

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):
September 30, 1999 (FEBRUARY 15, 1999)

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

DELAWARE (State or other jurisdiction of incorporation or organization)	1-13245 Registration File Number	75-2702753 (I.R.S. Employer Identification Number)
1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., 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

The information in this document includes forward-looking statements that are based on assumptions that in the future may prove not to have been accurate. Those statements, and Pioneer Natural Resources Company's (the "Company") business and prospects are subject to a number of risks including the volatility of oil and gas prices, environmental risks, operating hazards and risks, risks associated with natural gas processing plants, risks related to exploration and development drilling, uncertainties about estimates of reserves, competition, government regulation, and the ability of the Company to implement its business strategy. These and other risks are described in the Company's 1998 Annual Report on Form 10-K, which is available from the United States Securities and Exchange Commission (the "SEC").

ITEM 5. OTHER EVENTS

On July 13, 1999, the Company filed a Current Report on Form 8-K dated June 29, 1999 (the "July 13, 1999 Form 8-K") with the SEC reporting a series of related asset dispositions under Item 2. Acquisition or Disposition of Assets of the July 13, 1999 Form 8-K and, associated therewith, presented unaudited proforma condensed financial statements under Item 7. Financial Statements and Exhibits of the July 13, 1999 Form 8-K. The purpose of this Current Report on Form 8-K is to supplement the unaudited proforma condensed financial statements presented under Item 7 of the July 13, 1999 Form 8-K based on the reported results of the Company for the nine months ended September 30, 1999, as reported in the Company's Quarterly Report on Form 10-Q that was filed with the SEC on November 10, 1999. The Company's unaudited consolidated balance sheet as of September 30, 1999, as presented in its Quarterly Report on Form 10-Q for the period ended September 30, 1999, includes the effects of the 1999 asset divestitures. Accordingly, an unaudited pro forma balance sheet is not presented herein.

Asset Divestitures

During 1999, the Company completed the divestiture of certain United States and Canadian non-strategic assets. The Company realized \$386.7 million of net cash proceeds from the divestitures, which was used to reduce the Company's outstanding indebtedness.

Prize Divestiture. On June 29, 1999, the Company completed the divestiture (the "Prize Divestiture") of certain oil and gas producing properties, gas plants and other assets to Prize Energy Corp. ("Prize"). The oil and gas producing assets sold to Prize include properties located in the Gulf Coast, Mid Continent and Permian Basin areas of the Company's United States region.

At December 31, 1998, the Company's interest in these properties contained 63 million BOE of proved reserves (consisting of 26 million Bbls of oil and NGL's, and 224 Bcf of gas), representing \$199 million of SEC 10 value.

In accordance with the terms of the Prize Divestiture, the Company received net sales proceeds of \$245.0 million, comprised of \$215.0 million of cash and 2,307.693 shares of six percent convertible preferred stock having a liquidation preference and fair value of \$30.0 million. The convertible preferred stock provides for a six percent annual dividend payment, payable quarterly in additional shares of Prize six percent convertible preferred stock through 2001. Subsequent to 2001, Prize has the option of paying the quarterly dividends on the convertible preferred stock in additional shares of six percent convertible preferred stock or in cash. Each share of the convertible preferred stock may, at the option of the Company, be converted into one share of Prize common stock, subject to certain anti-dilution adjustments. The Company recognized a loss of \$46.4 million from the Prize Divestiture.

The board of directors of Prize is comprised of six directors, which include Mr. Philip P. Smith, the Chief Executive Officer; Mr. Kenneth A. Hersh; two directors to be elected by the Company under the terms of the convertible preferred stock received in this transaction; and, two other directors unrelated to the Company. Messrs. Smith and Hersh were members of the board of directors

of the Company and resigned their positions with the Company during the second quarter of 1999. Additionally, Mr. Lon C. Kile resigned his position as Executive Vice President of the Company to accept the position of President and Chief Operating Officer of Prize. The sale of the assets to Prize was initiated

through an auction process which, upon receipt of Prize's initial offer, was placed under the supervision of a special independent committee of the Company's board of directors (comprised of outside directors unrelated to Prize). Upon the independent committee's review and consideration of all offers presented to the Company, the Prize offer was approved.

Other United States Divestitures. In addition to the Prize Divestiture, the Company completed the divestitures of non-strategic United States oil and gas properties located in the South Texas Gulf Coast, the West Texas Permian Basin and North Dakota areas, an East Texas gas facility and certain other assets for net cash proceeds of \$113.7 million. Associated with these divestitures, the Company recorded a net gain on disposition of assets of \$33.6 million during the nine months ended September 30, 1999.

At December 31, 1998, the Company's interest in these properties, excluding the North Dakota oil and gas properties held in a Canadian wholly-owned subsidiary of the Company, contained 12.5 million BOE of proved reserves (consisting of 6 million Bbls of oil and NGL's, and 37 Bcf of gas), representing \$38 million of SEC 10 value.

Canadian Divestitures. During 1999, the Company completed the divestiture of certain non-strategic Canadian oil and gas properties, gas plants and other related assets. In accordance with the terms of the Canadian purchase and sale agreements, the Company received net cash proceeds of US \$58.0 million. Associated with these divestitures, the Company recognized a net loss of US \$8.5 million during the nine months ended September 30, 1999.

At December 31, 1998, the Company's interest in the divested Canadian properties, including the North Dakota oil and gas properties held in a Canadian wholly-owned subsidiary of the Company, contained 13.8 million BOE of proved reserves (consisting of 9 million Bbls of oil and NGL's, and 29 Bcf of gas), representing \$47 million of SEC 10 value.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Introductory Statements

The unaudited pro forma condensed financial statements of the Company have been prepared to give effect to (i) the divestiture of certain non-strategic oil and gas properties, gas plants, and other assets to Prize Energy Corp. in June 1999 and (ii) the aggregate effect of other divestitures of non-strategic Canadian and United States oil and gas properties, gas plants and related assets during the period from February 15, 1999 to September 30, 1999 (items (i) and (ii) collectively the "1999 Dispositions").

The unaudited pro forma condensed statements of operations of the Company for the nine months ended September 30, 1999 and for the year ended December 31, 1998 have been prepared to give effect to the 1999 Dispositions as if they had occurred on January 1, 1998.

The unaudited pro forma condensed financial statements included herein are not necessarily indicative of the results that might have occurred had the transactions taken place on the date that is assumed for the pro forma presentations and are not intended to be a projection of future results. Future results may vary significantly from the results reflected in the accompanying unaudited pro forma condensed financial statements because of normal production declines, changes in product prices, future acquisitions and divestitures, future development and exploration activities, and other factors.

The following unaudited pro forma condensed financial statements should be read in conjunction with the Consolidated Financial Statements (and the related notes) of the Company included in the Annual Report on Form 10-K for the year ended December 31, 1998 and the Quarterly Report on Form 10-Q for the nine months ended September 30, 1999.

PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
 NINE MONTHS ENDED SEPTEMBER 30, 1999
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	THE COMPANY	1999 DISPOSITIONS	PRO FORMA ADJUSTMENTS	PRO FORMA PIONEER
	-----	-----	-----	-----
Revenues:				
Oil and gas.....	\$ 481,237	\$ (76,971)	\$	\$ 404,266
Interest and other.....	81,139	-		81,139
Loss on disposition of assets, net	(21,276)	21,276		-
	-----	-----		-----
	541,100	(55,695)		485,405
	-----	-----		-----
Cost and expenses:				
Oil and gas production.....	123,461	(25,152)		98,309
Depletion, depreciation and amortization.....	184,588	(31,503)		153,085
Impairment of oil and gas properties.....	17,894	-		17,894
Exploration and abandonments.....	41,592	(298)		41,294
General and administrative.....	29,232	-		29,232
Reorganization.....	7,805	-		7,805
Interest.....	130,426	-	(14,867) (a)	115,559
Other.....	36,291	-		36,291
	-----	-----		-----
	571,289	(56,953)		499,469
	-----	-----		-----
Loss from continuing operations before income taxes.....	(30,189)	1,258		(14,064)
Income tax provision.....	(500)	-		(500)
	-----	-----		-----
Loss from continuing operations....	\$ (30,689)	\$ 1,258		\$ (14,564)
	=====	=====		=====
Loss from continuing operations per common share:				
Basic.....	\$ (.31)			\$ (.15)
	=====			=====
Diluted.....	\$ (.31)			\$ (.15)
	=====			=====
Weighted average shares outstanding.....	100,304			100,304
	=====			=====

See accompanying notes to unaudited pro forma condensed financial statements.

PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
 YEAR ENDED DECEMBER 31, 1998
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	THE COMPANY	1999 DISPOSITIONS	PRO FORMA ADJUSTMENTS	PRO FORMA PIONEER
	-----	-----	-----	-----

Revenues:				
Oil and gas.....	\$ 711,492	\$ (159,492)	\$	\$ 552,000
Interest and other.....	10,452	-		10,452
Loss on disposition of assets, net	(445)	-		(445)
	-----	-----		-----
	721,499	(159,492)		562,007
	-----	-----		-----
Cost and expenses:				
Oil and gas production.....	223,551	(55,473)		168,078
Depletion, depreciation and amortization.....	337,308	(84,472)		252,836
Impairment of long-lived assets..	459,519	(33,738)		425,781
Exploration and abandonments.....	121,858	(5,824)		116,034
General and administrative.....	73,000	-		73,000
Reorganization.....	33,199	-		33,199
Interest.....	164,285	-	(23,086) (a)	141,199
Other.....	39,605	-		39,605
	-----	-----		-----
	1,452,325	(179,507)		1,249,732
	-----	-----		-----
Loss from continuing operations before income taxes.....	(730,826)	20,015		(687,725)
Income tax provision.....	(15,600)	-	(18,600) (b)	(34,200)
	-----	-----		-----
Loss from continuing operations....	\$ (746,426)	\$ 20,015		\$ (721,925)
	=====	=====		=====
Loss from continuing operations per common share:				
Basic.....	\$ (7.46)			\$ (7.22)
	=====			=====
Diluted.....	\$ (7.46)			\$ (7.22)
	=====			=====
Weighted average shares outstanding.....				
	100,055			100,055
	=====			=====

See accompanying notes to unaudited pro forma condensed financial statements.

PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS SEPTEMBER 30, 1999 AND DECEMBER 31, 1998

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma condensed financial information of Pioneer Natural Resources Company (the "Company") has been prepared to give effect to (i) the divestiture of certain non-strategic oil and gas properties, gas plants and other assets to Prize Energy Corp. ("Prize") in June 1999 and (ii) the aggregate effect of other divestitures of non-strategic Canadian and United States oil and gas properties, gas plants and related assets during the period from February 15, 1999 to September 30, 1999 (items (i) and (ii) collectively, the "1999 Dispositions"). The unaudited pro forma condensed statements of operations are presented as if the 1999 Dispositions occurred on January 1, 1998. The Company's unaudited consolidated balance sheet as of September 30, 1999, as presented in its Quarterly Report on Form 10-Q for the period ended September 30, 1999, includes the effects of the 1999 Dispositions. Accordingly, an unaudited proforma balance sheet is not presented herein.

Following is a description of the individual columns included in these unaudited pro forma condensed financial statements:

The Company - Represents the consolidated condensed statements of operations of Pioneer Natural Resources Company for the nine months ended September 30, 1999 and the year ended December 31, 1998.

1999 Dispositions - Reflects the results of operations (before income taxes) for the nine months ended September 30, 1999 and the year ended December 31, 1998 from the oil and gas properties, gas plants and related

assets prior to their sale in 1999.

NOTE 2. PRO FORMA ADJUSTMENTS

Following are descriptions of the pro forma adjustments used in the preparation of the accompanying unaudited pro forma condensed financial statements:

- (a) Respective pro forma adjustments to reduce interest expense for the nine months ended September 30, 1999 and for the year ended December 31, 1998 to reflect the use of \$386.7 million of net cash proceeds from divestments to reduce outstanding bank indebtedness. The adjustments for the nine months ended September 30, 1999 and the year ended December 31, 1998 are based on historic average annual interest rates of 7.18 percent and 5.97 percent, respectively, incurred on bank indebtedness.
- (b) Pro forma adjustments to the Company's Canadian income tax provision for the year ended December 31, 1998. This adjustment is based on an effective Canadian income tax rate of 43.7 percent. Due to uncertainties regarding the recoverability of the Company's net operating loss and tax credit carryovers, an income tax benefit has not been recognized in the pro forma adjustments associated with the pro forma 1999 pre-tax loss.

NOTE 3. OIL AND GAS RESERVE DATA

The following unaudited pro forma supplemental information regarding the oil and gas activities of the Company is presented pursuant to the disclosure requirements promulgated by the Securities and Exchange Commission and Statement of Financial Accounting Standards No. 69, "Disclosures About Oil and Gas Producing Activities". The pro forma combined reserve information is presented as if the 1999 Dispositions had occurred on January 1, 1998. Information for oil and NGL's are presented in barrels (Bbls) and for gas in thousands of cubic feet (Mcf).

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The Company emphasizes that reserve estimates are inherently imprecise and subject to revision and that estimates of new discoveries are more imprecise than those of producing oil and gas properties. Accordingly, the estimates are expected to change as future information becomes available and such changes could be significant.

Quantities of oil and gas reserves

Set forth below is a pro forma summary of the changes in the net quantities of oil, NGL and natural gas reserves for the year ended December 31, 1998.

	Oil NGLs (Mbbbls)	Gas (Mmcf)	MBOE
	-----	-----	-----
TOTAL PROVED RESERVES:			
UNITED STATES			
Balance, January 1.....	274,261	1,437,847	513,902
Revisions of previous estimates.....	(15,422)	(48,068)	(23,433)
Purchases of mineral in place.....	-	-	-
New discoveries and extensions.....	183	3,438	756
Production.....	(20,946)	(101,932)	(37,936)
Sales of mineral in place.....	(323)	(7,070)	(1,501)
	-----	-----	-----
Balance, December 31.....	237,753	1,284,215	451,788
CANADA			
Balance, January 1.....	3,783	167,558	31,709
Revisions of previous estimates.....	249	65,662	11,193
Purchases of mineral in place.....	2	-	2
New discoveries and extensions.....	261	5,951	1,253
Production.....	(670)	(13,542)	(2,927)

Sales of mineral in place.....	(111)	(5,465)	(1,022)
	-----	-----	-----
Balance, December 31.....	3,514	220,164	40,208
ARGENTINA			
Balance, January 1.....	31,612	340,392	88,344
Revisions of previous estimates.....	(7,615)	76,843	5,192
Purchases of mineral in place.....	-	-	-
New discoveries and extensions.....	3,522	37,900	9,839
Production.....	(3,300)	(26,801)	(7,767)
Sales of mineral in place.....	-	-	-
	-----	-----	-----
Balance, December 31.....	24,219	428,334	95,608
TOTAL			
Balance, January 1.....	309,656	1,945,797	633,955
Revisions of previous estimates.....	(22,788)	94,437	(7,048)
Purchases of mineral in place.....	2	-	2
New discoveries and extensions.....	3,966	47,289	11,848
Production.....	(24,916)	(142,275)	(48,630)
Sales of mineral in place.....	(434)	(12,535)	(2,523)
	-----	-----	-----
Balance, December 31.....	265,486	1,932,713	587,604
	=====	=====	=====
PROVED DEVELOPED RESERVES			
January 1.....	268,458	1,710,202	553,492
	=====	=====	=====
December 31.....	237,366	1,754,557	529,792
	=====	=====	=====

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Standardized measure of discounted future net cash flows

The standardized measure of discounted future net cash flow is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves discounted using a rate of 10 percent per year to reflect the estimated timing of the future cash flows. Future income taxes are calculated by comparing undiscounted future cash flows to the tax basis of oil and gas properties plus available carryforwards and credits and applying the current tax rate to the difference.

UNITED STATES	(in thousands)
Oil and gas producing activities:	
Future cash inflows.....	\$ 4,310,270
Future production costs.....	(1,989,640)
Future development costs.....	(192,273)
Future income tax expenses.....	-

	2,128,357
10% annual discount factor.....	(1,138,006)

Standardized measure of discounted future net cash flows....	\$ 990,351
	=====
ARGENTINA	
Oil and gas producing activities:	
Future cash inflows.....	\$ 686,911
Future production costs.....	(196,446)
Future development costs.....	(45,710)
Future income tax expenses.....	-

	444,755
10% annual discount factor.....	(211,956)

Standardized measure of discounted future net cash flows....	\$ 232,799
	=====

CANADA

Oil and gas producing activities:

Future cash inflows.....	\$ 383,118
Future production costs.....	(87,734)
Future development costs.....	(46,860)
Future income tax expenses.....	(30,566)

	217,958
10% annual discount factor.....	(75,947)

Standardized measure of discounted future net cash flows....	\$ 142,011
	=====

TOTAL

Oil and gas producing activities:

Future cash inflows.....	\$ 5,380,299
Future production costs.....	(2,273,820)
Future development costs.....	(284,843)
Future income tax expenses.....	(30,566)

	2,791,070
10% annual discount factor.....	(1,425,909)

Standardized measure of discounted future net cash flows....	\$ 1,365,161
	=====

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Changes relating to the standardized measure of discounted future net cash flows

The principal sources of the change in the pro forma combined standardized measure of discounted future net cash flows for the year ended December 31, 1998 are as follows:

(in thousands)

Oil, NGL and gas sales, net of production costs	\$ (383,922)
Net changes in prices and production costs	(1,066,988)
Extension and discoveries	44,018
Sales of minerals-in-place	(12,748)
Purchases of mineral-in-place	3
Revisions of estimated future development costs	(31,220)
Revisions of previous quantity estimates	15,924
Accretion of discount	244,696
Changes in production rates, timing and other	108,440

Change in present value of future net revenues	(1,081,797)
Net change in present value of future income taxes	23,908
	(1,057,889)
Balance, beginning of year	2,423,050

Balance, end of year	\$ 1,365,161
	=====

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PIONEER NATURAL RESOURCES COMPANY

(d) EXHIBITS

- 10.1 Purchase and Sale Agreement, dated May 16, 1999, by and between Pioneer Natural Resources USA, Inc. and Pioneer Resources Producing, L.P. as Seller and Prize Energy Corp. as Purchaser (incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 13, 1999.)

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: December 13, 1999

By: /s/ RICH DEALY

Rich Dealy

Vice President and Chief Accounting Officer