

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): April 27, 2021

**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 months ended March 31, 2021 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 impact to results of operations from Winter Storm Uri in February 2021.*

### Derivative Activity

The following table summarizes the net derivative results that the Company expects to report in its earnings for the three months ended March 31, 2021:

|  | <b>Three Months Ended March<br/>31, 2021</b> |
|--|--|
|  | <b>(in millions)</b>                         |
| Noncash changes in fair value:                             |  |
| Oil derivative loss, net                                   | \$ (349)                                     |
| Gas derivative loss, net                                   | (1)  |
| Marketing derivative loss, net                             | (20)   |
| Total noncash derivative loss, net                         | (370)  |
| Net cash payments on settled derivative instruments:       |  |
| Oil derivative payments (a)                                | (306)  |
| Gas derivative payments (b)                                | (7)  |
| Marketing derivative payments                              | (8)  |
| Total cash payments on settled derivative instruments, net | (321)  |
| Total derivative loss, net                                 | \$ (691)                                     |

- (a) Includes the effect of liquidating certain of the Company's 2022 West Texas Intermediate swap contracts for cash payments of \$13 million during the three months ended March 31, 2021.
- (b) Includes the effect of liquidating certain of the Company's 2021 NYMEX swap contracts for cash receipts of \$447 thousand during the three months ended March 31, 2021.

### 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 a noncash gain of \$54 million on its investment in ProPetro for the three months ended March 31, 2021.

### 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 expects the net effect of third party purchases and sales of oil, gas and diesel for the three months ended March 31, 2021 to result in a loss of \$15 million.

### Winter Storm Uri

During February 2021, the Company's operations in West Texas were significantly impacted by Winter Storm Uri that brought abnormally cold temperatures, along with snow and icy conditions across the state of Texas. The extreme winter weather impacted production operations, midstream infrastructure and power providers throughout the state, along with many other services. As a result, most of the Company's production was offline for about a week. Early in the weather event, the Company attempted to perform or otherwise satisfy its firm gas sales commitments, but as the impacts of the winter weather

became clearer, the Company subsequently issued force majeure notices to its customers given the inability to perform such contracts for a variety of reasons, including significant production being offline, interruptions to midstream operations, the inability to flow gas to markets due to infrastructure downtime and compliance with government orders to direct any available gas volumes towards supporting power generation. The Company expects to report cash costs of \$80 million in connection with its firm gas sales commitments early in the weather event. These cash costs are included in other expense for the three months ended March 31, 2021.

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**Item 7.01 Regulation FD Disclosure**

The Company's open commodity oil and gas derivative positions as of April 26, 2021 are as follows. These positions include contracts assumed by the Company as a result of the acquisition of Parsley Energy, Inc. ("Parsley") on January 12, 2021.

|  | 2021           |               |                | Year Ending<br>December 31, 2022 |
|--|----------------|---------------|----------------|----------------------------------|
|  | Second Quarter | Third Quarter | Fourth Quarter |                                  |
| <b>Average daily oil production associated with derivatives (Bbl):</b>   |                |               |                |                                  |
| <b>Brent swap contracts:</b>   |                |               |                |                                  |
| Volume   | 102,000        | 17,000        | 17,000         | —                                |
| Price  | \$ 46.48       | \$ 44.45      | \$ 44.45       | \$ —                             |
| <b>MEH swap contracts:</b>   |                |               |                |                                  |
| Volume   | 54,000         | 43,000        | 43,000         | 2,055                            |
| Price  | \$ 41.85       | \$ 40.52      | \$ 40.52       | \$ 42.80                         |
| <b>Midland WTI swap contracts:</b>                                       |                |               |                |                                  |
| Volume   | 5,000          | 5,000         | 5,000          | —                                |
| Price  | \$ 40.50       | \$ 40.50      | \$ 40.50       | \$ —                             |
| <b>Brent call contracts sold:</b>  |                |               |                |                                  |
| Volume (a)   | 20,000         | 20,000        | 20,000         | —                                |
| Price  | \$ 69.74       | \$ 69.74      | \$ 69.74       | \$ —                             |
| <b>Brent collar contracts:</b>   |                |               |                |                                  |
| Volume   | —              | —             | —              | 10,000                           |
| Price:   |                |               |                |                                  |
| Ceiling  | \$ —           | \$ —          | \$ —           | \$ 60.32                         |
| Floor  | \$ —           | \$ —          | \$ —           | \$ 50.00                         |
| <b>Brent collar contracts with short puts:</b>                           |                |               |                |                                  |
| Volume   | 90,000         | 110,000       | 90,000         | 57,000                           |
| Price:   |                |               |                |                                  |
| Ceiling  | \$ 50.74       | \$ 54.46      | \$ 50.74       | \$ 64.41                         |
| Floor  | \$ 45.11       | \$ 47.82      | \$ 45.11       | \$ 50.18                         |
| Short put  | \$ 35.07       | \$ 36.87      | \$ 35.07       | \$ 38.25                         |
| <b>MEH collar contracts with short puts:</b>                             |                |               |                |                                  |
| Volume   | 20,187         | 9,446         | 9,446          | —                                |
| Price:   |                |               |                |                                  |
| Ceiling  | \$ 59.39       | \$ 51.29      | \$ 51.29       | \$ —                             |
| Floor  | \$ 49.30       | \$ 41.55      | \$ 41.55       | \$ —                             |
| Short put  | \$ 39.30       | \$ 31.55      | \$ 31.55       | \$ —                             |
| <b>Average daily gas production associated with derivatives (MMBtu):</b> |                |               |                |                                  |
| <b>NYMEX swap contracts:</b>   |                |               |                |                                  |
| Volume   | 20,000         | 20,000        | 20,000         | —                                |
| Price  | \$ 2.81        | \$ 2.81       | \$ 2.81        | \$ —                             |
| <b>ICE Dutch TTF swap contracts:</b>                                     |                |               |                |                                  |
| Volume   | 30,000         | 30,000        | 30,000         | —                                |
| Price  | \$ 5.07        | \$ 5.07       | \$ 5.07        | \$ —                             |
| <b>WAHA swap contracts:</b>  |                |               |                |                                  |
| Volume   | 116,484        | 116,304       | 116,304        | 4,932                            |
| Price  | \$ 2.36        | \$ 2.36       | \$ 2.36        | \$ 2.46                          |
| <b>NYMEX collar contracts:</b>   |                |               |                |                                  |
| Volume   | 200,000        | 200,000       | 200,000        | —                                |
| Price:   |                |               |                |                                  |
| Ceiling  | \$ 3.18        | \$ 3.18       | \$ 3.18        | \$ —                             |
| Floor  | \$ 2.56        | \$ 2.56       | \$ 2.56        | \$ —                             |

(a) The referenced call contracts were sold in exchange for higher ceiling prices on certain 2020 collar contracts.

### 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; competition; the ability to obtain 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 the risk of new restrictions with respect to development activities; 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 and results of drilling and operations; 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; access to and cost of capital; the financial strength of counterparties to Pioneer's credit facility, investment instruments and derivative contracts and purchasers of Pioneer's oil, NGL and gas production; uncertainties about estimates of reserves; identification of drilling locations and the ability to add proved reserves in the future; quality of technical data; environmental and weather risks, including the possible impacts of climate change; cybersecurity risks; the risks associated with the ownership and operation of the Company's oilfield services businesses and acts of war or terrorism. These and other risks are described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q 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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