expenses and fees actually incurred in excess of \$2.0 million, and (3) if Pioneer Parent terminates or abandons the merger as to any partnership, any expenses or fees allocated to that partnership. Pioneer Parent and Pioneer USA have reduced each partnership's merger value by that partnership's pro rata share of the estimated expenses and fees.

REGULATORY APPROVAL

No federal or state regulatory requirements must be satisfied or approvals obtained in connection with the merger of any of the partnerships as described in this document, except (1) filing a registration statement that includes this document with the SEC and obtaining the SEC's declaration that the registration statement is effective under the Securities Act of 1933, and (2) filing certificates of merger with the Secretary of State of the State of Delaware and the Secretary of the State of the State of Texas.

SIMILAR TRANSACTIONS

During March 2001, Pioneer Parent offered to acquire all of the direct oil and gas interests owned by some former officers and employees of Pioneer Parent and Pioneer USA in properties in which Pioneer Parent and Pioneer USA own interests. The merger value for the direct oil and gas interests was equal to the present value of estimated future net revenues from the oil and gas reserves attributable to the interests, as of March 31, 2001. In determining the present value, Pioneer Parent and Pioneer USA used (1) a five-year NYMEX futures price for oil and gas as of March 19, 2001 with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a 13.5% discount rate. The consideration offered in the purchases of the direct oil and gas interests was all cash since offering and registering Pioneer Parent common stock in those purchases was cost-prohibitive due to the small size of such transactions.

Additionally, in December 2000, Pioneer Parent received the approval of the partners of 13 employee limited partnerships to merge with Pioneer USA for total merger consideration of \$2.0 million. Of the total merger consideration, \$0.3 million was paid to current Pioneer Parent employees. The merger value of each employee partnership was equal to the sum of the present value of estimated future net revenues from the partnership's estimated oil and gas reserves and its net working capital, in each case as of September 30, 2000, less the cash distributions on October 15, 2000 and November 15, 2000, by that partnership to its partners. In determining the present value, Pioneer Parent and Pioneer USA used (1) a five-year NYMEX futures price for oil and gas as of August 25, 2000 with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem

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taxes, and (3) a 13.5% discount rate. The consideration paid in the mergers of the employee limited partnerships was all cash. Using the same parameters as described above, Pioneer Parent purchased all of the direct oil and gas interests held by Scott D. Sheffield, its chairman of the board of directors and chief executive officer, for \$0.2 million during October 2000. As with the purchases of the direct oil and gas interests described above, offering and registering Pioneer Parent common stock in those mergers was cost-prohibitive due to the small size of such transactions.

THIRD PARTY OFFERS (SEE PAGE 52)

We will consider any offers from third parties to purchase any partnership or its assets. Those who wish to make an offer for any partnership or its assets must demonstrate to our reasonable satisfaction their financial ability and willingness to complete such a transaction. Before reviewing non-public information about a partnership, a third party will need to enter into a customary confidentiality agreement. Offers should be at prices and on terms that are fair to the partners of the partnership and more favorable to the unaffiliated limited partners than the prices and terms proposed in the merger for that partnership described in this document. Pioneer Parent has the right to match or top any such offer. In addition, any such offer would be subject to our right to continue operation of the properties. Since first announcing our willingness to consider third party offers in September 1999, we have not received any third party offer for any partnership or its assets.

COMPARATIVE PER SHARE MARKET PRICE INFORMATION (SEE PAGE 62)

On April 16, 2001, the last full trading day before the public announcement of the proposed merger of each partnership, Pioneer Parent common stock closed at \$17.27 per share. On _____, 2001, Pioneer Parent common stock closed at \$ _____ per share.

No liquid market exists for interests in any of the partnerships. See Table 15 of Appendix A for historical information about recent trades per \$1,000

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initial limited partner investment in each partnership and Table 7 of Appendix A for the average historical quarterly cash distributions per \$1,000 initial limited partner investment for each partnership.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF PIONEER PARENT

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The following table sets forth summary financial information of Pioneer Parent for the three months ended March 31, 2001 and 2000 and each of the five years in the period ended December 31, 2000. This financial information was derived from the consolidated financial statements of Pioneer Parent. This data should be read in conjunction with the consolidated financial statements of Pioneer Parent and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the reports incorporated by reference in this document.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED		
	2001	2000	2000	1999	
	----- (UNAUDITED)		-----		
	(IN MILLIONS EXCEPT PER SHARE)				
STATEMENT OF OPERATIONS DATA:					
Revenues:					
Oil and gas	\$ 258.0	\$ 174.4	\$ 852.7	\$ 644.6	\$
Natural gas processing	--	--	--	--	
Interest and other (b)	5.1	3.7	25.8	89.7	
Gain (loss) on disposition of assets, net	7.3	8.4	34.2	(24.2)	
	-----	-----	-----	-----	-----
	270.4	186.5	912.7	710.1	
	-----	-----	-----	-----	-----
Costs and expenses:					
Oil and gas production	55.8	43.1	189.3	159.5	
Natural gas processing	--	--	--	--	
Depletion, depreciation and amortization	52.2	51.9	214.9	236.1	
Impairment of properties and facilities	--	--	--	17.9	
Exploration and abandonments	22.9	13.1	87.5	66.0	
General and administrative	10.4	9.7	33.3	40.2	
Reorganization	--	--	--	8.5	
Interest	35.6	39.8	162.0	170.3	
Other (c)	25.2	14.4	67.2	34.7	