

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1997

or

Transition Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 333-26951

PIONEER NATURAL RESOURCES COMPANY  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

75-2702753  
(I.R.S. Employer  
Identification Number)

1400 Williams Square West, 5205 N. O'Connor Blvd., Irving, Texas 75039  
(Address of principal executive offices) (Zip code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /  / No / /

Number of shares of Common Stock outstanding  
as of August 1, 1997..... 100

Page 1 of 9 pages.

Exhibit index on page 9

PIONEER NATURAL RESOURCES COMPANY

TABLE OF CONTENTS

Page  
----

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	
	Balance Sheet as of June 30, 1997 .....	3
	Statement of Cash Flows for the six months ended June 30, 1997.....	4
	Notes to Financial Statements.....	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	6

PART II. OTHER INFORMATION

Item 6.	Exhibits and Reports on Form 8-K.....	7
	Signatures.....	8
	Exhibit Index.....	9

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements
---------	----------------------

PIONEER NATURAL RESOURCES COMPANY

BALANCE SHEET

	June 30, 1997 ----- (Unaudited)
ASSETS	
Cash and cash equivalents	\$ 1,000 =====

STOCKHOLDER'S EQUITY

Stockholder's equity:	
Preferred stock, \$.01 par value; 100,000,000 shares authorized; none issued and outstanding	\$ -
Common stock, \$.01 par value; 500,000,000 shares authorized; 100 shares issued and outstanding at June 30, 1997	1
Additional paid-in capital	999
	----- \$ 1,000 =====

The financial information included as of June 30, 1997 has been prepared by management without audit by independent public accountants.

The accompanying notes are an integral part of these financial statements.

3

PIONEER NATURAL RESOURCES COMPANY

STATEMENT OF CASH FLOWS  
(Unaudited)

Six months ended  
June 30, 1997

Cash flows from financing activities:	
Issuance of common stock	\$ 1,000
	-----
Cash and cash equivalents, end of period	\$ 1,000
	=====

The financial information included herein has been prepared by management without audit by independent public accountants.

The accompanying notes are an integral part of these financial statements.

4

PIONEER NATURAL RESOURCES COMPANY

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997  
(Unaudited)

NOTE A. Organization and Nature of Operations

Pioneer Natural Resources Company (the "Company"), a Delaware corporation, was formed in order to complete the merger proposed by and between Parker & Parsley Petroleum Company ("Parker & Parsley") and Mesa Inc. ("Mesa"). The Company was originally created as a wholly-owned subsidiary of Mesa, a Texas corporation, the purpose of which was to allow Mesa to reincorporate into a Delaware corporation and to accomplish the merger with Parker & Parsley. Both Parker & Parsley and Mesa are oil and gas exploration and production concerns with ownership interests in oil and gas properties located principally in the MidContinent, Southwestern and onshore and offshore Gulf Coast regions of the United States, and with limited international interests. During the six months ended June 30, 1997, the transactions of the Company consisted solely of the single stock issuance related to the capitalization of the Company.

NOTE B. Subsequent Event

On April 6, 1997, Parker & Parsley and Mesa entered into an Amended and Restated Agreement and Plan of Merger (the "Merger Agreement") which was approved by the

stockholders of both companies on August 7, 1997 by a majority vote of 76% by Parker & Parsley stockholders and 71%, 58%, and 100% by holders of Mesa common stock, Mesa Series A Preferred Stock and Mesa Series B Preferred Stock, respectively. The Merger Agreement provided for (i) the merger of Mesa with and into the Company, a wholly-owned subsidiary of Mesa, as a result of which Mesa, which is a Texas corporation, reincorporated into Delaware and (ii) the merger of Parker & Parsley with and into Mesa Operating Co., a wholly-owned subsidiary of Mesa. In accordance with the Merger Agreement, (i) holders of Parker & Parsley common stock received one share of Company common stock for each share held; (ii) holders of Mesa common stock received one share of Company common stock for every seven shares held; and (iii) holders of Mesa Series A 8% Cumulative Convertible Preferred Stock and Mesa Series B 8% Cumulative Convertible Preferred Stock received 1.25 shares of Pioneer common stock for every seven shares held. No fractional shares were issued.

In accordance with the provisions of Accounting Principles Board No. 16, "Business Combinations", the merger has been accounted for as a purchase of Mesa by Parker & Parsley. As a result, after the merger is completed, the historical financial statements for the Company will be those of Parker & Parsley, and the Company's financial statements will present the addition of Mesa's assets and liabilities as an acquisition by Parker & Parsley. The aggregate purchase consideration related to the assets and liabilities of Mesa, including estimated nonrecurring merger transaction costs, is \$985.9 million.

#### PIONEER NATURAL RESOURCES COMPANY

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

#### General

Pioneer Natural Resources Company (the "Company"), a Delaware corporation, was formed in order to complete the merger proposed by and between Parker & Parsley Petroleum Company ("Parker & Parsley") and Mesa Inc. ("Mesa"). The Company was originally created as a wholly-owned subsidiary of Mesa, a Texas corporation, the purpose of which was to allow Mesa to reincorporate into a Delaware corporation and to accomplish the merger with Parker & Parsley. Both Parker & Parsley and Mesa are oil and gas exploration and production concerns with ownership interests in oil and gas properties located principally in the MidContinent, Southwestern and onshore and offshore Gulf Coast regions of the United States, and with limited international interests. During the six months ended June 30, 1997, the transactions of the Company consisted solely of the single stock issuance related to the capitalization of the company, and such results, as reflected in the accompanying financial statements, are not indicative of the future results of the Company.

On April 6, 1997, Parker & Parsley and Mesa entered into an Amended and Restated Agreement and Plan of Merger (the "Merger Agreement") which was approved by the stockholders of both companies on August 7, 1997 by a majority vote of 76% by Parker & Parsley stockholders and 71%, 58%, and 100% by holders of Mesa common stock, Mesa Series A Preferred Stock and Mesa Series B Preferred Stock, respectively. The Merger Agreement provided for (i) the merger of Mesa with and into the Company, a wholly-owned subsidiary of Mesa, as a result of which Mesa, which is a Texas corporation, reincorporated into Delaware and (ii) the merger of Parker & Parsley with and into Mesa Operating Co., a wholly-owned subsidiary of Mesa. In accordance with the Merger Agreement, (i) holders of Parker & Parsley common stock received one share of Company common stock for each share held; (ii) holders of Mesa common stock received one share of Company common stock for every seven shares held; and (iii) holders of Mesa Series A 8% Cumulative Convertible Preferred Stock and Mesa Series B 8% Cumulative Convertible Preferred Stock received 1.25 shares of Company common stock for every seven shares held. No fractional shares were issued.

In accordance with the provisions of Accounting Principles Board No. 16, "Business Combinations", the merger has been accounted for as a purchase of Mesa by Parker & Parsley. As a result, after the merger is completed, the historical

financial statements for the Company will be those of Parker & Parsley, and the Company's financial statements will present the addition of Mesa's assets and liabilities as an acquisition by Parker & Parsley. The aggregate purchase consideration related to the assets and liabilities of Mesa, including estimated nonrecurring merger transaction costs, is \$985.9 million.

6

PIONEER NATURAL RESOURCES COMPANY

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

Exhibits

- 2.1 Amended and Restated Agreement and Plan of Merger dated as of April 6, 1997, by and between among Mesa Inc., Mesa Operating Co., MXP Reincorporation Corp. and Parker & Parsley Petroleum Company (incorporated by reference to Exhibit 2.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 3.1 Amended and Restated Certificate of Incorporation of Pioneer Natural Resources Company (incorporated by reference to Exhibit 3.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 3.2 Amended and Restated Bylaws of Pioneer Natural Resources Company as adopted June 24, 1997 (incorporated by reference to Exhibit 3.2 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 4.1 Specimen Stock Certificate for the Common Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 4.2 Certificate of Designations of Series A 8% Cumulative Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.2 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 4.3 Specimen Stock Certificate for the Series A 8% Cumulative Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.3 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 4.4 Form of Certificate of Designations of Series B Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.4 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
- 4.5 Specimen Stock Certificate for the Series B Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.5 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).

27. Financial Data Schedule

Reports on Form 8-K

None

7

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 thereto duly authorized.

PIONEER NATURAL RESOURCES COMPANY

Date: August 14, 1997 By: /s/ Scott D. Sheffield  
-----  
Scott D. Sheffield  
President and Chief Executive Officer

8

PIONEER NATURAL RESOURCES COMPANY

Exhibit Index

	Page
	----
2.1 Amended and Restated Agreement and Plan of Merger dated as of April 6, 1997, by and between among Mesa Inc., Mesa Operating Co., MXP Reincorporation Corp. and Parker & Parsley Petroleum Company (incorporated by reference to Exhibit 2.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).	
3.1 Amended and Restated Certificate of Incorporation of Pioneer Natural Resources Company (incorporated by reference to Exhibit 3.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).	
3.2 Amended and Restated Bylaws of Pioneer Natural Resources Company as adopted June 24, 1997 (incorporated by reference to Exhibit 3.2 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).	
4.1 Specimen Stock Certificate for the Common Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.1 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).	
4.2 Certificate of Designations of Series A 8% Cumulative Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.2 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).	
4.3 Specimen Stock Certificate for the Series A 8% Cumulative	

Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.3 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).

- 4.4 Form of Certificate of Designations of Series B Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.4 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
  - 4.5 Specimen Stock Certificate for the Series B Convertible Preferred Stock of Pioneer Natural Resources Company (incorporated by reference to Exhibit 4.5 to Pioneer's Form S-4 dated June 27, 1997, Registration No. 333-26951).
27. Financial Data Schedule

<ARTICLE> 5  
<CIK> 0001038357  
<NAME> PNR.697  
<MULTIPLIER> 1

<PERIOD-TYPE>	6-MOS	
<FISCAL-YEAR-END>		DEC-31-1997
<PERIOD-END>		JUN-30-1997
<CASH>		1,000
<SECURITIES>		0
<RECEIVABLES>		0
<ALLOWANCES>		0
<INVENTORY>		0
<CURRENT-ASSETS>		0
<PP&E>		0
<DEPRECIATION>		0
<TOTAL-ASSETS>		1,000
<CURRENT-LIABILITIES>		0
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		1
<OTHER-SE>		999
<TOTAL-LIABILITY-AND-EQUITY>		1,000
<SALES>		0
<TOTAL-REVENUES>		0
<CGS>		0
<TOTAL-COSTS>		0
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		0
<INCOME-PRETAX>		0
<INCOME-TAX>		0
<INCOME-CONTINUING>		0
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		0
<EPS-PRIMARY>		0
<EPS-DILUTED>		0