

PIONEER NATURAL RESOURCES CO
Form 8-K
October 18, 2012

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 18, 2012

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.)

5205 N. O'Connor Blvd., Suite 200, Irving, Texas
(Address of principal executive offices)

75039
(Zip Code)

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

Not applicable
(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))

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 regarding the impact of changes in the fair values of derivative instruments on its results of operations for the three and nine months ended September 30, 2012 and certain other information regarding its derivative instruments.

The following table summarizes net derivative gains and losses that Pioneer expects to record in its earnings for the three and nine months ended September 30, 2012:

DERIVATIVE GAINS (LOSSES), NET
(in thousands)

	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2012	
Noncash changes in fair value:			
Oil derivative gains (losses)	\$(73,766) \$193,844	
NGL derivative gains (losses)	(6,265) 5,095	
Gas derivative losses	(179,798) (292,611)
Diesel derivative losses	(236) (270)
Marketing derivative losses	(183) (110)
Interest rate derivative gains	23,160	4,121	
Total noncash derivative losses, net	(237,088) (89,931)
Cash settled changes in fair value:			
Oil derivative losses	(620) (9,323)
NGL derivative gains	4,627	11,092	
Gas derivative gains (a)	135,677	356,403	
Diesel derivative gains (a)	1,633	3,497	
Marketing derivative gains	136	189	
Interest rate derivative losses (a)	(28,359) (28,359)
Total cash derivative gains, net	113,094	333,499	
Total derivative gains (losses), net	\$(123,994) \$243,568	

During the nine months ended September 30, 2012, the Company terminated (i) swap, collar, three-way and basis swap derivative contracts for 2014 and 2015 gas production, (ii) swap derivative contracts for 2012 and 2013 diesel (a) fuel and (iii) \$200 million notional amount of interest rate derivative contracts. As a result of these transactions, the Company realized \$44.5 million of net proceeds during the third quarter of 2012 and \$118.2 million of net proceeds during the nine months ended September 30, 2012.

Item 7.01 Regulation FD Disclosure

Oil, NGL and gas price derivatives. The following table presents Pioneer's open commodity oil, NGL and gas derivative positions as of October 16, 2012:

	2012 Fourth Quarter	Twelve Months Ending December 31,		
		2013	2014	2015
Average Daily Oil Production Associated with Derivatives (Bbls):				
Collar contracts with short puts:				
Volume	53,110	62,029	60,000	26,000
Price:				
Ceiling	\$118.85	\$119.73	\$117.06	\$104.45
Floor	\$85.09	\$91.04	\$92.67	\$95.00
Short put	\$69.44	\$74.15	\$76.58	\$80.00
Collar contracts:				
Volume	2,000	—	—	—
Price:				
Ceiling	\$127.00	\$—	\$—	\$—
Floor	\$90.00	\$—	\$—	\$—
Swap contracts:				
Volume	11,000	12,000	—	—
Price	\$89.34	\$95.42	\$—	\$—
Rollfactor swap contracts:				
Volume	—	6,000	—	—
NYMEX roll price (a)	\$—	\$0.43	\$—	\$—
Basis swap contracts:				
Index swap volume	20,000	—	—	—
Price (b)	\$(1.15)	\$—	\$—	\$—
Average Daily NGL Production Associated with Derivatives (Bbls):				
Collar contracts with short puts:				
Volume	3,000	1,000	1,000	—
Price:				
Ceiling	\$79.99	\$112.00	\$109.50	\$—
Floor	\$67.70	\$95.00	\$	\$—