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PIONEER NATURAL RESOURCES CO

Form 8-K

October 24, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 24, 2002

PIONEER NATURAL RESOURCES COMPANY

(Exact name of Registrant as specified in its charter)

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

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

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

Not applicable
(Former name, former address and former fiscal year,
if changed since last report)

PIONEER NATURAL RESOURCES COMPANY

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PIONEER NATURAL RESOURCES COMPANY

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

(c) Exhibits

99.1 News Release dated October 24, 2002

ITEM 9. REGULATION FD DISCLOSURE

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

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

On October 24, 2002, the Company issued a news release that is attached hereto as exhibit 99.1. The news release announced the Company's financial and operating results for the three and nine month periods ended September 30, 2002,

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and provides an operational update, the Company's fourth quarter 2002 financial outlook, based on current expectations, and supplemental commodity hedge information.

The following table summarizes, as of October 24, 2002, the Company's (i) open oil hedge positions, (ii) open gas hedge positions and (iii) deferred gains and losses on terminated commodity hedges. Deferred gains and losses on terminated commodity hedges will be recognized as increases or decreases to the oil or gas revenues of the periods in which the hedges were originally scheduled to mature.

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PIONEER NATURAL RESOURCES COMPANY SUPPLEMENTAL COMMODITY HEDGE INFORMATION AS OF OCTOBER 24, 2002

Open Oil Hedge Positions

| | 2002 | 2003 | 2004 | |
|-------------------------------|----------|----------|----------|--|
| | ----- | ----- | ----- | |
| | Fourth | | | |
| | Quarter | | | |
| | ----- | | | |
| Daily oil production: | | | | |
| Swaps: | | | | |
| Volume (Bbl)..... | 22,000 | 28,000 | 14,000 | |
| NYMEX price per Bbl..... | \$ 23.91 | \$ 24.44 | \$ 23.11 | |
| Worldwide Oil - % Hedged..... | 71% | 60% | 23% | |

Open Gas Hedge Positions

| | 2002 | 2003 | 2004 | 2005 | 2006 & 2007 |
|-----------------------------|---------|---------|---------|---------|----------------|
| | ----- | ----- | ----- | ----- | ----- |
| | Fourth | | | | |
| | Quarter | | | | |
| | ----- | | | | |
| Daily gas production: | | | | | |
| Swaps: | | | | | |
| Volume (Mcf)..... | 140,000 | 230,000 | 210,000 | 90,000 | 20,000 |
| NYMEX price per MMBtu*..... | \$ 4.10 | \$ 3.85 | \$ 3.85 | \$ 3.75 | \$ 3.75 |
| Collars: | | | | | |
| Volume (Mcf)..... | 120,000 | - | - | - | - |
| NYMEX price per MMBtu*: | | | | | |
| Ceiling..... | \$ 3.55 | | | | |

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| | | | | |
|----------------------------------|----|------|-----|-----|
| Floor..... | \$ | 2.70 | | |
| North American Gas - % Hedged... | | 76% | 47% | 36% |

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

| | 2002 | 2003 | 2004 | 2005 |
|---------------------------|------------|-----------|-----------|----------|
| | ----- | ----- | ----- | ----- |
| Fourth Quarter | ----- | ----- | ----- | ----- |
| Deferred gains (losses)** | \$ (8,645) | \$ 72,546 | \$ 45,102 | \$ 1,220 |
| | ===== | ===== | ===== | ===== |

- * Approximate, based on historical differentials to index prices.
- ** Cash has been paid on deferred hedge losses and received on deferred hedge gains except for the following: (i) a \$2.5 million payable for certain 2002 hedge losses and (ii) a \$1.3 million receivable for certain of the 2004 hedge gains.

PIONEER NATURAL RESOURCES COMPANY

S I G N A T U R E S

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: October 24, 2002

By: /s/ RICH DEALY

 Rich Dealy
 Vice President and Chief Accounting Officer

PIONEER NATURAL RESOURCES COMPANY

EXHIBIT INDEX

| Exhibit No. ----- | Description ----- |
|----------------------|-------------------------------------|
| 99.1* | News Release dated October 24, 2002 |

* filed herewith