

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 19, 2022

**PIONEER NATURAL RESOURCES COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-13245**  
(Commission  
File Number)

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

**777 Hidden Ridge**  
**Irving, Texas 75038**  
(Address of principal executive offices and zip code)

**(972) 444-9001**  
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading Symbol</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$.01 per share	PXD	New York Stock Exchange

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition

*Explanatory note: Pioneer Natural Resources Company and its subsidiaries ("Pioneer" or the "Company") presents in this Item 2.02 certain information for the three and nine months ended September 30, 2022 regarding (i) the impact to results of operations related to changes in the fair value of derivative instruments and certain other information regarding its derivative instruments, (ii) the impact to results of operations from the change in fair value of the Company's investment in affiliate, (iii) the net effect of third party purchases and sales of oil, gas and diesel on its results of operations and (iv) the weighted average basic and diluted shares outstanding.*

### Derivative Activity

The following table summarizes the net derivative results that the Company expects to report in its earnings for the three and nine months ended September 30, 2022:

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
	(in millions)	
Noncash changes in fair value:		
Oil derivative loss, net	\$ (1)	\$ (3)
Gas derivative gain, net	60	23
Convertible debt conversion option derivative loss, net	(23)	—
Marketing derivative gain, net	99	75
Total noncash derivative gain, net	<u>135</u>	<u>95</u>
Net cash receipts (payments) on settled derivative instruments:		
Oil derivative payments	(2)	(5)
Gas derivative payments, net	(119)	(247)
Convertible debt conversion option derivative receipts, net	17	17
Marketing derivative payments	(18)	(47)
Total cash payments on settled derivative instruments, net	<u>(122)</u>	<u>(282)</u>
Total derivative gain (loss), net	<u>\$ 13</u>	<u>\$ (187)</u>

### Investment in Affiliate

The Company owns 16.6 million shares of ProPetro Holding Corp. ("ProPetro"), which is measured on a recurring basis at fair value. The Company expects to report noncash losses of \$32 million and \$1 million on its investment in ProPetro for the three and nine months ended September 30, 2022, respectively.

### Sales of Purchased Commodities

The Company enters into pipeline capacity commitments in order to secure available oil, NGLs and gas transportation capacity from the Company's areas of production, and secure diesel supply from the Gulf Coast to the Company's operations in the Permian Basin. The Company enters into purchase transactions with third parties and separate sale transactions with third parties to diversify a portion of the Company's oil and gas sales to (i) Gulf Coast refineries, (ii) Gulf Coast and West Coast gas markets and (iii) international oil markets, and to satisfy unused gas pipeline capacity commitments. The Company periodically sells diesel to unaffiliated third parties in the Permian Basin if it has supply in excess of its operational needs. The Company expects the net earnings effect of third party purchases and sales of oil, gas and diesel for the three and nine months ended September 30, 2022 to result in losses of \$135 million and \$86 million, respectively.

## Weighted Average Basic and Diluted Shares Outstanding

The components of basic and diluted weighted average shares outstanding for the three and nine months ended September 30, 2022 are as follows:

	<b>Three Months Ended September 30, 2022</b>	<b>Nine Months Ended September 30, 2022</b>
	(in millions)	
Basic weighted average shares outstanding	239	241
Convertible notes dilution (a)	11	12
Diluted weighted average shares outstanding	<u>250</u>	<u>253</u>

- (a) Diluted weighted average common shares outstanding includes the dilutive effect had the Company's convertible notes been converted at the beginning of the three and nine months ended September 30, 2022. If converted by the holder, the Company may settle in cash, shares of the Company's common stock or a combination thereof, at the Company's election.

**Item 7.01 Regulation FD Disclosure**

The Company's open commodity oil and gas derivative positions as of October 19, 2022 are as follows:

	<u>2022</u>
	<u>Fourth Quarter</u>
<b>Average daily oil production associated with derivatives (Bbl):</b>	
<b>Midland/WTI basis swap contracts:</b>	
Volume (a)	26,000
Price differential	\$ 0.50
<b>Average daily gas production associated with derivatives (MMBtu):</b>	
<b>Dutch TTF swap contracts:</b>	
Volume	30,000
Price	\$ 7.80

(a) The referenced basis swap contracts fix the basis differentials between the index price at which the Company sells a portion of its Midland Basin oil and the WTI index price.

Additionally, as of October 19, 2022, the Company has outstanding derivative contracts for 3,000 Bbls per day of Brent basis swaps for January 2024 through December 2024. The basis swap contracts fix the basis differential between the WTI index price (the price at which the Company buys Midland Basin oil for transport to the Gulf Coast) and the Brent index price (the price at which a portion of the Midland Basin purchased oil is sold in the Gulf Coast market) at a weighted average differential of \$4.33.

## Cautionary Statement Concerning Forward-Looking Statements

Except for historical information contained herein, the statements in this Current Report on Form 8-K are 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 the Company are subject to a number of risks and uncertainties that 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 commodity prices; product supply and demand; the impact of a widespread outbreak of an illness, such as the COVID-19 pandemic, on global and U.S. economic activity and oil and gas demand; the impact of armed conflict and political instability on economic activity and oil and gas supply and demand; competition; the ability to obtain drilling, environmental and other permits and the timing thereof; the effect of future regulatory or legislative actions on Pioneer or the industry in which it operates, including potential changes to tax laws; the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms; potential liability resulting from pending or future litigation; the costs, including the potential impact of increases due to inflation and supply chain disruptions, and results of drilling and operating activities; the risk of new restrictions with respect to development activities, including potential changes to regulations resulting in limitations on the Company's ability to dispose of produced water; availability of equipment, services, resources and personnel required to perform the Company's drilling and operating activities; access to and availability of transportation, processing, fractionation, refining, storage and export facilities; Pioneer's ability to replace reserves, implement its business plans or complete its development activities as scheduled; the Company's ability to achieve its emissions reduction, flaring and other ESG goals; access to and cost of capital; the financial strength of counterparties to Pioneer's credit facility and derivative contracts, and purchasers of Pioneer's oil, NGL and gas production and downstream sales of purchased oil and gas; uncertainties about estimates of reserves; identification of drilling locations and the ability to add proved reserves in the future; the assumptions underlying forecasts, including forecasts of production, operating cash flow, well costs, capital expenditures, rates of return, expenses and cash flow from downstream purchases and sales of oil and gas, net of firm transportation commitments; tax rates; quality of technical data; environmental and weather risks, including the possible impacts of climate change on the Company's operations and demand for its products; cybersecurity risks; the risks associated with the ownership and operation of the Company's water services business and acts of war or terrorism. These and other risks are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the United States Securities and Exchange Commission. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse effect on it. Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. The Company undertakes no duty to publicly update these statements except as required by law.

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**SIGNATURES**

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

**PIONEER NATURAL RESOURCES COMPANY**

By: /s/ Neal H. Shah

Neal H. Shah

Senior Vice President and Chief Financial Officer

Date: October 19, 2022