

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PIONEER NATURAL RESOURCES CO
Form 424B3
November 20, 2001

Filed Pursuant to Rule 424(b) (3)
Registration No. 333-59094

[PIONEER LOGO]

PIONEER NATURAL RESOURCES COMPANY
COMMON STOCK
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT IS NOVEMBER 15, 2001.

Dear Limited Partners:

The following information supplements the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of each of the following partnerships. The purpose of the special meeting is for the limited partners of each partnership to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in the limited partners' receiving common stock of Pioneer Parent for their partnership interests.

Parker & Parsley 81-I, Ltd.	Parker & Parsley 88-A Conv., L.
Parker & Parsley 81-II, Ltd.	Parker & Parsley 88-A, L.P.
Parker & Parsley 82-I, Ltd.	Parker & Parsley 88-B Conv., L.
Parker & Parsley 82-II, Ltd.	Parker & Parsley 88-B, L.P.
Parker & Parsley 82-III, Ltd.	Parker & Parsley 88-C Conv., L.
Parker & Parsley 83-A, Ltd.	Parker & Parsley 88-C, L.P.
Parker & Parsley 83-B, Ltd.	Parker & Parsley Producing Prop
Parker & Parsley 84-A, Ltd.	Parker & Parsley Private Invest
Parker & Parsley 85-A, Ltd.	Parker & Parsley 89-A Conv., L.
Parker & Parsley 85-B, Ltd.	Parker & Parsley 89-A, L.P.
Parker & Parsley Private Investment 85-A, Ltd.	Parker & Parsley 89-B Conv., L.
Parker & Parsley Selected 85 Private Investment, Ltd.	Parker & Parsley 89-B, L.P.
Parker & Parsley 86-A, Ltd.	Parker & Parsley Private Invest
Parker & Parsley 86-B, Ltd.	Parker & Parsley 90-A Conv., L.
Parker & Parsley 86-C, Ltd.	Parker & Parsley 90-A, L.P.
Parker & Parsley Private Investment 86, Ltd.	Parker & Parsley 90-B Conv., L.
Parker & Parsley 87-A Conv., Ltd.	Parker & Parsley 90-B, L.P.
Parker & Parsley 87-A, Ltd.	Parker & Parsley 90-C Conv., L.
Parker & Parsley 87-B Conv., Ltd.	Parker & Parsley 90-C, L.P.
Parker & Parsley 87-B, Ltd.	Parker & Parsley Private Invest
Parker & Parsley Producing Properties 87-A, Ltd.	Parker & Parsley 90 Spraberry P
Parker & Parsley Producing Properties 87-B, Ltd.	Parker & Parsley 91-A, L.P.
Parker & Parsley Private Investment 87, Ltd.	Parker & Parsley 91-B, L.P.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

As discussed in the proxy statement/prospectus, we are the managing or sole general partner of each partnership. Our board of directors recommends the approval of the merger proposals for each of the partnerships. We urge you to vote FOR the merger proposals for each partnership in which you own an interest and return your proxy card promptly so that your vote may be counted at the special meeting for each partnership scheduled for December 20, 2001.

Sincerely,

Pioneer Natural Resources USA, Inc.

NYMEX FUTURES PRICES

The following table shows the NYMEX futures price for oil and gas as of March 30, 2001, the date that Pioneer Parent and Pioneer USA used in the calculation of the reserve value portion of the merger value for each partnership, and as of November 15, 2001, the date of this supplement. Oil and gas prices are subject to rapid change. See "Risk Factors -- Risk Factors Relating to the Merger of Each Partnership -- The Merger Value for a Partnership Will Not be Adjusted For Changes in Oil and Gas Prices Before the Completion of Its Merger" on page 20 of the proxy statement/prospectus.

DATE	MARCH 30, 2001		NOVEMBER 15
	OIL (\$/BBL)	GAS (\$/MCF) (2)	OIL (\$/BBL)
April - December 2001.....	26.17	5.18	--
December 2001.....	--	--	17.46
2002.....	24.36	4.61	18.90
2003.....	22.83	4.16	19.74
2004.....	22.31	4.09	20.15
2005.....	21.97	4.12	20.31
Thereafter.....	21.97	4.12	20.31

(1) NYMEX prices for some periods can be found without charge on the web site maintained by the NYMEX at www.nymex.com. Many institutional brokerage houses can also provide this information. Limited partners seeking information about NYMEX prices are encouraged to contact their own brokers.

(2) The NYMEX price for gas is quoted in dollars per million British thermal units, or MMBTU. We converted those prices to dollars per thousand cubic feet, or Mcf.

RECENT DEVELOPMENTS FOR PIONEER PARENT

On October 31, 2001, Pioneer Parent announced an oil discovery on the Ozona Deep prospect in the deepwater Gulf of Mexico and the results from an appraisal well on the Stirrup discovery on the Gulf of Mexico shelf. The Ozona Deep discovery well was logged, fluid samples were taken for analysis, and the well will be temporarily suspended without further testing. Appraisal plans for 2002

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

will be finalized following the analysis of the data gathered in the discovery well. Pioneer Parent has a 32% working interest in the well and Marathon Oil Company has a 68% working interest and is operator.

The Stirrup #2 appraisal well (Mustang Island block 861), the initial test of a second large fault block on the Stirrup structure, found three productive sequences in the middle Frio formation. The discovery well was temporarily suspended pending fabrication of facilities which is underway. First production is expected in April 2002. Pioneer Parent has a 25% working interest in the 5,600-acre unit that includes the Stirrup field.

Pioneer Parent also announced that the well drilled on the Malta prospect on the Gulf of Mexico shelf encountered wet sands and will be plugged and abandoned.

CAPITAL BUDGET AND FUTURE PRODUCTION OUTLOOK

Pioneer Parent has adopted a \$425 million capital expenditure budget for 2002, based upon current commodity prices. The 2002 capital expenditures budget includes \$200 million of capital earmarked for development of Pioneer Parent's deepwater Gulf of Mexico Canyon Express, Devils Tower and Falcon projects and Pioneer Parent's Sable oil discovery offshore South Africa. Net to Pioneer Parent's interest, the aggregate production contributed by these projects is expected to increase Pioneer Parent's worldwide annual production by 12% during 2002, to a range of 46 to 48 million barrels of oil equivalent, or MMBOE, and by 31% in 2003, to a range of 60 to 63 MMBOE.

THIRD QUARTER RESULTS FOR PIONEER PARENT

Revenues from oil and gas operations were \$198.1 million and \$674.7 million for the three and nine months ended September 30, 2001, respectively, compared to \$228.6 million and \$600.9 million for the three and nine months ended September 30, 2000. The decrease in revenues during the three months ended September 30, 2001, as compared to the three months ended September 30, 2000, is due to commodity price decreases and a five percent decrease in production volumes. The increase in revenues for the nine months ended September 30, 2001, as compared to the nine months ended September 30, 2000, reflects commodity price increases which more than offset a four percent decrease in production volumes.

-2-

Average realized prices were \$25.06 per barrel for oil, \$15.01 per barrel for natural gas liquids and \$2.66 per thousand cubic feet, or Mcf, for natural gas for the three months ended September 30, 2001, compared to average realized prices of \$25.48, \$20.73 and \$2.87, respectively, for the three months ended September 30, 2000. Average realized prices were \$24.95 per barrel for oil, \$18.87 per barrel for natural gas liquids and \$3.40 per Mcf for natural gas for the nine months ended September 30, 2001, compared to average realized prices of \$23.52, \$19.37 and \$2.49, respectively, for the nine months ended September 30, 2000.

Net income was \$24.6 million, or \$0.25 per share on a diluted basis, and \$120.9 million, or \$1.21 per share on a diluted basis, respectively, for the three and nine months ended September 30, 2001, compared to net income of \$69.3 million, or \$0.69 per share on a diluted basis, and \$68.0 million, or \$0.68 per share on a diluted basis, respectively, for the three and nine months ended September 30, 2000. Earnings for the three months ended September 30, 2001, as compared to the same period in 2000, decreased primarily as result of commodity

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

price decreases. Earnings for the nine months ended September 30, 2001, as compared to the same period in 2000, increased primarily as a result of commodity price increases and an \$8.7 million gain on the disposition of assets.

During the nine months ended September 30, 2001, Pioneer Parent spent \$364.4 million on capital expenditures including \$170.2 million for development activities, \$147.9 million for exploration activities and \$46.3 million on acquisitions. While development activities include the costs of related facilities, exploration activities include geological and geophysical data purchases and acquisitions include the costs of leasing unproved properties, the majority of Pioneer Parent's capital expenditures is spent on drilling wells. Pioneer Parent has increased its 2001 capital expenditures budget by approximately 25% to \$540 million from the \$430 million budget originally established. This includes the recently announced acquisition of an incremental interest in the Aconcagua field and the Canyon Express gathering system and capital invested to appraise 2001 exploration discoveries.

Pioneer Parent's total book capitalization at September 30, 2001 was \$2.7 billion, consisting of total debt of \$1.5 billion and stockholders' equity of \$1.2 billion. Pioneer Parent reduced its total outstanding indebtedness by \$17.7 million during the three months ended September 30, 2001 and by \$24.2 million during the nine months ended September 30, 2001.

THIRD QUARTER RESULTS FOR EACH PARTNERSHIP

We have prepared a separate supplement to the supplemental information to this document for each partnership. The supplement contains:

- o for each reporting partnership, the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001; and
- o for each nonreporting partnership, the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

The supplement to the supplemental information for each partnership constitutes an integral part of this document. Please carefully read all of the supplements for each partnership in which you are a limited partner.

ADDITIONAL INFORMATION

This supplement summarizes Pioneer Parent's Quarterly Report on Form 10-Q for the nine months ended September 30, 2001, that Pioneer Parent has previously filed with the SEC and that contains important information about Pioneer Parent and its finances. See "Where You Can Find More Information" beginning on the inside front cover page of the proxy statement/prospectus for more information on documents incorporated by reference and how to obtain them.

YOU ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS FILED WITH THE SEC BECAUSE IT CONTAINS IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER, INCLUDING INFORMATION ABOUT (1) THE DIRECT AND INDIRECT INTERESTS OF US AND OUR PARENT COMPANY AS PARTICIPANTS IN THE MERGER, (2) OUR OWNERSHIP OF INTERESTS IN THE LIMITED PARTNERSHIPS AND (3) OUR CONFLICTING INTERESTS IN RECOMMENDING THE MERGER. A COPY OF THE PROXY STATEMENT/PROSPECTUS MAY BE OBTAINED WITHOUT CHARGE UPON REQUEST FROM PIONEER NATURAL RESOURCES COMPANY, 5205 NORTH O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS 75039, TELEPHONE: (972) 969-3584, ATTENTION: INVESTOR RELATIONS. YOU MAY ALSO OBTAIN THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS RELATING TO THE PROPOSED MERGERS FREE THROUGH THE INTERNET WEB SITE THAT THE SEC MAINTAINS AT WWW.SEC.GOV.

-3-

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 81-I, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 81-I, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 81-I, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 81-I, LTD.
(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 2000 -----
ASSETS		
Current assets:		
Cash	\$ 86,210	\$ 38,54
Accounts receivable - oil and gas sales	26,535	63,26
	-----	-----
Total current assets	112,745	101,81
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,245,930	5,245,14
Accumulated depletion	(5,148,464)	(5,142,19)
	-----	-----
Net oil and gas properties	97,466	102,95
	-----	-----
	\$ 210,211	\$ 204,76
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 12,955	\$ 8,81
Partners' capital:		
General partners	44,080	45,56
Limited partners (1,482 interests)	153,176	150,38
	-----	-----
	197,256	195,95
	-----	-----
	\$ 210,211	\$ 204,76
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 81-I, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months e September 3
	2001	2000	2001
Revenues:			
Oil and gas	\$ 62,284	\$118,165	\$274,037
Interest	518	834	1,956
Gain on disposition of assets	15,880	--	15,880
	78,682	118,999	291,873
Costs and expenses:			
Oil and gas production	46,704	47,350	132,665
General and administrative	1,868	4,557	9,834
Depletion	2,298	3,287	6,274
	50,870	55,194	148,773
Net income	\$ 27,812	\$ 63,805	\$143,100
Allocation of net income:			
General partners	\$ 4,916	\$ 16,444	\$ 34,079
Limited partners	\$ 22,896	\$ 47,361	\$109,021
Net income per limited partnership interest	\$ 15.45	\$ 31.96	\$ 73.56

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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 81-I, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	General partners -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 45,564	\$ 150,388	\$ 195,952
Distributions	(35,563)	(106,233)	(141,796)
Net income	34,079	109,021	143,100
Balance at September 30, 2001	----- \$ 44,080 =====	----- \$ 153,176 =====	----- \$ 197,256 =====

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

PARKER & PARSLEY 81-I, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine month September ----- 2001 -----
Cash flows from operating activities:	
Net income	\$ 143,100
Adjustments to reconcile net income to net cash provided by operating activities:	
Depletion	6,274
Gain on disposition of assets	(15,880)
Changes in assets and liabilities:	
Accounts receivable	36,734

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Accounts payable	4,138

Net cash provided by operating activities	174,366

Cash flows from investing activities:	
Additions to oil and gas properties	(786)
Proceeds from asset dispositions	15,880

Net cash provided by (used in) investing activities	15,094

Cash flows used in financing activities:	
Cash distributions to partners	(141,796)

Net increase (decrease) in cash	47,664
Cash at beginning of period	38,546

Cash at end of period	\$ 86,210
	=====

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.

5

PARKER & PARSLEY 81-I, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 81-I, Ltd. (the "Partnership") is a limited partnership organized in 1981 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$905,863 of which \$670,578 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 11% to \$274,037 for the nine months ended September 30, 2001 as compared to \$309,364 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decrease in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 6,195 barrels of oil, 2,706 barrels of NGLs and 15,850 mcf of gas were sold, or 11,543 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 6,885 barrels of oil, 3,941 barrels of NGLs and 19,682 mcf of gas were sold, or 14,106 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.05, or 4%, from \$28.45 for the nine months ended September 30, 2000 to \$27.40 for the same period in 2001. The average price received per barrel of NGLs decreased \$.33, or 2%, from \$14.24 during the nine months ended September 30, 2000 to \$13.91 for the same period in 2001. The average price received per mcf of gas increased 44% from \$2.92 during the nine months ended September 30, 2000 to \$4.21 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

A gain on disposition of assets of \$15,880 was recognized during the nine months ended September 30, 2001 from salvage income received on one well plugged and abandoned in a prior year.

Costs and Expenses:

Total costs and expenses decreased to \$148,773 for the nine months ended September 30, 2001 as compared to \$150,687 for the same period in 2000, a decrease of \$1,914, or 1%. This decrease was due to decreases in general and administrative expenses ("G&A") and depletion, offset by an increase in production costs.

Production costs were \$132,665 for the nine months ended September 30, 2001 and \$132,506 for the same period in 2000 resulting in a \$159 increase. The increase was primarily due to higher ad valorem taxes, offset by lower well maintenance costs.

7

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 12% from \$11,209 for the nine months ended September 30, 2000 to \$9,834 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$6,274 for the nine months ended September 30, 2001 as compared to \$6,972 for the same period in 2000, a decrease of \$698, or 10%. This decrease was the result of a decline in oil production of 690 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 47% to \$62,284 for the three months ended September 30, 2001 as compared to \$118,165 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 1,992 barrels of oil, 541 barrels of NGLs and 3,125 mcf of gas were sold, or 3,054 BOEs. For the three months ended September 30, 2000, 2,361 barrels of oil, 1,429 barrels of NGLs and 7,349 mcf of gas were sold, or 5,015 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.92, or 13%, from \$30.28 for the three months ended September 30, 2000 to \$26.36 for the same period in 2001. The average price received per barrel of NGLs decreased \$6.46, or 43%, from \$14.97 during the three months ended September 30, 2000 to \$8.51 for the same period in 2001. The average price received per mcf of gas decreased 52% to \$1.65 during the three months ended September 30, 2001 from \$3.44 during the same period in 2000.

A gain on disposition of assets was recognized during the three month period ended September 30, 2001 of \$15,880 from salvage income received on one well

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

plugged and abandoned in a prior year.

Costs and Expenses:

Total costs and expenses decreased to \$50,870 for the three months ended September 30, 2001 as compared to \$55,194 for the same period in 2000, a decrease of \$4,324, or 8%. This decrease was due to declines in G&A, depletion and production costs.

Production costs were \$46,704 for the three months ended September 30, 2001 and \$47,350 for the same period in 2000 resulting in a \$646 decrease, or 1%. The decrease was primarily due to lower well maintenance costs, offset by higher ad valorem taxes.

8

During this period, G&A decreased 59%, from \$4,557 for the three months ended September 30, 2000 to \$1,868 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$2,298 for the three months ended September 30, 2001 as compared to \$3,287 for the same period in 2000, a decrease of \$989, or 30%. This decrease was the result of a decline in oil production of 369 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$39,000 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$73,347 and G&A expenses of \$1,375, offset by an increase in production costs of \$159 and a decline in oil and gas sales receipts of \$35,563. The increase in production costs was primarily due to higher ad valorem taxes, offset by lower well maintenance costs. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues. The decrease in oil and gas receipts resulted from a \$52,200 decline in production during 2001 as compared to the same period in 2000 and a decline of \$8,783 in oil and NGL commodity prices, offset by an increase in gas commodity prices during 2001 which contributed an additional \$25,420 to oil and gas receipts.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities for the nine months ended September 30, 2001 and 2000 were for expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$15,880 recognized during the nine months ended September 30, 2001 were from salvage income received on one well plugged and abandoned in a prior year.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

were \$141,796, of which \$35,563 was distributed to the general partners and \$106,233 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$141,621, of which \$35,737 was distributed to the general partners and \$105,884 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

9

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 81-II, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 81-II, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 81-II, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 81-II, LTD.

(A Texas Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 53,938	\$ 29,376
Accounts receivable - oil and gas sales	32,440	64,821
	-----	-----
Total current assets	86,378	94,197
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,349,639	5,345,296
Accumulated depletion	(4,854,110)	(4,821,914)
	-----	-----
Net oil and gas properties	495,529	523,382
	-----	-----
	\$ 581,907	\$ 617,579
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 12,945	\$ 9,253
Partners' capital:		
General partners	55,799	61,405
Limited partners (1,153 interests)	513,163	546,921
	-----	-----
	568,962	608,326
	-----	-----
	\$ 581,907	\$ 617,579
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 74,617	\$ 109,345	\$ 273,617	\$ 283,393
Interest	479	867	1,824	1,760
	75,096	110,212	275,441	285,153
Costs and expenses:				
Oil and gas production	58,522	43,674	159,421	143,090
General and administrative	2,195	4,058	9,372	9,668
Depletion	11,470	9,464	32,196	36,281
	72,187	57,196	200,989	189,039
Net income	\$ 2,909	\$ 53,016	\$ 74,452	\$ 96,114
Allocation of net income:				
General partners	\$ 2,447	\$ 14,674	\$ 23,187	\$ 29,471
Limited partners	\$ 462	\$ 38,342	\$ 51,265	\$ 66,643
Net income per limited partnership interest	\$.40	\$ 33.25	\$ 44.46	\$ 57.80

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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	General partners -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 61,405	\$ 546,921	\$ 608,326
Distributions	(28,793)	(85,023)	(113,816)
Net income	23,187	51,265	74,452
	-----	-----	-----
Balance at September 30, 2001	\$ 55,799 =====	\$ 513,163 =====	\$ 568,962 =====

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

PARKER & PARSLEY 81-II, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 74,452	\$ 96,114
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	32,196	36,281
Changes in assets and liabilities:		
Accounts receivable	32,381	(19,113)
Accounts payable	3,692	2,085
	-----	-----
Net cash provided by operating activities	142,721	115,367
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	(4,343)	(5,705)
Cash flows used in financing activities:		

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash distributions to partners	(113,816)	(89,035)
	-----	-----
Net increase in cash	24,562	20,627
Cash at beginning of period	29,376	30,160
	-----	-----
Cash at end of period	\$ 53,938	\$ 50,787
	=====	=====

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.

5

PARKER & PARSLEY 81-II, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 81-II (the "Partnership") is a limited partnership organized in 1981 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$693,862 of which \$533,071 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 4% to \$273,617 for the nine months ended September 30, 2001 as compared to \$283,393 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 6,157 barrels of oil, 2,539 barrels of NGLs and 16,344 mcf of gas were sold, or 11,420 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 6,691 barrels of oil, 4,010 barrels of NGLs and 12,982 mcf of gas were sold, or 12,865 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.17, or 4%, from \$28.21 for the nine months ended September 30, 2000 to \$27.04 for the same period in 2001. The average price received per barrel of NGLs decreased slightly from \$14.70 during the nine months ended September 30, 2000 to \$14.62 for the same period in 2001. The average price received per mcf of gas increased 56% from \$2.75 during the nine months ended September 30, 2000 to \$4.28 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$200,989 for the nine months ended September 30, 2001 as compared to \$189,039 for the same period in 2000, an increase of \$11,950, or 6%. This increase was due to an increase in production costs, offset by declines in depletion and general and administrative expenses ("G&A").

Production costs were \$159,421 for the nine months ended September 30, 2001 and \$143,090 for the same period in 2000 resulting in a \$16,331 increase, or 11%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 3% from \$9,668 for the nine months ended September 30, 2000 to \$9,372 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

7

Depletion was \$32,196 for the nine months ended September 30, 2001 as compared to \$36,281 for the same period in 2000, a decrease of \$4,085, or 11%. This decrease was the result of a decline in oil production of 534 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 32% to \$74,617 for the three months ended September 30, 2001 as compared to \$109,345 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 2,021 barrels of oil, 1,139 barrels of NGLs and 4,369 mcf of gas were sold, or 3,888 BOEs. For the three months ended September 30, 2000, 2,144 barrels of oil, 1,604 barrels of NGLs and 6,120 mcf of gas were sold, or 4,768 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.96, or 13%, from \$30.25 for the three months ended September 30, 2000 to \$26.29 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.98, or 26%, from \$15.14 during the three months ended September 30, 2000 to \$11.16 for the same period in 2001. The average price received per mcf of gas decreased 39% to \$2.01 during the three months ended September 30, 2001 from \$3.30 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$72,187 for the three months ended September 30, 2001 as compared to \$57,196 for the same period in 2000, an increase of \$14,991, or 26%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$58,522 for the three months ended September 30, 2001 and \$43,674 for the same period in 2000 resulting in a \$14,848 increase, or 34%. The increase was primarily due to additional well maintenance costs incurred to stimulate production and higher ad valorem taxes.

During this period, G&A decreased 46%, from \$4,058 for the three months ended September 30, 2000 to \$2,195 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$11,470 for the three months ended September 30, 2001 as compared to \$9,464 for the same period in 2000, an increase of \$2,006, or 21%. This increase was the result of a decline in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

oil production of 123 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

8

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$27,354 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$53,101 and G&A expenses of \$296, offset by an increase in production costs of \$16,331 and a decline in oil and gas receipts of \$9,712. The decrease in oil and gas receipts resulted from the declines in oil and NGL commodity prices during 2001 of \$8,138 and a decline in production of \$21,537 during 2001 as compared to the same period in 2000, offset by an increase in gas commodity prices of \$19,963. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

For the nine months ended September 30, 2001 and 2000, the Partnership's investing activities included expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$113,816, of which \$28,793 was distributed to the general partners and \$85,023 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$89,035, of which \$24,648 was distributed to the general partners and \$64,387 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 82-I, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 82-I, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-75530A

PARKER & PARSLEY 82-I, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS ----- (State or other jurisdiction of incorporation or organization) 5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS ----- (Address of principal executive offices)	75-1825545 ----- (I.R.S. Employer Identification Number) 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)

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 [X] NO []

PARKER & PARSLEY 82-I, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 143,941	\$ 57,728
Accounts receivable - oil and gas sales	60,695	109,719
	-----	-----
Total current assets	204,636	167,447
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	9,901,101	9,901,101

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Accumulated depletion	(9,633,702)	(9,613,644)
	-----	-----
Net oil and gas properties	267,399	287,457
	-----	-----
	\$ 472,035	\$ 454,904
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	\$ 28,340	\$ 13,712
Partners' capital:		
General partners	164,970	161,365
Limited partners (4,891 interests)	278,725	279,827
	-----	-----
	443,695	441,192
	-----	-----
	\$ 472,035	\$ 454,904
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$151,803	\$191,130	\$573,649	\$540,662
Interest	954	1,707	3,361	4,030
	-----	-----	-----	-----
	152,757	192,837	577,010	544,692
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	94,767	93,508	292,217	276,533
General and administrative	4,670	6,974	19,118	18,306
Depletion	7,341	4,107	20,058	20,219
	-----	-----	-----	-----
	106,778	104,589	331,393	315,058
	-----	-----	-----	-----
Net income	\$ 45,979	\$ 88,248	\$245,617	\$229,634
	=====	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Allocation of net income:				
General partners	\$ 12,596	\$ 22,678	\$ 64,158	\$ 60,441
	=====	=====	=====	=====
Limited partners	\$ 33,383	\$ 65,570	\$181,459	\$169,193
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 6.82	\$ 13.40	\$ 37.10	\$ 34.59
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	General partners	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 161,365	\$ 279,827	\$ 441,192
Distributions	(60,553)	(182,561)	(243,114)
Net income	64,158	181,459	245,617
	-----	-----	-----
Balance at September 30, 2001	\$ 164,970	\$ 278,725	\$ 443,695
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended
September 30,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	----- 2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 245,617	\$ 229,634
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	20,058	20,219
Changes in assets and liabilities:		
Accounts receivable	49,024	(30,085)
Accounts payable	14,628	7,967
	-----	-----
Net cash provided by operating activities	329,327	227,735
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	--	(5,746)
Cash flows used in financing activities:		
Cash distributions to partners	(243,114)	(243,035)
	-----	-----
Net increase (decrease) in cash	86,213	(21,046)
Cash at beginning of period	57,728	61,558
	-----	-----
Cash at end of period	\$ 143,941	\$ 40,512
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 82-I, Ltd. (the "Partnership") is a limited partnership organized in 1982 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,292,805 of which \$882,252 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 6% to \$573,649 for the nine months ended September 30, 2001 as compared to \$540,662 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas and natural gas liquids ("NGLs"), offset by lower average prices received for oil and a decrease in production. For the nine months ended September 30, 2001, 13,049 barrels of oil, 3,835 barrels of NGLs and 39,037 mcf of gas were sold, or 23,390 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 12,935 barrels of oil, 5,029 barrels of NGLs and 35,584 mcf of gas were sold, or 23,895 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.03, or 4%, from \$28.34 for the nine months ended September 30, 2000 to \$27.31 for the same period in 2001. The average price received per barrel of NGLs increased \$.92, or 7%, from \$13.72 during the nine months ended September 30, 2000 to \$14.64 for the same period in 2001. The average price received per mcf of gas increased 40% from \$2.95 during the nine months ended September 30, 2000 to \$4.13 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$331,393 for the nine months ended September 30, 2001 as compared to \$315,058 for the same period in 2000, an increase of \$16,335, or 5%. This increase was due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were \$292,217 for the nine months ended September 30, 2001 and \$276,533 for the same period in 2000 resulting in a \$15,684 increase, or 6%. This increase was primarily due to higher ad valorem taxes, additional well maintenance costs incurred to stimulate well production and higher production taxes associated with higher revenue prices.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 4% from \$18,306 for the nine months ended September 30, 2000 to \$19,118 for the same period in 2001 primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

8

Depletion was \$20,058 for the nine months ended September 30, 2001 as compared to \$20,219 for the same period in 2000, a decrease of \$161, or 1%.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 21% to \$151,803 for the three months ended September 30, 2001 as compared to \$191,130 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 4,005 barrels of oil, 1,491 barrels of NGLs and 11,206 mcf of gas were sold, or 7,364 BOEs. For the three months ended September 30, 2000, 4,072 barrels of oil, 1,737 barrels of NGLs and 12,327 mcf of gas were sold, or 7,864 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.77, or 12%, from \$30.26 for the three months ended September 30, 2000 to \$26.49 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.20, or 22%, from \$14.80 during the three months ended September 30, 2000 to \$11.60 for the same period in 2001. The average price received per mcf of gas decreased 26% from \$3.42 during the three months ended September 30, 2000 to \$2.54 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$106,778 for the three months ended September 30, 2001 as compared to \$104,589 for the same period in 2000, an increase of \$2,189, or 2%. This increase was due to increases in depletion and production costs, offset by a decrease in G&A.

Production costs were \$94,767 for the three months ended September 30, 2001 and \$93,508 for the same period in 2000 resulting in a \$1,259 increase, or 1%. The

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

increase was primarily due to a higher ad valorem taxes, offset by a decline in well maintenance costs and lower production taxes associated with lower oil and gas prices.

During this period, G&A decreased 33% from \$6,974 for the three months ended September 30, 2000 to \$4,670 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$7,341 for the three months ended September 30, 2001 as compared to \$4,107 for the same period in 2000, representing an increase of \$3,234, or 79%. This increase was attributable to a decrease in proved reserves as a result of lower commodity prices for the three months ended September 30, 2001 as compared to the same period in 2000.

9

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$101,592 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$32,318 and a reduction of \$85,770 in working capital, offset by increases in production costs of \$15,684 and G&A expenses of \$812. The increase in oil and gas receipts resulted from increases in gas and NGL prices during 2001 which contributed an additional \$46,447 to oil and gas receipts, offset by a decrease of \$14,017 in oil prices and a decline in production of \$112 during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to higher ad valorem taxes, additional well maintenance costs incurred to stimulate well production and increased production taxes associated with higher revenue prices. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2000 were related to upgrades of oil and gas equipment on active properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$243,114, of which \$60,553 was distributed to the general partners and \$182,561 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$243,035, of which \$61,165 was distributed to the general partners and \$181,870 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

10

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits - none
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 82-I, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 82-I, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 82-II, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 82-II, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

COMMISSION FILE NO. 2-75530B

PARKER & PARSLEY 82-II, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-1867115

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY 82-II, LTD.

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Balance Sheets as of September 30, 2001 and December 31, 2000.....	3
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.	4
Statement of Partners' Capital for the nine months ended September 30, 2001.....	5

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	6
	Notes to Financial Statements.....	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	8
PART II. OTHER INFORMATION		
Item 6.	Exhibits and Reports on Form 8-K.....	11
	Signatures.....	12

2

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 169,759	\$ 77,911
Accounts receivable - oil and gas sales	65,458	107,778
	-----	-----
Total current assets	235,217	185,689
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	8,307,568	8,305,901
Accumulated depletion	(7,566,667)	(7,531,290)
	-----	-----
Net oil and gas properties	740,901	774,611
	-----	-----
	\$ 976,118	\$ 960,300
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Accounts payable - affiliate	\$ 26,061	\$ 12,662
Partners' capital:		
General partners	127,374	121,968
Limited partners (6,126 interests)	822,683	825,670
	-----	-----
	950,057	947,638
	-----	-----
	\$ 976,118	\$ 960,300
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$155,860	\$186,321	\$540,003	\$520,927
Interest	1,039	1,871	3,597	4,810
	-----	-----	-----	-----
	156,899	188,192	543,600	525,737
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	90,122	80,741	274,287	227,999
General and administrative	4,780	6,711	17,991	17,538
Depletion	13,080	11,881	35,377	33,084
	-----	-----	-----	-----
	107,982	99,333	327,655	278,621
	-----	-----	-----	-----
Net income	\$ 48,917	\$ 88,859	\$215,945	\$247,116
	=====	=====	=====	=====
Allocation of net income:				
General partners	\$ 14,192	\$ 23,997	\$ 59,038	\$ 66,742
	=====	=====	=====	=====
Limited partners	\$ 34,725	\$ 64,862	\$156,907	\$180,374
	=====	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income per limited partnership interest	\$ 5.67	\$ 10.58	\$ 25.61	\$ 29.44
	=====	=====	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	General partners	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 121,968	\$ 825,670	\$ 947,638
Distributions	(53,632)	(159,894)	(213,526)
Net income	59,038	156,907	215,945
	-----	-----	-----
Balance at September 30, 2001	\$ 127,374	\$ 822,683	\$ 950,057
	=====	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 215,945	\$ 247,116
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	35,377	33,084
Changes in assets and liabilities:		
Accounts receivable	42,320	(12,897)
Accounts payable	13,399	7,890
Net cash provided by operating activities	307,041	275,193
Cash flows used in investing activities:		
Additions to oil and gas properties	(1,667)	(5,226)
Cash flows used in financing activities:		
Cash distributions to partners	(213,526)	(256,036)
Net increase in cash	91,848	13,931
Cash at beginning of period	77,911	91,672
Cash at end of period	\$ 169,759	\$ 105,603

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 82-II, Ltd. (the "Partnership") is a limited partnership organized in 1982 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,657,138 of which \$1,223,284 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 4% to \$540,003 for the nine months ended September 30, 2001 as compared to \$520,927 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas and natural gas liquids ("NGLs"), offset by lower average prices received for oil and a decrease in production. For the nine months ended September 30, 2001, 12,144 barrels of oil, 4,826 barrels of NGLs and 31,066 mcf of gas were sold, or 22,148 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 12,890 barrels of oil, 5,841 barrels of NGLs and 27,416 mcf of gas were sold, or 23,300 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.10, or 4%, from \$28.46 for the nine months ended September 30, 2000 to \$27.36 for the same period in

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

2001. The average price received per barrel of NGLs increased \$.85, or 6%, from \$14.28 during the nine months ended September 30, 2000 to \$15.13 for the same period in 2001. The average price received per mcf of gas increased 68% from \$2.58 for the nine months ended September 30, 2000 to \$4.34 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$327,655 for the nine months ended September 30, 2001 as compared to \$278,621 for the same period in 2000, an increase of \$49,034, or 18%. This increase was due to increases in production costs, depletion and general and administrative expenses ("G&A").

Production costs were \$274,287 for the nine months ended September 30, 2001 and \$227,999 for the same period in 2000 resulting in a \$46,288 increase, or 20%. This increase was primarily due to additional well maintenance costs incurred to stimulate well production, higher ad valorem taxes and higher production taxes associated with higher revenue prices.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 3% from \$17,538 for the nine months ended September 30, 2000 to \$17,991 for the same period in 2001 primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

8

Depletion was \$35,377 for the nine months ended September 30, 2001 as compared to \$33,084 for the same period in 2000, an increase of \$2,293, or 7%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 746 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 16% to \$155,860 for the three months ended September 30, 2001 as compared to \$186,321 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 4,160 barrels of oil, 1,877 barrels of NGLs and 9,035 mcf of gas were sold, or 7,543 BOEs. For the three months ended September 30, 2000, 4,262 barrels of oil, 1,865 barrels of NGLs and 8,918 mcf of gas were sold, or 7,613 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.83, or 13%, from \$30.37 for the three months ended September 30, 2000 to \$26.54 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.71, or 24%, from \$15.65 during the three months ended September 30, 2000 to \$11.94

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

for the same period in 2001. The average price received per mcf of gas decreased 18% to \$2.55 during the three months ended September 30, 2001 from \$3.10 for the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$107,982 for the three months ended September 30, 2001 as compared to \$99,333 for the same period in 2000, an increase of \$8,649, or 9%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$90,122 for the three months ended September 30, 2001 and \$80,741 for the same period in 2000 resulting in a \$9,381 increase, or 12%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decline in production taxes associated with lower oil and gas prices.

During this period, G&A decreased 29% from \$6,711 for the three months ended September 30, 2000 to \$4,780 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$13,080 for the three months ended September 30, 2001 as compared to \$11,881 for the same period in 2000, representing an increase of \$1,199, or 10%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower

9

commodity prices, offset by a decline in oil production of 102 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$31,848 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$17,863 and a reduction of \$60,726 in working capital, offset by increases in production costs of \$46,288 and G&A expenses of \$453. The increase in oil and gas receipts resulted from higher average prices received for gas and NGLs of \$53,094, offset by a decrease in oil prices of \$15,293 and a decline in production of \$19,938 during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production, higher ad valorem taxes and increased production taxes associated with higher revenue prices. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of oil and gas equipment on various oil and gas properties.

Cash Used in Financing Activities

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

For the nine months ended September 30, 2001, cash distributions to the partners were \$213,526, of which \$53,632 was distributed to the general partners and \$159,894 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$256,036, of which \$64,534 was distributed to the general partners and \$191,502 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

10

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

- (a) Exhibits - none
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 82-II, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 82-II, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 82-III, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker &

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Parsley 82-III, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 82-III, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 82-III, LTD.

(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 97,178	\$ 46,188
Accounts receivable - oil and gas sales	43,977	69,900
	-----	-----
Total current assets	141,155	116,088
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Oil and gas properties - at cost, based on the successful efforts accounting method	5,970,397	5,970,397
Accumulated depletion	(5,651,487)	(5,634,46)
	-----	-----
Net oil and gas properties	318,910	335,92
	-----	-----
	\$ 460,065	\$ 452,02
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	\$ 20,013	\$ 9,78
Partners' capital:		
General partners	59,706	57,95
Limited partners (3,441 interests)	380,346	384,28
	-----	-----
	440,052	442,24
	-----	-----
	\$ 460,065	\$ 452,02
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 82-III, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 99,921	\$151,444	\$371,917	\$
Interest	653	1,275	2,312	
	-----	-----	-----	-----
	100,574	152,719	374,229	
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and expenses:				
Oil and gas production	59,803	61,896	181,874	
General and administrative	2,997	5,379	12,430	
Depletion	5,852	5,667	17,019	
	-----	-----	-----	
	68,652	72,942	211,323	
	-----	-----	-----	
Net income	\$ 31,922	\$ 79,777	\$162,906	\$
	=====	=====	=====	
Allocation of net income:				
General partners	\$ 8,858	\$ 20,794	\$ 43,024	\$
	=====	=====	=====	
Limited partners	\$ 23,064	\$ 58,983	\$119,882	\$
	=====	=====	=====	
Net income per limited partnership interest	\$ 6.70	\$ 17.14	\$ 34.84	\$
	=====	=====	=====	

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.

3

PARKER & PARSLEY 82-III, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	General partners	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 57,956	\$ 384,284	\$ 442,240
Distributions	(41,274)	(123,820)	(165,094)
Net income	43,024	119,882	162,906
	-----	-----	-----
Balance at September 30, 2001	\$ 59,706	\$ 380,346	\$ 440,052
	=====	=====	=====

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

4

PARKER & PARSLEY 82-III, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 162,906	\$ 215,800
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	17,019	17,650
Changes in assets and liabilities:		
Accounts receivable	25,926	(18,420)
Accounts payable	10,233	7,000
Net cash provided by operating activities	216,084	222,040
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	--	(2,480)
Cash flows used in financing activities:		
Cash distributions to partners	(165,094)	(224,750)
	-----	-----
Net increase (decrease) in cash	50,990	(5,190)
Cash at beginning of period	46,188	53,330
	-----	-----
Cash at end of period	\$ 97,178	\$ 48,140
	=====	=====

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.

5

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 82-III, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 82-III, Ltd. (the "Partnership") is a limited partnership organized in 1982 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,103,465 of which \$797,555 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 10% to \$371,917 for the nine months ended September 30, 2001 as compared to \$414,741 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 9,885 barrels of oil, 2,898 barrels of NGLs and 16,610 mcf of gas were sold, or 15,551 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 10,653 barrels of oil, 5,165 barrels of NGLs and 17,317 mcf of gas were sold, or 18,704 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.33, or 5%, from \$28.84 for the nine months ended September 30, 2000 to \$27.51 for the same period in 2001. The average price received per barrel of NGLs increased \$.20, or 2%, from \$13.06 during the nine months ended September 30, 2000 to \$13.26 for the same period in 2001. The average price received per mcf of gas increased 61% from \$2.31 during the nine months ended September 30, 2000 to \$3.71 in the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$211,323 for the nine months ended September 30, 2001 as compared to \$202,103 for the same period in 2000, an increase of \$9,220, or 5%. This increase was due to an increase in production costs, offset by declines in general and administrative expenses ("G&A") and depletion.

Production costs were \$181,874 for the nine months ended September 30, 2001 and \$170,758 for the same period in 2000, resulting in an \$11,116 increase, or 7%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 9% from \$13,687 for the nine months ended September 30, 2000 to \$12,430 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$17,019 for the nine months ended September 30, 2001 as compared to \$17,658 for the same period in 2000, a decrease of \$639, or 4%. This decrease was due to a decline in oil production of 768 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 34% to \$99,921 for the three months ended September 30, 2001 as compared to \$151,444 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 3,001 barrels of oil, 1,175 barrels of NGLs and 4,208 mcf of gas were sold, or 4,877 BOEs. For the three months ended September 30, 2000, 3,519 barrels of oil, 1,755 barrels of NGLs and 5,908 mcf of gas were sold, or 6,259 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.21, or 14%, from \$30.74 for the three months ended September 30, 2000 to \$26.53 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.85, or 26%, from \$14.54 during the three months ended September 30, 2000 to \$10.69 for the same period in 2001. The average price received per mcf of gas decreased 39% to \$1.84 during the three months ended September 30, 2001 from \$3.01 during the same period in 2000.

Costs and Expenses:

Total costs and expenses decreased to \$68,652 for the three months ended September 30, 2001 as compared to \$72,942 for the same period in 2000, a decrease of \$4,290, or 6%. This decrease was due to declines in G&A and production costs, offset by an increase in depletion.

Production costs were \$59,803 for the three months ended September 30, 2001 and \$61,896 for the same period in 2000 resulting in a \$2,093 decrease, or 3%. The decrease was primarily due to lower well maintenance costs, offset by higher ad valorem taxes.

During this period, G&A decreased 44% from \$5,379 for the three months ended September 30, 2000 to \$2,997 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$5,852 for the three months ended September 30, 2001 as compared to \$5,667 for the same period in 2000, an increase of \$185, or 3%.

8

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$5,963 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to a decline in oil and gas sales receipts of \$43,683 and an increase in production costs of \$11,116, offset by a decline in G&A expenses of \$1,257 and a reduction in working capital of \$47,579. The decrease in oil and gas receipts of \$53,817 resulted from the decline in production during 2001 as compared to the same period in 2000 and a decline of \$15,059 in oil commodity

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

prices during 2001, offset by an increase in gas and NGL commodity prices of \$25,193. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2000 were related to upgrades of oil and gas equipment on active properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$165,094, of which \$41,274 was distributed to the general partners and \$123,820 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$224,758, of which \$54,987 was distributed to the general partners and \$169,771 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

9

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 83-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 83-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

UNITED STATES

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-81398A

PARKER & PARSLEY 83-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-1891384

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 83-A, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 83-A, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	

ASSETS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Current assets:		
Cash	\$ 357,718	\$ 169,
Accounts receivable - oil and gas sales	155,762	279,
	-----	-----
Total current assets	513,480	448,
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	16,907,175	16,901,
Accumulated depletion	(15,688,107)	(15,622,
	-----	-----
Net oil and gas properties	1,219,068	1,278,
	-----	-----
	\$ 1,732,548	\$ 1,727,
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 67,956	\$ 33,
Partners' capital:		
General partners	201,848	200,
Limited partners (19,505 interests)	1,462,744	1,493,
	-----	-----
	1,664,592	1,693,
	-----	-----
	\$ 1,732,548	\$ 1,727,
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 83-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended September 30,		Nine mon Septe
2001	2000	2001
-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Revenues:			
Oil and gas	\$ 354,249	\$ 500,331	\$1,333,347
Interest	2,499	3,991	8,755
	-----	-----	-----
	356,748	504,322	1,342,102
	-----	-----	-----
Costs and expenses:			
Oil and gas production	251,477	210,730	723,118
General and administrative	10,944	17,886	44,059
Depletion	22,665	20,114	65,845
	-----	-----	-----
	285,086	248,730	833,022
	-----	-----	-----
Net income	\$ 71,662	\$ 255,592	\$ 509,080
	=====	=====	=====
Allocation of net income:			
General partners	\$ 21,385	\$ 67,634	\$ 137,821
	=====	=====	=====
Limited partners	\$ 50,277	\$ 187,958	\$ 371,259
	=====	=====	=====
Net income per limited partnership interest	\$ 2.57	\$ 9.64	\$ 19.03
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 83-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	General partners	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 200,131	\$ 1,493,312	\$ 1,693,443
Distributions	(136,104)	(401,827)	(537,931)
Net income	137,821	371,259	509,080

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Balance at September 30, 2001	----- \$ 201,848 =====	----- \$ 1,462,744 =====	----- \$ 1,664, =====
-------------------------------	------------------------------	--------------------------------	-----------------------------

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 83-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	----- 2001 -----	----- 2000 -----
Cash flows from operating activities:		
Net income	\$ 509,080	\$ 614,549
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	65,845	60,352
Changes in assets and liabilities:		
Accounts receivable	123,477	(35,612)
Accounts payable	34,173	26,005
Net cash provided by operating activities	----- 732,575 -----	----- 665,294 -----
Cash flows used in investing activities:		
Additions to oil and gas properties	(5,981)	(5,992)
Cash flows used in financing activities:		
Cash distributions to partners	(537,931)	(616,726)
Net increase in cash	----- 188,663 -----	----- 42,576 -----
Cash at beginning of period	169,055	143,823
Cash at end of period	----- \$ 357,718 =====	----- \$ 186,399 =====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 83-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 83-A, Ltd. (the "Partnership") is a limited partnership organized in 1983 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,660,109 of which \$2,697,724 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 2% to \$1,333,347 for the nine months ended September 30, 2001 as compared to \$1,365,167 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 30,872 barrels of oil, 13,264 barrels of NGLs and 72,161 mcf of gas were sold, or 56,163 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 31,864 barrels of oil, 17,938 barrels of NGLs and 73,083 mcf of gas were sold, or 61,983 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.36, or 5%, from \$28.54 for the nine months ended September 30, 2000 to \$27.18 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$14.67 during the nine months ended September 30, 2000 to \$14.72 for the same period in 2001. The average price received per mcf of gas increased 57% from \$2.64 for the nine months ended September 30, 2000 to \$4.15 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$833,022 for the nine months ended September 30, 2001 as compared to \$760,033 for the same period in 2000, an increase of \$72,989, or 10%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$723,118 for the nine months ended September 30, 2001 and \$654,006 for the same period in 2000 resulting in a \$69,112 increase, or 11%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes, offset by less workover expenses.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 4% from \$45,675 for the nine months ended September 30, 2000 to \$44,059 for the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

8

Depletion was \$65,845 for the nine months ended September 30, 2001 as compared to \$60,352 for the same period in 2000, an increase of \$5,493, or 9%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 992 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 29% to \$354,249 for the three months ended September 30, 2001 as compared to \$500,331 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 10,009 barrels of oil, 4,586 barrels of NGLs and 19,666 mcf of gas were sold, or 17,873 BOEs. For the three months ended September 30, 2000, 10,409 barrels of oil, 6,242 barrels of NGLs and 26,245 mcf of gas were sold, or 21,025 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.19, or 14%, from \$30.57 for the three months ended September 30, 2000 to \$26.38 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.32, or 28%, from \$15.38 during the three months ended September 30, 2000 to \$11.06 for the same period in 2001. The average price received per mcf of gas decreased 39% from \$3.28 for the three months ended September 30, 2000 to \$2.01 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$285,086 for the three months ended September 30, 2001 as compared to \$248,730 for the same period in 2000, an increase of \$36,356, or 15%. This increase was due to increases in production costs and depletion, offset by a decrease in G&A.

Production costs were \$251,477 for the three months ended September 30, 2001 and \$210,730 for the same period in 2000 resulting in a \$40,747 increase, or 19%. This increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes, offset by a decline in production taxes and workover costs.

During this period, G&A decreased 39% from \$17,886 for the three months ended September 30, 2000 to \$10,944 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Depletion was \$22,665 for the three months ended September 30, 2001 as compared to \$20,114 for the same period in 2000, representing an increase of \$2,551, or 13%. This increase was attributable to a decline in proved reserves during the period ended September 30, 2001 as a result of lower

9

commodity prices, offset by a decrease in oil production of 400 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$67,281 during the nine months ended September 30, 2001 compared to the same period in 2000. This increase was due to a decline of \$167,257 in working capital and \$1,616 in G&A expenses, offset by an increase in production costs of \$69,112 and a reduction in oil and gas receipts of \$32,480. The decrease in oil and gas receipts resulted from the decline in oil commodity prices of \$43,357 and the decline in production of \$99,584 during 2001 as compared to the same period in 2000, offset by higher gas and NGL commodity prices of \$110,461. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and increased ad valorem taxes, offset by less workover expenses. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investment activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$537,931, of which \$136,104 was distributed to the general partners and \$401,827 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$616,726, of which \$157,253 was distributed to the general partners and \$459,473 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

10

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

11

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 83-A, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 83-B, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 83-B, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-81398B

PARKER & PARSLEY 83-B, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-1907245

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY 83-B, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

September 30, December 31,
2001 2000

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 397,455	\$ 224,865
Accounts receivable - oil and gas sales	205,714	369,349
	-----	-----
Total current assets	603,169	594,214
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	18,508,128	18,957,070
Accumulated depletion	(16,943,709)	(17,248,214)
	-----	-----
Net oil and gas properties	1,564,419	1,708,856
	-----	-----
	\$ 2,167,588	\$ 2,303,070
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 73,898	\$ 39,862
Partners' capital:		
General partners	296,159	316,574
Limited partners (23,370 interests)	1,797,531	1,946,634
	-----	-----
	2,093,690	2,263,208
	-----	-----
	\$ 2,167,588	\$ 2,303,070
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended

Nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	September 30,		Septe
	2001	2000	2001
Revenues:			
Oil and gas	\$ 445,417	\$ 620,233	\$ 1,531,987
Interest	3,049	6,307	10,989
Gain on disposition of assets	28,178	--	39,101
	-----	-----	-----
	476,644	626,540	1,582,077
	-----	-----	-----
Costs and expenses:			
Oil and gas production	323,489	221,858	908,472
General and administrative	13,667	21,699	50,094
Impairment of oil and gas properties	74,068	--	74,068
Depletion	33,320	26,120	85,287
Abandoned property	30,388	--	30,388
	-----	-----	-----
	474,932	269,677	1,148,309
	-----	-----	-----
Net income	\$ 1,712	\$ 356,863	\$ 433,768
	=====	=====	=====
Allocation of net income (loss):			
General partners	\$ 16,944	\$ 93,908	\$ 131,732
	=====	=====	=====
Limited partners	\$ (15,232)	\$ 262,955	\$ 302,036
	=====	=====	=====
Net income (loss) per limited partnership interest	\$ (.66)	\$ 11.25	\$ 12.92
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

General

Limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	partners -----	partners -----	Total -----
Balance at January 1, 2001	\$ 316,574	\$ 1,946,634	\$ 2,263,208
Distributions	(152,147)	(451,139)	(603,286)
Net income	131,732	302,036	433,768
	-----	-----	-----
Balance at September 30, 2001	\$ 296,159 =====	\$ 1,797,531 =====	\$ 2,093,690 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 433,768	\$ 899,768
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	74,068	78,068
Depletion	85,287	78,068
Gain on disposition of assets	(39,101)	(5,000)
Changes in assets and liabilities:		
Accounts receivable	163,635	(49,000)
Accounts payable	51,536	22,000
	-----	-----
Net cash provided by operating activities	769,193	946,768
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(14,918)	(7,000)
Proceeds from asset dispositions	21,601	5,000
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net cash provided by (used in) investing activities	6,683	(2)
Cash flows used in financing activities:		
Cash distributions to partners	(603,286)	(926)
Net increase in cash	172,590	17
Cash at beginning of period	224,865	244
Cash at end of period	\$ 397,455	\$ 261

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF ORGANIZATION

Parker & Parsley 83-B, Ltd. (the "Partnership") is a limited partnership organized in 1983 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustment which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$74,068 related to its proved oil and gas properties during the nine months ended September 30, 2001.

7

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$4,925,037 of which \$3,614,524 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 11% to \$1,531,987 for the nine months ended September 30, 2001 as compared to \$1,716,120 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 35,211 barrels of oil, 16,529 barrels of NGLs and 82,726 mcf of gas were sold, or 65,528 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 38,681 barrels of oil, 23,453 barrels of NGLs and 103,116 mcf of gas were sold, or 79,320 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.59, or 6%, from \$28.77

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

for the nine months ended September 30, 2000 to \$27.18 for the same period in 2001. The average price received per barrel of NGLs increased \$.10, or 1%, from \$14.82 during the nine months ended September 30, 2000 to \$14.92 for the same period in 2001. The average price received per mcf of gas increased 60% from \$2.48 for the nine months ended September 30, 2000 to \$3.97 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$39,101 and \$5,351 were recognized during the nine months ended September 30, 2001 and 2000, respectively. During the period ended 2001, salvage income of \$10,923 was received from a well that was plugged and abandoned in the prior year and \$28,178 was recognized from salvage income on one plugged and abandoned well in the current period. A gain of \$5,351 recognized during the period ended 2000 was from equipment credits on a fully depleted well. Abandoned property costs of \$30,388 were incurred to plug and abandon one well during the nine months ended September 30, 2001.

8

Costs and Expenses:

Total costs and expenses increased to \$1,148,309 for the nine months ended September 30, 2001 as compared to \$836,923 for the same period in 2000, an increase of \$311,386, or 37%. This increase was due to increases in production costs, the impairment of oil and gas properties, abandoned property costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$908,472 for the nine months ended September 30, 2001 and \$701,985 for the same period in 2000 resulting in a \$206,487 increase, or 29%. This increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 11% from \$56,487 for the nine months ended September 30, 2000 to \$50,094 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$74,068 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Depletion was \$85,287 for the nine months ended September 30, 2001 as compared to \$78,451 for the same period in 2000, representing an increase of \$6,836, or 9%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a decline in oil production of 3,470 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000 and a decline in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000.

9

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 28% to \$445,417 for the three months ended September 30, 2001 as compared to \$620,233 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 12,133 barrels of oil, 5,770 barrels of NGLs and 26,522 mcf of gas were sold, or 22,323 BOEs. For the three months ended September 30, 2000, 12,754 barrels of oil, 7,440 barrels of NGLs and 32,864 mcf of gas were sold, or 25,671 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.45, or 14%, from \$30.78 for the three months ended September 30, 2000 to \$26.33 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.66, or 28%, from \$16.38 during the three months ended September 30, 2000 to \$11.72 for the same period in 2001. The average price received per mcf of gas decreased 32% from \$3.22 for the three months ended September 30, 2000 to \$2.20 for the same period in 2001.

Gain on disposition of assets of \$28,178 was recognized during the three months ended September 30, 2001 from salvage income received on one well plugged and abandoned during the current period. Abandoned property costs of \$30,388 were incurred during the three months ended September 30, 2001 to plug and abandon this well.

Costs and Expenses:

Total costs and expenses increased to \$474,932 for the three months ended September 30, 2001 as compared to \$269,677 for the same period in 2000, an increase of \$205,255, or 76%. This increase was due to increases in production costs, the impairment of oil and gas properties, abandoned property costs and depletion, offset by a decline in G&A.

Production costs were \$323,489 for the three months ended September 30, 2001 and \$221,858 for the same period in 2000 resulting in a \$101,631 increase, or 46%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 37% from \$21,699 for the three months ended September 30, 2000 to \$13,667 for the same period in 2001, primarily due to a

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$74,068 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$33,320 for the three months ended September 30, 2001 as compared to \$26,120 for the same period in 2000, representing an increase of \$7,200, or 28%. This increase was attributable

10

to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a decline in oil production of 621 barrels for the three months ended September 30, 2001 as compared to the same period in 2000 and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$176,873 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to an increase in production costs of \$206,487, a reduction in oil and gas receipts of \$188,540 and an increase in abandoned property costs of \$30,388, offset by reductions in working capital of \$242,149 and G&A expenses of \$6,393. The decrease in oil and gas receipts resulted from a decline in oil commodity prices of \$61,185 during 2001 and a decline in production of \$278,525 during 2001 as compared to the same period in 2000, offset by an increase in gas and NGL commodity prices of \$151,170. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during for the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on active properties.

Proceeds from asset dispositions of \$21,601 and \$5,358 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period in 2001 was due to \$10,923 from salvage income on a well plugged and abandoned in the prior year and \$10,678 from salvage income on a well abandoned in the current year. The proceeds recognized during the period in 2000 was due to equipment credits on a fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$603,286, of which \$152,147 was distributed to the general partners and \$451,139 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$926,425, of which \$232,937 was distributed to the general partners and \$693,488 to the limited partners.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

11

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 83-B, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 83-B, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 84-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

This document contains important information specific to Parker & Parsley 84-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-90417

PARKER & PARSLEY 84-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-1974814

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO []

PARKER & PARSLEY 84-A, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....

Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months ended September 30, 2001.....

Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 84-A, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 360,095	\$ 179,539
Accounts receivable - oil and gas sales	204,546	360,844
	-----	-----
Total current assets	564,641	540,383
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	18,268,569	18,260,776
Accumulated depletion	(16,490,135)	(16,391,831)
	-----	-----
Net oil and gas properties	1,778,434	1,868,945
	-----	-----
	\$ 2,343,075	\$ 2,409,328
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 85,408	\$ 36,496
Partners' capital:		
General partners	278,461	293,504
Limited partners (19,435 interests)	1,979,206	2,079,328
	-----	-----
	2,257,667	2,372,832
	-----	-----
	\$ 2,343,075	\$ 2,409,328
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 427,567	\$ 615,825	\$ 1,538,389	\$ 1,6
Interest	2,725	5,118	10,085	
	-----	-----	-----	-----
	430,292	620,943	1,548,474	1,7
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	306,915	226,699	816,895	6
General and administrative	12,938	21,036	49,698	
Depletion	41,094	24,033	98,304	
	-----	-----	-----	-----
	360,947	271,768	964,897	8
	-----	-----	-----	-----
Net income	\$ 69,345	\$ 349,175	\$ 583,577	\$ 8
	=====	=====	=====	=====
Allocation of net income:				
General partners	\$ 23,562	\$ 91,539	\$ 161,220	\$ 2
	=====	=====	=====	=====
Limited partners	\$ 45,783	\$ 257,636	\$ 422,357	\$ 6
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 2.35	\$ 13.26	\$ 21.73	\$
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 84-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	General partners -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 293,504	\$ 2,079,328	\$ 2,372,832
Distributions	(176,263)	(522,479)	(698,742)
Net income	161,220 -----	422,357 -----	583,577 -----
Balance at September 30, 2001	\$ 278,461 =====	\$ 1,979,206 =====	\$ 2,257,667 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 84-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 583,577	\$ 880,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	98,304	82,846
Changes in assets and liabilities:		
Accounts receivable	156,298	(76,469)
Accounts payable	48,912	32,531
	-----	-----
Net cash provided by operating activities	887,091	919,713
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	(7,793)	(12,681)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows used in financing activities:		
Cash distributions to partners	(698,742)	(830,001)
	-----	-----
Net increase in cash	180,556	77,031
Cash at beginning of period	179,539	117,140
	-----	-----
Cash at end of period	\$ 360,095	\$ 194,171
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 84-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 84-A, Ltd. (the "Partnership") is a limited partnership organized in 1984 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$5,111,410 of which \$3,797,678 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 9% to \$1,538,389 for the nine months ended September 30, 2001 as compared to \$1,698,194 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30, 2001, 38,418 barrels of oil, 18,041 barrels of NGLs and 81,437 mcf of gas were sold, or 70,032 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 39,130 barrels of oil, 25,473 barrels of NGLs and 104,455 mcf of gas were sold, or 82,012 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.83, or 6%, from \$28.61 for the nine months ended September 30, 2000 to \$26.78 for the same period in 2001. The average price received per barrel of NGLs decreased \$.80, or 6%, from \$13.67 during the nine months ended September 30, 2000 to \$12.87 for the same period in 2001. The average price received per mcf of gas increased 54% from \$2.21 during the nine months ended September 30, 2000 to \$3.41 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$964,897 for the nine months ended September 30, 2001 as compared to \$829,499 for the same period in 2000, an increase of \$135,398, or 16%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$816,895 for the nine months ended September 30, 2001 and

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$691,478 for the same period in 2000 resulting in a \$125,417 increase, or 18%. This increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 10% from \$55,175 for the nine months ended September 30, 2000 to \$49,678 for the same period in 2001, primarily due to a lower

8

percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$98,304 for the nine months ended September 30, 2001 as compared to \$82,846 for the same period in 2000, representing an increase of \$15,458, or 19%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a decrease in oil production of 712 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$427,567 for the three months ended September 30, 2001 as compared to \$615,825 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 12,383 barrels of oil, 5,775 barrels of NGLs and 23,873 mcf of gas were sold, or 22,137 BOEs. For the three months ended September 30, 2000, 12,371 barrels of oil, 9,166 barrels of NGLs and 36,292 mcf of gas were sold, or 27,586 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.49, or 15%, from \$30.74 for the three months ended September 30, 2000 compared to \$26.25 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.41, or 31%, from \$14.39 during the three months ended September 30, 2000 to \$9.98 for the same period in 2001. The average price received per mcf of gas decreased 34% from \$2.86 during the three months ended September 30, 2000 to \$1.88 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$360,947 for the three months ended September 30, 2001 as compared to \$271,768 for the same period in 2000, an increase of \$89,179, or 33%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$306,915 for the three months ended September 30, 2001 and \$226,699 for the same period in 2000, resulting in an \$80,216 increase, or 35%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 38% from \$21,036 for the three months ended September 30, 2000 to \$12,938 for the same period in 2001, primarily due to a

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

9

Depletion was \$41,094 for the three months ended September 30, 2001 as compared to \$24,033 for the same period in 2000, an increase of \$17,061, or 71%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$32,622 during the nine months ended September 30, 2001 from the same period ended in 2000. This decrease was due to a decrease in oil and gas sales receipts of \$161,830 and an increase in production costs of \$125,417, offset by reductions in working capital of \$249,148 and G&A expenses of \$5,477. The decrease in oil and gas receipts resulted from \$193,137 from the decline in production during 2001 as compared to the same period in 2000 and a decline in the average prices received for oil and NGLs of \$94,366, offset by an increase in average prices received for gas of \$125,673. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$698,742, of which \$176,263 was distributed to the general partners and \$522,479 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$830,001, of which \$210,687 was distributed to the general partners and \$619,314 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the

10

agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 84-A, LTD.
(A Texas Limited Partnership)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARKER & PARSLEY 84-A, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 85-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 85-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-99079A

PARKER & PARSLEY 85-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2064518

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 85-A, LTD.

TABLE OF CONTENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

2

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 119,998	\$ 72,868
Accounts receivable - oil and gas sales	55,565	103,810
	-----	-----
Total current assets	175,563	176,678
	-----	-----

Oil and gas properties - at cost, based on the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

successful efforts accounting method	7,404,354	7,398,954
Accumulated depletion	(6,899,304)	(6,871,985)
	-----	-----
Net oil and gas properties	505,050	526,969
	-----	-----
	\$ 680,613	\$ 703,647
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 26,733	\$ 11,211
Partners' capital:		
Managing general partner	6,550	6,936
Limited partners (9,613 interests)	647,330	685,500
	-----	-----
	653,880	692,436
	-----	-----
	\$ 680,613	\$ 703,647
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 129,723	\$ 213,419	\$ 512,479	\$ 566,748
Interest	939	1,672	3,456	4,220
Gain on disposition of assets	--	2,205	--	2,205
	-----	-----	-----	-----
	130,662	217,296	515,935	573,173
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and expenses:				
Oil and gas production	103,249	87,628	288,198	256,507
General and administrative	3,891	6,402	15,374	17,002
Depletion	9,765	8,122	27,319	23,829
	-----	-----	-----	-----
	116,905	102,152	330,891	297,338
	-----	-----	-----	-----
Net income	\$ 13,757	\$ 115,144	\$ 185,044	\$ 275,835
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 137	\$ 1,151	\$ 1,850	\$ 2,758
	=====	=====	=====	=====
Limited partners	\$ 13,620	\$ 113,993	\$ 183,194	\$ 273,077
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 1.42	\$ 11.86	\$ 19.06	\$ 28.41
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 6,936	\$ 685,500	\$ 692,436
Distributions	(2,236)	(221,364)	(223,600)
Net income	1,850	183,194	185,044
	-----	-----	-----
Balance at September 30, 2001	\$ 6,550	\$ 647,330	\$ 653,880
	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 185,044	\$ 275,835
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	27,319	23,829
Gain on disposition of assets	--	(2,205)
Changes in assets and liabilities:		
Accounts receivable	48,245	(35,162)
Accounts payable	15,522	8,775
	276,130	271,072
Cash flows from investing activities:		
Additions to oil and gas properties	(5,400)	(3,092)
Proceeds from asset dispositions	--	2,454
	(5,400)	(638)
Cash flows used in financing activities:		
Cash distributions to partners	(223,600)	(274,786)
	47,130	(4,352)
Net increase (decrease) in cash	72,868	73,810
Cash at beginning of period		
Cash at end of period	\$ 119,998	\$ 69,458

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 85-A, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,339,065 of which \$1,299,886 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 10% to \$512,479 for the nine months ended September 30, 2001 as compared to \$566,748 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 11,694 barrels of oil, 5,623 barrels of NGLs and 30,325 mcf of gas were sold, or 22,371 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 13,003 barrels of oil, 8,318 barrels of NGLs and 32,775 mcf of gas were sold, or 26,784 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.33, or 5%, from \$28.67 for the nine months ended September 30, 2000 to \$27.34 for the same period in 2001. The average price received per barrel of NGLs decreased slightly from \$13.89 during the nine months ended September 30, 2000 to \$13.84 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.39 during the nine months ended September 30, 2000 to \$3.79 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$2,205 was recognized during the nine months ended September 30, 2000. The gain resulted from equipment credits received on one well.

Costs and Expenses:

Total costs and expenses increased to \$330,891 for the nine months ended September 30, 2001 as compared to \$297,338 for the same period in 2000, an increase of \$33,553, or 11%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$288,198 for the nine months ended September 30, 2001 and \$256,507 for the same period in 2000 resulting in a \$31,691 increase, or 12%. The increase was primarily due to additional workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 10% from \$17,002 for the nine months ended September 30, 2000 to \$15,374 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$27,319 for the nine months ended September 30, 2001 as compared to \$23,829 for the same period in 2000, representing an increase of \$3,490, or 15%. This increase was the result of a decline in proved reserves due to lower commodity prices, offset by a decline in oil production of 1,309 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 39% to \$129,723 for the three months ended September 30, 2001 as compared to \$213,419 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 3,560 barrels of oil, 2,035 barrels of NGLs and 9,273 mcf of gas were sold, or 7,141 BOEs. For the three months ended September 30, 2000, 4,468 barrels of oil, 2,816 barrels of NGLs and 11,161 mcf of gas were sold, or 9,144 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.89, or 13%, from \$30.38 for the three months ended September 30, 2000 to \$26.49 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.38, or 35%, from \$15.41 during the three months ended September 30, 2000 to \$10.03 for the same period in 2001. The average price received per mcf of gas decreased 47% from \$3.07 for the three months ended September 30, 2000 to \$1.62 for the same period in 2001.

Gain on disposition of assets of \$2,205 was recognized during the three months ended September 30, 2000. The gain resulted from equipment credits received on one well.

Costs and Expenses:

Total costs and expenses increased to \$116,905 for the three months ended September 30, 2001 as compared to \$102,152 for the same period in 2000, an increase of \$14,753, or 14%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$103,249 for the three months ended September 30, 2001 and \$87,628 for the same period in 2000 resulting in a \$15,621 increase, or 18%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 39% from \$6,402 for the three months ended September 30, 2000 to \$3,891 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$9,765 for the three months ended September 30, 2001 as compared to \$8,122 for the same period in 2000, an increase of \$1,643, or 20%. This increase was attributable to a decrease in proved reserves as a result of lower commodity prices for the three months ended September 30, 2001 as compared to the same period in 2000, offset by a decline in oil production of 908 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$5,058 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a decrease in G&A expenses of \$1,628 and a reduction in working capital of \$90,154, offset by an increase in production costs of \$31,691 and a decrease in oil and gas sales receipts of \$55,033. The decrease in oil and gas receipts resulted in \$82,378 from the decline in production and a \$17,760 decline resulting from lower oil and NGL prices during 2001 as compared to the same period in 2000, offset by a \$45,105 increase from higher gas prices. The increase in production costs was primarily due to additional workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$2,454 were received from equipment credits during the nine months ended September 30, 2000.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$223,600, of which \$2,236 was distributed to the managing general partner and \$221,364 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$274,786, of which \$2,748 was distributed to the managing general partner and \$272,038 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

- ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K
- (a) Exhibits
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 85-A, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 85-A, LTD.

By: Pioneer Natural Resources USA, Inc.
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 85-B, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 85-B, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

COMMISSION FILE NO. 2-99079B

PARKER & PARSLEY 85-B, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2075492

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 85-B, LTD.

TABLE OF CONTENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 124,378	\$ 80,718
Accounts receivable - oil and gas sales	60,654	84,740
	-----	-----
Total current assets	185,032	165,458
	-----	-----

Oil and gas properties - at cost, based on the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

successful efforts accounting method	5,323,995	5,317,256
Accumulated depletion	(4,654,806)	(4,526,767)
	-----	-----
Net oil and gas properties	669,189	790,489
	-----	-----
	\$ 854,221	\$ 955,947
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 25,268	\$ 10,515
Partners' capital:		
Managing general partner	8,640	9,805
Limited partners (7,988 interests)	820,313	935,627
	-----	-----
	828,953	945,432
	-----	-----
	\$ 854,221	\$ 955,947
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months September 3	
	2001	2000	2001	
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 122,938	\$ 168,472	\$ 446,471	\$
Interest	958	1,614	3,365	
	-----	-----	-----	-----
	123,896	170,086	449,836	
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and expenses:				
Oil and gas production	88,122	70,821	220,865	
General and administrative	3,611	5,054	13,317	
Impairment of oil and gas properties	69,944	--	69,944	
Depletion	26,136	11,849	58,095	
	-----	-----	-----	
	187,813	87,724	362,221	
	-----	-----	-----	
Net income (loss)	\$ (63,917)	\$ 82,362	\$ 87,615	\$
	=====	=====	=====	=====
Allocation of net income (loss):				
Managing general partner	\$ (639)	\$ 824	\$ 876	\$
	=====	=====	=====	=====
Limited partners	\$ (63,278)	\$ 81,538	\$ 86,739	\$
	=====	=====	=====	=====
Net income (loss) per limited partnership interest	\$ (7.92)	\$ 10.20	\$ 10.86	\$
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 9,805	\$ 935,627	\$ 945,432
Distributions	(2,041)	(202,053)	(204,094)
Net income	876	86,739	87,615
	-----	-----	-----
Balance at September 30, 2001	\$ 8,640	\$ 820,313	\$ 828,953
	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	----- 2001 -----	
Cash flows from operating activities:		
Net income	\$ 87,615	\$
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	69,944	
Depletion	58,095	
Changes in assets and liabilities:		
Accounts receivable	24,086	
Accounts payable	14,753	
	-----	-----
Net cash provided by operating activities	254,493	
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(6,739)	
Proceeds from asset dispositions	--	
	-----	-----
Net cash provided by (used in) investing activities	(6,739)	
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(204,094)	
	-----	-----
Net increase (decrease) in cash	43,660	
Cash at beginning of period	80,718	
	-----	-----
Cash at end of period	\$ 124,378	\$
	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 85-B, L.P. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership, as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

7

provision of \$69,944 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,175,680 of which \$1,155,472 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased slightly to \$446,471 for the nine months ended September 30, 2001 as compared to \$444,585 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas, offset by a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 10,016 barrels of oil, 4,872 barrels of NGLs and 24,275 mcf of gas were sold, or 18,934 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 10,425 barrels of oil, 5,029 barrels of NGLs and 23,230 mcf of gas were sold, or 19,326 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$2.07, or 7%, from \$29.52 for the nine months ended September 30, 2000 to \$27.45 for the same period in 2001. The average price received per barrel of NGLs decreased \$.29, or 2%, from \$15.25 during the nine months ended September 30, 2000 to \$14.96 for the same period in 2001. The average price received per mcf of gas increased 57% from \$2.59 during the nine months ended September 30, 2000 to \$4.06 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$362,221 for the nine months ended September 30, 2001 as compared to \$260,335 for the same period in 2000, an increase of \$101,886, or 39%. This increase was due to increases in the impairment of oil and gas properties, depletion and production costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$220,865 for the nine months ended September 30, 2001 and \$207,231 for the same period in 2000 resulting in a \$13,634 increase, or 7%. The increase was primarily due to higher ad valorem taxes and additional workover costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased slightly from \$13,337 for the nine months ended September 30, 2000 to \$13,317 for the same period in 2001.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$69,944 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$58,095 for the nine months ended September 30, 2001 as compared to \$39,767 for the same period in 2000, representing an increase of \$18,328, or 46%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decline in oil production of 409 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 27% to \$122,938 for the three months ended September 30, 2001 as compared to \$168,472 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 3,120 barrels of oil, 1,912 barrels of NGLs and 8,243 mcf of gas were sold, or

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

6,406 BOEs. For the three months ended September 30, 2000, 3,483 barrels of oil, 1,906 barrels of NGLs and 8,398 mcf of gas were sold, or 6,789 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$5.03, or 16%, from \$31.37 for the three months ended September 30, 2000 to \$26.34 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.77, or 28%, from \$16.82 during the three months ended September 30, 2000 to \$12.05 for the same period in 2001. The average price received per mcf of gas decreased 33% from \$3.23 for the three months ended September 30, 2000 to \$2.15 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$187,813 for the three months ended September 30, 2001 as compared to \$87,724 for the same period in 2000, an increase of \$100,089, or 114%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in G&A.

Production costs were \$88,122 for the three months ended September 30, 2001 and \$70,821 for the same period in 2000, resulting in a \$17,301 increase, or 24%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes, offset by lower production taxes.

During this period, G&A decreased 29% from \$5,054 for the three months ended September 30, 2000 to \$3,611 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$69,944 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$26,136 for the three months ended September 30, 2001 as compared to \$11,849 for the same period in 2000, an increase of \$14,287, or 121%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 resulting from lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decline in oil production of 363 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$48,377 during the nine months ended September 30, 2001 from the same period in 2000. This increase was due to an increase in oil and gas sales receipts of \$1,315, a decline in G&A expenses of \$20 and a reduction in working capital of \$60,676,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

offset by an increase in production costs of \$13,634. The increase in oil and gas receipts resulted from the increase in gas prices during 2001 which contributed an additional \$34,153, offset by \$9,333 resulting from the decline in production and a \$23,505 decline from lower oil and NGL prices received during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to higher ad valorem taxes and additional workover costs incurred to stimulate well production.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities for the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on several oil and gas properties.

Proceeds from asset dispositions of \$6,412 were recognized during the nine months ended September 30, 2000 from equipment credits received on active properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$204,094, of which \$2,041 was distributed to the managing general partner and \$202,053 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$211,749, of which \$2,117 was distributed to the managing general partner and \$209,632 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 85-B, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 85-B, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 8, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRIVATE INVESTMENT 85-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Private Investment 85-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.

(A Texas Limited Partnership)

BALANCE SHEETS

September 30, December 31,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	2001 ----- (Unaudited)	2000 -----
ASSETS		
Current assets:		
Cash	\$ 125,329	\$ 74,084
Accounts receivable - oil and gas sales	46,959	68,251
	-----	-----
Total current assets	172,288	142,335
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	3,111,569	3,399,009
Accumulated depletion	(2,518,408)	(2,780,814)
	-----	-----
Net oil and gas properties	593,161	618,195
	-----	-----
	\$ 765,449	\$ 760,530
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	\$ 19,959	\$ 5,818
Partners' capital:		
Managing general partner	9,865	9,957
Limited partners (125 interests)	735,625	744,755
	-----	-----
	745,490	754,712
	-----	-----
	\$ 765,449	\$ 760,530
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 99,606	\$135,211	\$ 324,211	\$ 372,217

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Interest	877	1,714	3,109	4,367
Gain on disposition of assets	26,885	--	26,885	33,459
	-----	-----	-----	-----
	127,368	136,925	354,205	410,043
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	59,160	38,822	136,145	122,215
General and administrative	1,992	2,704	6,484	7,444
Depletion	10,314	8,735	26,719	28,693
Abandoned property	15,586	--	15,586	7,039
	-----	-----	-----	-----
	87,052	50,261	184,934	165,391
	-----	-----	-----	-----
Net income	\$ 40,316	\$ 86,664	\$ 169,271	\$ 244,652
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 403	\$ 867	\$ 1,693	\$ 2,447
	=====	=====	=====	=====
Limited partners	\$ 39,913	\$ 85,797	\$ 167,578	\$ 242,205
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 319.30	\$ 686.38	\$1,340.62	\$1,937.64
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 9,957	\$ 744,755	\$ 754,712
Distributions	(1,785)	(176,708)	(178,493)
Net income	1,693	167,578	169,271
	-----	-----	-----
Balance at September 30, 2001	\$ 9,865	\$ 735,625	\$ 745,490
	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD. (A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS (Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 169,271	\$ 244,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	26,719	28,693
Gain on disposition of assets	(26,885)	(33,459)
Changes in assets and liabilities:		
Accounts receivable	21,292	(18,440)
Accounts payable	16,096	6,491
	206,493	227,937
Cash flows from investing activities:		
Additions to oil and gas properties	(1,685)	(1,948)
Proceeds from disposition of assets	24,930	41,970
	23,245	40,022
Cash flows used in financing activities:		
Cash distributions to partners	(178,493)	(265,604)
Net increase in cash	51,245	2,355
Cash at beginning of period	74,084	79,497
Cash at end of period	\$ 125,329	\$ 81,852

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.

5

PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD. (A Texas Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

NOTES TO FINANCIAL STATEMENTS September 30, 2001 (Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 85-A, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,418,023 of which \$1,370,151 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 13% to \$324,211 for the nine months ended September 30, 2001 as compared to \$372,217 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

2001, 8,969 barrels of oil, 2,696 barrels of NGLs and 10,709 mcf of gas were sold, or 13,450 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 9,523 barrels of oil, 4,177 barrels of NGLs and 15,122 mcf of gas were sold, or 16,220 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.60, or 6%, from \$29.05 for the nine months ended September 30, 2000 to \$27.45 for the same period in 2001. The average price received per barrel of NGLs decreased \$.58, or 4%, from \$14.64 during the nine months ended September 30, 2000 to \$14.06 for the same period in 2001. The average price received per mcf of gas increased 64% from \$2.28 during the nine months ended September 30, 2000 to \$3.75 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$26,885 and \$33,459 were recognized during the nine months ended September 30, 2001 and 2000, respectively, from salvage income on one well plugged and abandoned during each period. Expenses incurred to plug and abandon these wells were \$15,586 and \$7,039 for the nine months ended September 30, 2001 and 2000, respectively.

Costs and Expenses:

Total costs and expenses increased to \$184,934 for the nine months ended September 30, 2001 as compared to \$165,391 for the same period in 2000, an increase of \$19,543, or 12%. This increase was due to increases in production costs and abandoned property costs, offset by declines in depletion and general and administrative expenses ("G&A").

7

Production costs were \$136,145 for the nine months ended September 30, 2001 and \$122,215 for the same period in 2000, resulting in a \$13,930, or 11%, increase. The increase was primarily the result of additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 13%, from \$7,444 for the nine months ended September 30, 2000 to \$6,484 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$26,719 for the nine months ended September 30, 2001 as compared to \$28,693 for the same period in 2000, a decrease of \$1,974, or 7%. This decrease was the result of a decline in oil production of 554 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 26% to \$99,606 for the three months ended September 30, 2001 as compared to \$135,211 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

average prices received. For the three months ended September 30, 2001, 3,182 barrels of oil, 832 barrels of NGLs and 3,248 mcf of gas were sold, or 4,555 BOEs. For the three months ended September 30, 2000, 3,191 barrels of oil, 1,455 barrels of NGLs and 5,043 mcf of gas were sold, or 5,487 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.82, or 13%, from \$30.39 for the three months ended September 30, 2000 to \$26.57 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.15, or 32%, from \$15.86 during the three months ended September 30, 2000 to \$10.71 for the same period in 2001. The average price received per mcf of gas decreased 37% to \$1.89 during the three months ended September 30, 2001 from \$3.00 during the same period in 2000.

Gain on disposition of assets of \$26,885 was recognized during the three months ended September 30, 2001 from salvage income on one well plugged and abandoned during the current period.

Costs and Expenses:

Total costs and expenses increased to \$87,052 for the three months ended September 30, 2001 as compared to \$50,261 for the same period in 2000, an increase of \$36,791, or 73%. This increase was due to increases in production cost, abandoned property costs and depletion, offset by a decline in G&A.

8

Production costs were \$59,160 for the three months ended September 30, 2001 and \$38,822 for the same period in 2000 resulting in a \$20,338 increase, or 52%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 26%, from \$2,704 for the three months ended September 30, 2000 to \$1,992 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$10,314 for the three months ended September 30, 2001 as compared to \$8,735 for the same period in 2000, an increase of \$1,579, or 18%. This increase was primarily due to a decline in proved reserves due to lower commodity prices for the period ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$21,444 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to increases in production costs of \$13,930 and abandoned property costs of \$8,547 and a reduction in oil and gas receipts of \$49,264, offset by reductions in working capital of \$49,337 and G&A expenses of \$960. The decline in oil and gas receipts resulted from a decline in production of \$52,564 during 2001 as compared to the same period in 2000 and \$17,615 due to lower average prices received for oil and NGLs, offset by an increase in gas prices during 2001 which contributed an additional \$20,915 to oil and gas receipts. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were related to expenditures for equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$24,930 and \$41,970 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds were primarily from salvage income on one well plugged and abandoned during each period.

9

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$178,493, of which \$1,785 was distributed to the managing general partner and \$176,708 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$265,604, of which \$2,656 was distributed to the managing general partner and \$262,948 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
SELECTED 85 PRIVATE INVESTMENT, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Selected 85 Private Investment, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.
(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 76,516	\$ 32,773
Accounts receivable - oil and gas sales	42,922	78,218
	-----	-----
Total current assets	119,438	110,991
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	3,866,940	3,864,140
Accumulated depletion	(3,462,174)	(3,441,568)
	-----	-----
Net oil and gas properties	404,766	422,572
	-----	-----
	\$ 524,204	\$ 533,563
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 19,120	\$ 6,722
Partners' capital:		
Managing general partner	7,674	7,892
Limited partners (117 interests)	497,410	518,949
	-----	-----
	505,084	526,841
	-----	-----
	\$ 524,204	\$ 533,563
	=====	=====

The financial information included as of September 30, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD. (A Texas Limited Partnership)

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 85,502	\$110,199	\$ 334,888	\$ 306,667
Interest	616	1,093	2,164	2,566
Gain on disposition of assets	--	--	2,574	--
	86,118	111,292	339,626	309,233
Costs and expenses:				
Oil and gas production	64,804	39,934	165,977	122,353
General and administrative	1,710	2,204	6,698	6,133
Depletion	5,946	8,104	20,606	24,882
	72,460	50,242	193,281	153,368
Net income	\$ 13,658	\$ 61,050	\$146,345	\$ 155,865
Allocation of net income:				
Managing general partner	\$ 136	\$ 611	\$ 1,463	\$ 1,559
Limited partners	\$ 13,522	\$ 60,439	\$ 144,882	\$ 154,306
Net income per limited partnership interest	\$ 115.57	\$ 516.57	\$1,238.31	\$1,318.85

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.

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 7,892	\$ 518,949	\$ 526,841
Distributions	(1,681)	(166,421)	(168,102)
Net income	1,463	144,882	146,345
	-----	-----	-----
Balance at September 30, 2001	\$ 7,674 =====	\$ 497,410 =====	\$ 505,084 =====

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.

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 146,345	\$ 155,865
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	20,606	24,882
Gain on disposition of assets	(2,574)	--
Changes in assets and liabilities:		
Accounts receivable	35,296	(18,834)
Accounts payable	12,398	3,918

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	-----	-----
Net cash provided by operating activities	212,071	165,831
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(2,800)	(3,186)
Proceeds from disposition of assets	2,574	--
	-----	-----
Net cash used in investing activities	(226)	(3,186)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(168,102)	(159,996)
	-----	-----
Net increase in cash	43,743	2,649
Cash at beginning of period	32,773	39,610
	-----	-----
Cash at end of period	\$ 76,516	\$ 42,259
	=====	=====

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.

5

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Selected 85 Private Investment, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,053,729 of which \$1,025,397 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 9% to \$334,888 for the nine months ended September 30, 2001 as compared to \$306,667 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas and an increase in production, offset by a decline in average prices received for oil and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 7,481 barrels of oil, 4,108 barrels of NGLs and 18,604 mcf of gas were sold, or 14,690 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 6,907 barrels of oil, 4,535 barrels of NGLs and 16,793 mcf of gas were sold, or 14,241 BOEs.

The average price received per barrel of oil decreased \$1.11, or 4%, from \$28.52 for the nine months ended September 30, 2000 to \$27.41 for the same period in 2001. The average price received per barrel of NGLs decreased \$.44, or 3%, from \$15.00 during the nine months ended September 30, 2000 to \$14.56 for the same period in 2001. The average price received per mcf of gas increased 52% from \$2.48 during the nine months ended September 30, 2000 to \$3.76 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$2,574 recognized during the nine months ended September 30, 2001 was due to equipment credits received on one fully depleted well.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$193,281 for the nine months ended September 30, 2001 as compared to \$153,368 for the same period in 2000, an increase of \$39,913 or 26%. This increase was due to higher production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were \$165,977 for the nine months ended September 30, 2001 and \$122,353 for the same period in 2000 resulting in a \$43,624 increase, or 36%. This increase was primarily the result of additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 9%, from \$6,133 for the nine months ended September 30, 2000 to \$6,698 for the same period in 2001, primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of increased oil and gas revenues.

7

Depletion was \$20,606 for the nine months ended September 30, 2001 as compared to \$24,882 for the same period in 2000, a decrease of \$4,276, or 17%. This decrease was the result of a positive revision to proved reserves on significant wells during the period ended September 30, 2001, offset by an increase in oil production of 574 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 22% to \$85,502 for the three months ended September 30, 2001 as compared to \$110,199 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 2,111 barrels of oil, 1,528 barrels of NGLs and 6,002 mcf of gas were sold, or 4,639 BOEs. For the three months ended September 30, 2000, 2,116 barrels of oil, 1,652 barrels of NGLs and 5,735 mcf of gas were sold, or 4,724 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.50, or 15%, from \$30.59 for the three months ended September 30, 2000 to \$26.09 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.80, or 29%, from \$16.53 during the three months ended September 30, 2000 to \$11.73 for the same period in 2001. The average price received per mcf of gas decreased 34% to \$2.08 during the three months ended September 30, 2001 from \$3.17 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$72,460 for the three months ended September 30, 2001 as compared to \$50,242 for the same period in 2000, an increase of \$22,218, or 44%. This increase was due to higher production costs, offset by declines in G&A and depletion.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Production costs were \$64,804 for the three months ended September 30, 2001 and \$39,934 for the same period in 2000 resulting in a \$24,870, or 62%, increase. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

8

During this period, G&A decreased 22%, from \$2,204 for the three months ended September 30, 2000 to \$1,710 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of a decline in oil and gas revenues.

Depletion was \$5,946 for the three months ended September 30, 2001 as compared to \$8,104 for the same period in 2000, a decrease of \$2,158, or 27%. This decrease was the result of a positive revision to proved reserves on significant wells during the period ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$46,240 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$27,819 and a reduction in working capital of \$62,610, offset by increases in production costs of \$43,624 and G&A expenses of \$565. The increase in oil and gas receipts resulted from the increase in gas commodity prices during 2001 which contributed an additional \$21,601 to oil and gas receipts and \$16,332 resulting from an increase in production during 2001 as compared to the same period in 2000, offset by declines in oil and NGL commodity prices of \$10,114. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were for expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$2,574 recognized during the nine months ended September 30, 2001 were due to equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$168,102, of which \$1,681 was distributed to the managing general partner and \$166,421 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$159,996, of which \$1,600 was distributed to the managing general partner and \$158,396 to the limited partners.

9

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 86-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 86-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-3353A

PARKER & PARSLEY 86-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2124884

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS

75039

(Address of principal executive offices)

(Zip code)

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

Not applicable

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(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 [X] NO []

PARKER & PARSLEY 86-A, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements
	Balance Sheets as of September 30, 2001 and December 31, 2000.....
	Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....
	Statement of Partners' Capital for the nine months ended September 30, 2001.....
	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....
	Notes to Financial Statements.....
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....

PART II. OTHER INFORMATION

Item 6.	Exhibits and Reports on Form 8-K.....
	Signatures.....

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 51,388	\$ 46,169
Accounts receivable - oil and gas sales	86,684	150,881
	-----	-----
Total current assets	138,072	197,050
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	7,136,319	7,132,242
Accumulated depletion	(6,744,562)	(6,721,529)
	-----	-----
Net oil and gas properties	391,757	410,713
	-----	-----
	\$ 529,829	\$ 607,763
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 71,721	\$ 12,398
Partners' capital:		
Managing general partner	3,275	4,647
Limited partners (10,131 interests)	454,833	590,718
	-----	-----
	458,108	595,365
	-----	-----
	\$ 529,829	\$ 607,763
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months e September 3	
	2001	2000	2001	
Revenues:				
Oil and gas	\$ 163,429	\$ 280,167	\$ 573,508	\$
Interest	550	1,965	3,148	
Gain on disposition of assets	4,709	1,856	4,709	
	-----	-----	-----	-----
	168,688	283,988	581,365	
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	155,802	89,063	390,610	
General and administrative	4,903	8,405	14,869	
Depletion	9,676	5,634	23,033	
	-----	-----	-----	-----
	170,381	103,102	428,512	
	-----	-----	-----	-----
Net income (loss)	\$ (1,693)	\$ 180,886	\$ 152,853	\$
	=====	=====	=====	=====
Allocation of net income (loss):				
Managing general partner	\$ (16)	\$ 1,809	\$ 1,529	\$
	=====	=====	=====	=====
Limited partners	\$ (1,677)	\$ 179,077	\$ 151,324	\$
	=====	=====	=====	=====
Net income (loss) per limited partnership interest	\$ (.16)	\$ 17.68	\$ 14.94	\$
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 4,647	\$ 590,718	\$ 595,365
Distributions	(2,901)	(287,209)	(290,110)
Net income	1,529	151,324	152,853
	-----	-----	-----
Balance at September 30, 2001	\$ 3,275 =====	\$ 454,833 =====	\$ 458,108 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 152,853	\$ 403,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	23,033	19,528
Gain on disposition of assets	(4,709)	(30,827)
Changes in assets and liabilities:		

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Accounts receivable	64,197	(93,990)
Accounts payable	59,323	8,977
	-----	-----
Net cash provided by operating activities	294,697	307,493
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(4,077)	(3,916)
Proceeds from asset dispositions	4,709	30,827
	-----	-----
Net cash provided by investing activities	632	26,911
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(290,110)	(333,415)
	-----	-----
Net increase in cash	5,219	989
Cash at beginning of period	46,169	76,838
	-----	-----
Cash at end of period	\$ 51,388	\$ 77,827
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 86-A, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,740,131 of which \$1,716,778 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 15% to \$573,508 for the nine months ended September 30, 2001 as compared to \$673,913 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 12,954 barrels of oil, 6,988 barrels of NGLs and 29,064 mcf of gas were sold, or 24,786 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 12,982 barrels of oil, 11,853 barrels of NGLs and 48,604 mcf of gas were sold, or 32,936 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.32, or 5%, from \$28.63 for the nine months ended September 30, 2000 to \$27.31 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$15.23 during the nine months ended September 30, 2000 to \$15.27 for the same period in 2001. The average price received per mcf of gas increased 55% from \$2.51 for the nine months ended September 30, 2000 to \$3.89 for the same period in 2001. The market price for oil and gas has been extremely volatile in the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$4,709 and \$30,827 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 resulted from equipment credits on one fully depleted well. The gain recognized during the same period in 2000 resulted from equipment credits on two fully depleted wells.

Costs and Expenses:

Total costs and expenses increased to \$428,512 for the nine months ended September 30, 2001 as compared to \$305,721 for the same period in 2000, an increase of \$122,791, or 40%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$390,610 for the nine months ended September 30, 2001 and \$265,976 for the same period in 2000 resulting in a \$124,634 increase, or 47%. This increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes, offset by lower production taxes.

8

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 26% from \$20,217 for the nine months ended September 30, 2000 to \$14,869 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$23,033 for the nine months ended September 30, 2001 as compared to \$19,528 for the same period in 2000, representing an increase of \$3,505, or 18%. This increase was the result of a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121") during the fourth quarter of 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 42% to \$163,429 for the three months ended September 30, 2001 as compared to \$280,167 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 4,595 barrels of oil, 2,048 barrels of NGLs and 8,898 mcf of gas were sold, or 8,126 BOEs. For the three months ended September 30, 2000, 3,814 barrels of oil, 5,599 barrels of NGLs and 22,585 mcf of gas were sold, or 13,177 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The average price received per barrel of oil decreased \$4.27, or 14%, from \$30.82 for the three months ended September 30, 2000 to \$26.55 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.69, or 29%, from \$16.39 during the three months ended September 30, 2000 to \$11.70 for the same period in 2001. The average price received per mcf of gas decreased 38% from \$3.14 for the three months ended September 30, 2000 to \$1.96 for the same period in 2001.

Gains on disposition of assets of \$4,709 and \$1,856 were recognized during the three months ended September 30, 2001 and 2000, respectively, resulting from equipment credits on one fully depleted well each year.

Costs and Expenses:

Total costs and expenses increased to \$170,381 for the three months ended September 30, 2001 as compared to \$103,102 for the same period in 2000, an increase of \$67,279, or 65%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

9

Production costs were \$155,802 for the three months ended September 30, 2001 and \$89,063 for the same period in 2000 resulting in a \$66,739 increase, or 75%. This increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes, offset by a decline in production taxes associated with lower average prices.

During this period, G&A decreased 42% from \$8,405 for the three months ended September 30, 2000 to \$4,903 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$9,676 for the three months ended September 30, 2001 as compared to \$5,634 for the same period in 2000, representing an increase of \$4,042, or 72%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices and an increase in oil production of 781 barrels for the three months ended September 30, 2001 as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$12,796 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to a decline in oil and gas sales receipts of \$102,043 and an increase in production costs of \$124,634, offset by decreases of \$208,533 in working capital and \$5,348 in G&A expenses. The decrease in oil and gas receipts resulted from the decrease of \$18,741 in oil prices and a decline in production of \$151,052, offset by an increase of \$67,750 in gas and NGL prices during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and a higher ad valorem taxes, offset by lower production taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$4,709 and \$30,827 received during the nine months ended September 30, 2001 and 2000, respectively, were due to equipment credits received on fully depleted wells.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$290,110, of which \$2,901 was distributed to the managing general partner and \$287,209 to the limited

10

partners. For the same period ended September 30, 2000, cash distributions to the partners were \$333,415, of which \$3,334 was distributed to the managing general partner and \$330,081 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
(b) Reports on Form 8-K - none

12

PARKER & PARSLEY 86-A, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 86-A, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 86-B, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 86-B, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-3353B

PARKER & PARSLEY 86-B, LTD.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Exact name of Registrant as specified in its charter)

TEXAS

75-2140235

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY 86-B, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....
Signatures.....

2

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 421,969	\$ 220,466
Accounts receivable - oil and gas sales	158,545	260,049
	-----	-----
Total current assets	580,514	480,515
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	11,816,863	11,805,173
Accumulated depletion	(10,123,344)	(10,032,733)
	-----	-----
Net oil and gas properties	1,693,519	1,772,440
	-----	-----
	\$ 2,274,033	\$ 2,252,955
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 55,225	\$ 15,305
Partners' capital:		
Managing general partner	20,912	21,100
Limited partners (17,208 interests)	2,197,896	2,216,550

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

-----	-----
2,218,808	2,237,650
-----	-----
\$ 2,274,033	\$ 2,252,955
=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 336,535	\$ 470,780	\$ 1,184,086	\$ 1,445,100
Interest	2,793	5,054	9,699	10,000
Gain on disposition of assets	8,222	1,255	8,222	1,255
	-----	-----	-----	-----
	347,550	477,089	1,202,007	1,466,355
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	191,511	169,022	545,838	545,838
General and administrative	10,173	14,124	35,600	35,600
Depletion	32,039	26,659	90,611	90,611
	-----	-----	-----	-----
	233,723	209,805	672,049	672,049
	-----	-----	-----	-----
Net income	\$ 113,827	\$ 267,284	\$ 529,958	\$ 794,306
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 1,139	\$ 2,673	\$ 5,300	\$ 5,300
	=====	=====	=====	=====
Limited partners	\$ 112,688	\$ 264,611	\$ 524,658	\$ 789,006

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	=====	=====	=====
Net income per limited partnership interest	\$ 6.55	\$ 15.38	\$ 30.49
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 21,100	\$ 2,216,550	\$ 2,237,650
Distributions	(5,488)	(543,312)	(548,800)
Net income	5,300	524,658	529,958
	-----	-----	-----
Balance at September 30, 2001	\$ 20,912	\$ 2,197,896	\$ 2,218,808
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 529,958	\$ 650,968
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	90,611	84,153
Gain on disposition of assets	(8,222)	(3,505)
Changes in assets and liabilities:		
Accounts receivable	101,504	(53,484)
Accounts payable	39,920	22,007
	-----	-----
Net cash provided by operating activities	753,771	700,139
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(11,690)	(19,146)
Proceeds from asset dispositions	8,222	6,101
	-----	-----
Net cash used in investing activities	(3,468)	(13,045)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(548,800)	(655,618)
	-----	-----
Net increase in cash	201,503	31,476
Cash at beginning of period	220,466	206,408
	-----	-----
Cash at end of period	\$ 421,969	\$ 237,884
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 86-B, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$4,004,447 of which \$3,934,914 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 6% to \$1,184,086 for the nine months ended September 30, 2001 as compared to \$1,265,828 for the same period in

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 27,584 barrels of oil, 12,159 barrels of NGLs and 63,389 mcf of gas were sold, or 50,308 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 31,100 barrels of oil, 15,890 barrels of NGLs and 61,540 mcf of gas were sold, or 57,247 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.30, or 5%, from \$28.59 for the nine months ended September 30, 2000 to \$27.29 for the same period in 2001. The average price received per barrel of NGLs increased \$.21, or 1%, from \$14.13 during the nine months ended September 30, 2000 to \$14.34 for the same period in 2001. The average price received per mcf of gas increased 64% from \$2.47 for the nine months ended September 30, 2000 to \$4.05 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$8,222 and \$3,505 were recognized during the nine months ended September 30, 2001 and 2000, respectively, due to equipment credits received on one well each year.

Costs and Expenses:

Total costs and expenses increased to \$672,049 for the nine months ended September 30, 2001 as compared to \$630,814 for the same period in 2000, an increase of \$41,235, or 7%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$545,838 for the nine months ended September 30, 2001 and \$508,686 for the same period in 2000, resulting in a \$37,152 increase, or 7%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 6% from \$37,975 for the nine months ended September 30, 2000 to \$35,600 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$90,611 for the nine months ended September 30, 2001 as compared to \$84,153 for the same period in 2000, representing an increase of \$6,458, or 8%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of ("SFAS 121")

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

during the fourth quarter of 2000 and a decline in oil production of 3,516 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 29% to \$336,535 for the three months ended September 30, 2001 as compared to \$470,780 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 9,183 barrels of oil, 5,009 barrels of NGLs and 20,146 mcf of gas were sold, or 17,550 BOEs. For the three months ended September 30, 2000, 10,509 barrels of oil, 5,484 barrels of NGLs and 20,505 mcf of gas were sold, or 19,411 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.47, or 15%, from \$30.58 for the three months ended September 30, 2000 to \$26.11 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.17, or 27%, from \$15.47 during the three months ended September 30, 2000 to \$11.30 for the same period in 2001. The average price received per mcf of gas decreased 37% from \$3.15 during the three months ended September 30, 2000 to \$1.99 for the same period in 2001.

Gains on disposition of assets of \$8,222 and \$1,255 were recognized during the three months ended September 30, 2001 and 2000, respectively, due to equipment credits received on one well each year.

Costs and Expenses:

Total costs and expenses increased to \$233,723 for the three months ended September 30, 2001 as compared to \$209,805 for the same period in 2000, an increase of \$23,918, or 11%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

9

Production costs were \$191,511 for the three months ended September 30, 2001 and \$169,022 for the same period in 2000, resulting in a \$22,489 increase, or 13%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production taxes.

During this period, G&A decreased 28% from \$14,124 for the three months ended September 30, 2000 to \$10,173 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$32,039 for the three months ended September 30, 2001 as compared to \$26,659 for the same period in 2000, representing an increase of \$5,380, or 20%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

fourth quarter of 2000 and a decline in oil production of 1,326 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$53,632 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction of \$172,901 in working capital and a decrease in G&A expenses of \$2,375, offset by a decrease in oil and gas sales receipts of \$84,492 and an increase in production costs of \$37,152. The decrease in oil and gas receipts resulted from the decrease of \$43,056 in oil prices during 2001 and a decline of \$141,990 in production during 2001 as compared to the same period in 2000, offset by an increase in gas and NGL prices which contributed an additional \$100,554. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of oil and gas equipment on various oil and gas properties.

Proceeds from disposition of assets of \$8,222 and \$6,101 recognized during the nine months ended September 30, 2001 and 2000, respectively, consisted of equipment credits received on one well for the current period in 2001 and for equipment credits received on two wells for the same period in 2000.

10

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$548,800, of which \$5,488 was distributed to the managing general partner and \$543,312 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$655,618, of which \$6,556 was distributed to the managing general partner and \$649,062 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 86-B, LTD.
(A Texas Limited Partnership)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARKER & PARSLEY 86-B, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 86-C, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 86-C, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-3353C

PARKER & PARSLEY 86-C, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

(State or other jurisdiction of
incorporation or organization)

75-2142283

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY 86-C, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....

Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months ended September 30, 2001.....

Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 327,034	\$ 161,347
Accounts receivable - oil and gas sales	168,704	296,462
	-----	-----
Total current assets	495,738	457,809

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	14,605,375	14,598,140
Accumulated depletion	(13,203,284)	(13,107,930)
	-----	-----
Net oil and gas properties	1,402,091	1,490,210
	-----	-----
	\$ 1,897,829	\$ 1,948,019
	=====	=====
 LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 69,772	\$ 30,112
Partners' capital:		
Managing general partner	16,972	17,871
Limited partners (19,317 interests)	1,811,085	1,900,036
	-----	-----
	1,828,057	1,917,907
	-----	-----
	\$ 1,897,829	\$ 1,948,019
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 343,050	\$ 498,725	\$ 1,298,151	\$ 1,354,900
Interest	2,413	4,134	8,865	9,000
	-----	-----	-----	-----
	345,463	502,859	1,307,016	1,363,900

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	237,527	191,243	670,680	639
General and administrative	10,291	14,962	38,944	40
Depletion	34,563	36,399	95,354	116
	-----	-----	-----	-----
	282,381	242,604	804,978	796
	-----	-----	-----	-----
Net income	\$ 63,082	\$ 260,255	\$ 502,038	\$ 568
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 630	\$ 2,603	\$ 5,020	\$ 5
	=====	=====	=====	=====
Limited partners	\$ 62,452	\$ 257,652	\$ 497,018	\$ 562
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 3.23	\$ 13.34	\$ 25.73	\$ 2
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 17,871	\$ 1,900,036	\$ 1,917,907
Distributions	(5,919)	(585,969)	(591,888)
Net income	5,020	497,018	502,038
	-----	-----	-----
Balance at September 30, 2001	\$ 16,972	\$ 1,811,085	\$ 1,828,057
	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 502,038	\$ 568,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	95,354	116,305
Changes in assets and liabilities:		
Accounts receivable	127,758	(68,520)
Accounts payable	39,660	17,830
	-----	-----
Net cash provided by operating activities	764,810	633,777
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(7,546)	(15,594)
Proceeds from asset dispositions	311	--
	-----	-----
Net cash used in investing activities	(7,235)	(15,594)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(591,888)	(586,630)
	-----	-----
Net increase in cash	165,687	31,553
Cash at beginning of period	161,347	142,687
	-----	-----
Cash at end of period	\$ 327,034	\$ 174,240
	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 86-C, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,226,799 of which \$3,184,609 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 4% to \$1,298,151 for the nine months ended September 30, 2001 as compared to \$1,354,998 for the same period in 2000. The decrease in revenues resulted from lower average oil prices received and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 28,869 barrels of oil, 15,766 barrels of NGLs and 74,022 mcf of gas were sold, or 56,972 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 32,036 barrels of oil, 18,405 barrels of NGLs and 72,406 mcf of gas were sold, or 62,509 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.62, or 6%, from \$28.64 for the nine months ended September 30, 2000 to \$27.02 for the same period in 2001. The average price received per barrel of NGLs increased \$.15, or 1%, from \$14.26 during the nine months ended September 30, 2000 to \$14.41 during the same period in 2001. The average price received per mcf of gas increased 62% from \$2.42 during the nine months ended September 30, 2000 to \$3.93 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$804,978 for the nine months ended September 30, 2001 as compared to \$796,670 for the same period in 2000, an increase of \$8,308, or 1%. This increase was due to an increase in production costs, offset by declines in depletion and general and administrative expenses ("G&A").

Production costs were \$670,680 for the nine months ended September 30, 2001 and \$639,715 for the same period in 2000, resulting in a \$30,965, or 5%, increase. This increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decline in workover costs.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 4% from \$40,650 for the nine months ended September 30, 2000 to \$38,944 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$95,354 for the nine months ended September 30, 2001 as compared to \$116,305 for the same period in 2000, representing a decrease of \$20,951, or 18%. This decrease was primarily due to a decline in oil production of 3,167 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$343,050 for the three months ended September 30, 2001 as compared to \$498,725 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 9,466 barrels of oil, 5,097 barrels of NGLs and 19,629 mcf of gas were sold, or 17,835 BOEs. For the three months ended September 30, 2000, 10,398 barrels of oil, 6,403 barrels of NGLs and 26,667 mcf of gas were sold, or 21,246 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.52, or 15%, from \$30.72 for the three months ended September 30, 2000 to \$26.20 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.14, or 27%, from \$15.27 during the three months ended September 30, 2000 to \$11.13 for the same period in 2001. The average price received per mcf of gas decreased 36% from \$3.05 during the three months ended September 30, 2000 to \$1.95 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$282,381 for the three months ended September 30, 2001 as compared to \$242,604 for the same period in 2000, an increase of \$39,777, or 16%. This increase was due to an increase in production costs, offset by declines in G&A and depletion.

Production costs were \$237,527 for the three months ended September 30, 2001 and \$191,243 for the same period in 2000, resulting in a \$46,284 increase, or 24%. This increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 31% from \$14,962 for the three months ended September 30, 2000 to \$10,291 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated as a result of decreased oil and gas revenues.

Depletion was \$34,563 for the three months ended September 30, 2001 as compared to \$36,399 for the same period in 2000, representing a decrease of \$1,836, or 5%. This decrease was primarily attributable to a decline in oil production of 932 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$131,033 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction of \$218,108 in working capital and a decline in G&A expenses of \$1,706, offset by a decrease in oil and gas sales receipts of \$57,816 and an increase in production costs of \$30,965. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues. The decrease in oil and gas receipts resulted from the decrease in oil prices of \$51,763 during 2001 and \$117,265 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in gas and NGL prices of \$111,212 during 2001. The increase in production costs was primarily due to increased ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decline in workover costs.

Net Cash Used in Investing Activities

The Partnership's investment activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of equipment on various oil and gas properties.

Proceeds from asset dispositions of \$311 recognized during the nine months ended September 30, 2001 were from the sale of equipment on one active well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$591,888, of which \$5,919 was distributed to the managing general partner and \$585,969 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$586,630, of which \$5,866 was distributed to the managing general partner and \$580,764 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the

agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 86-C, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 86-C, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRIVATE INVESTMENT 86, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Private Investment 86, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 112,810	\$ 57,176
Accounts receivable - oil and gas sales	62,603	90,053
	-----	-----
Total current assets	175,413	147,229
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	4,035,386	4,032,771
Accumulated depletion	(3,304,576)	(3,261,600)
	-----	-----
Net oil and gas properties	730,810	771,171
	-----	-----
	\$ 906,223	\$ 918,400
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 23,669	\$ 5,165
Partners' capital:		
Managing general partner	9,794	10,101
Limited partners (123 interests)	872,760	903,134
	-----	-----
	882,554	913,235
	-----	-----
	\$ 906,223	\$ 918,400
	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 126,373	\$ 156,441	\$ 432,666	\$ 442,527
Interest	768	1,549	2,881	3,472
	127,141	157,990	435,547	445,999
Costs and expenses:				
Oil and gas production	75,898	60,401	218,176	214,275
General and administrative	2,677	7,554	8,803	13,276
Depletion	14,843	10,787	42,976	37,778
	93,418	78,742	269,955	265,329
Net income	\$ 33,723	\$ 79,248	\$ 165,592	\$ 180,670
Allocation of net income:				
Managing general partner	\$ 337	\$ 793	\$ 1,656	\$ 1,807
Limited partners	\$ 33,386	\$ 78,455	\$ 163,936	\$ 178,863
Net income per limited partnership interest	\$ 271.43	\$ 637.84	\$ 1,332.81	\$ 1,454.17

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

3

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 10,101	\$ 903,134	\$ 913,235
Distributions	(1,963)	(194,310)	(196,273)
Net income	1,656	163,936	165,592
	-----	-----	-----
Balance at September 30, 2001	\$ 9,794 =====	\$ 872,760 =====	\$ 882,554 =====

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

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended September 30,	
----- 2001	----- 2000
-----	-----

Cash flows from operating activities:

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income	\$ 165,592	\$ 180,670
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	42,976	37,778
Changes in assets and liabilities:		
Accounts receivable	27,450	(23,879)
Accounts payable	18,504	10,777
	-----	-----
Net cash provided by operating activities	254,522	205,346
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	(2,615)	(8,921)
Cash flows used in financing activities:		
Cash distributions to partners	(196,273)	(201,071)
	-----	-----
Net increase (decrease) in cash	55,634	(4,646)
Cash at beginning of period	57,176	72,318
	-----	-----
Cash at end of period	\$ 112,810	\$ 67,672
	=====	=====

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.

5

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 86, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2000 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,341,550 of which \$1,328,134 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 2% to \$432,666 for the nine months ended September 30, 2001 as compared to \$442,527 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 9,546 barrels of oil, 4,199 barrels of NGLs and 26,470 mcf of gas were sold, or 18,157 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 10,487 barrels of oil, 5,360 barrels of NGLs and 25,561 mcf of gas were sold, or 20,107 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.40, or 5%, from \$28.66 for the nine months ended September 30, 2000 to \$27.26 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$14.20 during the nine months ended September 30, 2000 to \$14.30 for the same period in 2001. The average price received per mcf of gas increased 65% from \$2.58 during the nine months ended September 30, 2000 to \$4.25 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$269,955 for the nine months ended September 30, 2001 as compared to \$265,329 for the same period in 2000, an increase of \$4,626, or 2%. This increase was due to higher production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$218,176 for the nine months ended September 30, 2001 and \$214,275 for the same period in 2000, resulting in a \$3,901, or 2%, increase. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower workover costs.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 34%, from \$13,276 for the nine months ended September 30, 2000 to \$8,803 for the same period in 2001, primarily due to a lower percentage of the managing general partners' G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

7

Depletion was \$42,976 for the nine months ended September 30, 2001 as compared to \$37,778 for the same period in 2000, an increase of \$5,198, or 14%. This increase was the result of a decline in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 941 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 19% to \$126,373 for the three months ended September 30, 2001 as compared to \$156,441 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 3,218 barrels of oil, 1,745 barrels of NGLs and 8,648 mcf of gas were sold, or 6,404 BOEs. For the three months ended September 30, 2000, 3,262 barrels of oil, 1,792 barrels of NGLs and 8,955 mcf of gas were sold, or 6,547 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.20, or 14%, from \$30.45 for the three months ended September 30, 2000 to \$26.25 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.38, or 28%, from \$15.90 during the three months ended September 30, 2000 to \$11.52 for the same period in 2001. The average price received per mcf of gas decreased 12% to \$2.81 during the three months ended September 30, 2001 from \$3.20 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$93,418 for the three months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2001 as compared to \$78,742 for the same period in 2000, an increase of \$14,676, or 19%. This increase was due to higher production costs and depletion, offset by a decline in G&A.

Production costs were \$75,898 for the three months ended September 30, 2001 and \$60,401 for the same period in 2000, resulting in a \$15,497 increase, or 26%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production.

During this period, G&A decreased 65% from \$7,554 for the three months ended September 30, 2000 to \$2,677 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$14,843 for the three months ended September 30, 2001 as compared to \$10,787 for the same period in 2000, an increase of \$4,056, or 38%. This increase was attributable to a decline in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices.

8

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$49,176 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a decline in G&A expenses of \$4,473 and a reduction in working capital of \$59,056, offset by an increase in production costs of \$3,901 and a decline in oil and gas receipts of \$10,452. The decrease in oil and gas receipts resulted from declines in oil prices of \$15,273 and in production of \$38,389 during 2001 as compared to the same period in 2000, offset by an increase of \$43,210 in gas and NGL prices. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower workover costs. The decrease in G&A was due to a lower percentage of the managing general partner's G&A being allocated (limited to 2% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were related to expenditures for equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$196,273, of which \$1,963 was distributed to the managing general partner and \$194,310 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$201,071, of which \$2,011 was distributed to the managing general partner and \$199,060 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships"

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

9

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-A CONV., LTD.,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 87-A Conv., Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 87-A CONV., LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 87-A CONV., LTD.

(A Texas Limited Partnership)

BALANCE SHEETS

September 30, 2001	December 31, 2000
-----------------------	----------------------

(Unaudited)

ASSETS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Current assets:			
Cash	\$	79,082	\$ 42,044
Accounts receivable - oil and gas sales		36,248	58,386
		-----	-----
Total current assets		115,330	100,430
		-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method			
		2,575,818	2,703,338
Accumulated depletion		(2,262,546)	(2,357,166)
		-----	-----
Net oil and gas properties		313,272	346,172
		-----	-----
	\$	428,602	\$ 446,602
		=====	=====
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Accounts payable - affiliate	\$	8,250	\$ 5,133
Partners' capital:			
Managing general partner		4,206	4,417
Limited partners (3,856 interests)		416,146	437,052
		-----	-----
		420,352	441,469
		-----	-----
	\$	428,602	\$ 446,602
		=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended September 30,		Nine months ended September 30,	
2001	2000	2001	2000
-----	-----	-----	-----
-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Revenues:				
Oil and gas	\$ 70,881	\$ 97,967	\$ 258,166	\$ 279,279
Interest	576	1,064	2,034	2,709
Gain on disposition of assets	2,475	73	8,384	857
	-----	-----	-----	-----
	73,932	99,104	268,584	282,845
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	43,917	37,072	118,732	107,608
General and administrative	2,126	2,939	7,745	8,378
Impairment of oil and gas properties	859	--	859	--
Depletion	17,030	6,412	32,748	19,311
Abandoned property	2,267	--	5,401	--
	-----	-----	-----	-----
	66,199	46,423	165,485	135,297
	-----	-----	-----	-----
Net income	\$ 7,733	\$ 52,681	\$ 103,099	\$ 147,548
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 77	\$ 526	\$ 1,031	\$ 1,475
	=====	=====	=====	=====
Limited partners	\$ 7,656	\$ 52,155	\$ 102,068	\$ 146,073
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 1.99	\$ 13.52	\$ 26.47	\$ 37.88
	=====	=====	=====	=====

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.

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Managing
general Limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	partner -----	partners -----	Total -----
Balance at January 1, 2001	\$ 4,417	\$ 437,052	\$ 441,469
Distributions	(1,242)	(122,974)	(124,216)
Net income	1,031	102,068	103,099
	-----	-----	-----
Balance at September 30, 2001	\$ 4,206 =====	\$ 416,146 =====	\$ 420,352 =====

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

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 103,099	\$ 147,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	859	--
Depletion	32,748	19,311
Gain on disposition of assets	(8,384)	(857)
Changes in assets and liabilities:		
Accounts receivable	22,138	(18,551)
Accounts payable	7,546	4,487
	-----	-----
Net cash provided by operating activities	158,006	151,938
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(1,023)	(1,884)
Proceeds from asset dispositions	4,271	1,029
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net cash provided by (used in) investing activities	3,248	(855)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(124,216)	(158,601)
	-----	-----
Net increase (decrease) in cash	37,038	(7,518)
Cash at beginning of period	42,044	53,265
	-----	-----
Cash at end of period	\$ 79,082	\$ 45,747
	=====	=====

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.

5

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 87-A Conv., Ltd. (the "Partnership") was organized in 1987 as a general partnership under the laws of the State of Texas and was converted to a Texas limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$859 related to its proved oil and gas properties during the nine months ended September 30, 2001.

6

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$779,803 of which \$764,998 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 8% to \$258,166 for the nine months ended September 30, 2001 as compared to \$279,279 for the same period in 2000. The decrease in revenues resulted from a decrease in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30, 2001, 5,727 barrels of oil, 2,969 barrels of NGLs and 14,647 mcf of gas were sold, or 11,137 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 6,428 barrels of oil, 3,690 barrels of NGLs and 16,201 mcf of gas were sold, or 12,818 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.33, or 5%, from \$28.38 for the nine months ended September 30, 2000 to \$27.05 for the same period in 2001. The average price received per barrel of NGLs decreased \$.12, or 1%, from \$15.34 during the nine months ended September 30, 2000 to \$15.22 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.49 during the nine months ended September 30, 2000 to \$3.96 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$8,384 was received during the nine months ended September 30, 2001 from disposal of equipment on three wells plugged and abandoned during the current period. Expenses to plug and abandon these wells were \$5,401. For the nine months ended September 30, 2000, a gain of \$857 was recognized due to equipment credits received on one fully depleted well.

7

Costs and Expenses:

Total costs and expenses increased to \$165,485 for the nine months ended September 30, 2001 as compared to \$135,297 for the same period in 2000, an increase of \$30,188, or 22%. This increase was due to increases in depletion, production costs, abandoned property costs and the impairment of oil and gas properties, offset by a decrease in general and administrative expenses ("G&A").

Production costs were \$118,732 for the nine months ended September 30, 2001 and \$107,608 for the same period in 2000, resulting in an \$11,124 increase, or 10%. The increase was due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 8% from \$8,378 for the nine months ended September 30, 2000 to \$7,745 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$859 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Depletion was \$32,748 for the nine months ended September 30, 2001 as compared to \$19,311 for the same period in 2000, an increase of \$13,437 or 70%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decrease in oil production of 701 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 28% to \$70,881 for the three months ended September 30, 2001 as compared to \$97,967 for the same period in 2000. The decrease in revenues resulted from a decrease in production and lower average prices received. For the three months ended September 30, 2001, 1,899 barrels of oil, 954 barrels of NGLs and 4,302 mcf of gas were sold, or 3,570 BOEs. For the three months ended September 30, 2000, 2,079 barrels of oil, 1,127 barrels of NGLs and 4,826 mcf of gas were sold, or 4,010 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.17, or 14%, from \$30.43 for the three months ended September 30, 2000 to \$26.26 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.92, or 29%, from \$16.96 during the three months ended September 30, 2000 to \$12.04 for the same period in 2001. The average price received per mcf of gas decreased 32% to \$2.21 during the three months ended September 30, 2001 from \$3.25 during the same period in 2000.

Gain on disposition of assets of \$2,475 was received during the three months ended September 30, 2001 from disposal of equipment on three wells plugged and abandoned during the current period. Expenses to plug and abandon these wells were \$2,267. For the same period ended September 30, 2000, a gain of \$73 was recognized on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$66,199 for the three months ended September 30, 2001 as compared to \$46,423 for the same period in 2000, an increase of \$19,776, or 43%. This increase was due to higher depletion, production costs, abandoned property costs and the impairment of oil and gas properties, offset by a decline in G&A.

Production costs were \$43,917 for the three months ended September 30, 2001 and \$37,072 for the same period in 2000, resulting in a \$6,845 increase, or 18%. The increase was primarily due to additional workover costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 28%, from \$2,939 for the three months ended September 30, 2000 to \$2,126 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$859 related to

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

its proved oil and gas properties for the three months ended September 30, 2001.

9

Depletion was \$17,030 for the three months ended September 30, 2001 as compared to \$6,412 for the same period in 2000, an increase of \$10,618, or 166%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 180 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$6,068 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction in working capital of \$43,748 and a decrease in G&A expenses of \$633, offset by a decline in oil and gas sales receipts of \$21,788 and increases in production costs of \$11,124 and abandoned property costs of \$5,401. The decrease in oil and gas receipts resulted from a decline of \$36,096 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$9,552, offset by an increase in gas prices of \$23,860 during 2001. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities for the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$4,271 and \$1,029 were recognized during the nine months ended September 30, 2001 and 2000, respectively. Proceeds recognized during the period in 2001 were due to salvage income received on three wells plugged and abandoned during the current period. Proceeds recognized during the period in 2000 were from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$124,216, of which \$1,242 was distributed to the managing general partner and \$122,974 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$158,601, of which \$1,586 was distributed to the managing general partner and \$157,015 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 87-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-12244-01

PARKER & PARSLEY 87-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2185148

(State or other jurisdiction of
in corporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS

75039

(Address of principal executive offices)

(Zip code)

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

Not applicable

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(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 [X] NO []

PARKER & PARSLEY 87-A, LTD.

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1.	
Financial Statements	
Balance Sheets as of September 30, 2001 and December 31, 2000.....	3
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	4
Statement of Partners' Capital for the nine months ended September 30, 2001.....	5
Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	6
Notes to Financial Statements.....	7
Item 2.	
Management's Discussion and Analysis of Financial Condition and Results of Operations.....	8
PART II. OTHER INFORMATION	
Item 6.	
Exhibits and Reports on Form 8-K.....	12
Signatures.....	13

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 597,301	\$ 321,340
Accounts receivable - oil and gas sales	269,813	435,508
	-----	-----
Total current assets	867,114	756,848
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	19,245,849	20,198,629
Accumulated depletion	(16,905,327)	(17,611,694)
	-----	-----
Net oil and gas properties	2,340,522	2,586,935
	-----	-----
	\$ 3,207,636	\$ 3,343,783
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 60,317	\$ 37,865
Partners' capital:		
Managing general partner	31,446	33,032
Limited partners (28,811 interests)	3,115,873	3,272,886
	-----	-----
	3,147,319	3,305,918
	-----	-----
	\$ 3,207,636	\$ 3,343,783
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 529,630	\$ 732,635	\$1,928,698	\$2,089,7
Interest	4,333	8,101	15,347	20,4
Gain on disposition of assets	18,489	546	62,642	6,4
	552,452	741,282	2,006,687	2,116,5
Costs and expenses:				
Oil and gas production	328,174	277,007	887,189	804,3
General and administrative	15,889	22,375	57,861	62,6
Impairment of oil and gas properties	6,487	--	6,487	
Depletion	127,394	48,184	245,209	144,3
Abandoned property	16,941	--	40,357	
	494,885	347,566	1,237,103	1,011,4
Net income	\$ 57,567	\$ 393,716	\$ 769,584	\$1,105,1
Allocation of net income:				
Managing general partner	\$ 576	\$ 3,937	\$ 7,696	\$ 11,0
Limited partners	\$ 56,991	\$ 389,779	\$ 761,888	\$1,094,0
Net income per limited partnership interest	\$ 1.97	\$ 13.53	\$ 26.44	\$ 37.

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 33,032	\$ 3,272,886	\$ 3,305,918
Distributions	(9,282)	(918,901)	(928,183)
Net income	7,696	761,888	769,584
	-----	-----	-----
Balance at September 30, 2001	\$ 31,446 =====	\$ 3,115,873 =====	\$ 3,147,319 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 769,584	\$ 1,105,111
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	6,487	--
Depletion	245,209	144,393
Gain on disposition of assets	(62,642)	(6,407)
Changes in assets and liabilities:		
Accounts receivable	165,695	(71,516)
Accounts payable	55,540	32,543
	-----	-----
Net cash provided by operating activities	1,179,873	1,204,124
	-----	-----
Cash flows from investing activities:		

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Additions to oil and gas properties	(7,641)	(14,078)
Proceeds from asset dispositions	31,912	7,695
	-----	-----
Net cash provided by (used in) investing activities	24,271	(6,383)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(928,183)	(1,185,023)
	-----	-----
Net increase in cash	275,961	12,718
Cash at beginning of period	321,340	339,531
	-----	-----
Cash at end of period	\$ 597,301	\$ 352,249
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

The accompanying notes are an integral part of these statements.

6

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 87-A, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the

7

risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$6,487 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$5,806,714 of which \$5,713,729 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 8% to \$1,928,698 for the nine months ended September 30, 2001 as compared to \$2,089,710 for the same period in 2000. The decrease in revenues resulted from a decrease in production and declines in average prices received for oil and natural gas liquids ("NGLs"), offset by an increase in average prices received for gas. For the nine months ended September 30, 2001, 42,783 barrels of oil, 22,185 barrels of NGLs and 109,451 mcf of gas were sold, or 83,210 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 48,110 barrels of oil, 27,559 barrels of NGLs and 121,076 mcf of gas were sold, or 95,848 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.33, or 5%, from \$28.38 for the nine months ended September 30, 2000 to \$27.05 for the same period in 2001. The average price received per barrel of NGLs decreased \$.12, or 1%, from \$15.34 during the nine months ended September 30, 2000 to \$15.22 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.49 during the nine months ended September 30, 2000 to \$3.96 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$62,642 was realized during the nine months ended September 30, 2001 from disposal of equipment on three wells plugged and abandoned during the current period.

8

Expenses to plug and abandon these wells were \$40,357. For the nine months ended September 30, 2000, a gain of \$6,407 was recognized due to equipment credits received on a fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$1,237,103 for the nine months ended September 30, 2001 as compared to \$1,011,409 for the same period in 2000, an increase of \$225,694, or 22%. This increase was due to increases in depletion, production costs, abandoned property costs and the impairment of oil and gas properties, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$887,189 for the nine months ended September 30, 2001 and \$804,325 for the same period in 2000, resulting in a \$82,864 increase, or 10%. The increase was primarily due to additional workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 8%, from \$62,691 for the nine months ended September 30, 2000 to \$57,861 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

provision of \$6,487 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$245,209 for the nine months ended September 30, 2001 as compared to \$144,393 for the same period in 2000, representing an increase of \$100,816, or 70%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 5,327 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

9

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 28% to \$529,630 for the three months ended September 30, 2001 as compared to \$732,635 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 14,188 barrels of oil, 7,133 barrels of NGLs and 32,136 mcf of gas were sold, or 26,677 BOEs. For the three months ended September 30, 2000, 15,537 barrels of oil, 8,410 barrels of NGLs and 36,098 mcf of gas were sold, or 29,963 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.17, or 14%, from \$30.43 for the three months ended September 30, 2000 to \$26.26 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.92, or 29%, from \$16.96 during the three months ended September 30, 2000 to \$12.04 for the same period in 2001. The average price received per mcf of gas decreased 32% from \$3.25 during the three months ended September 30, 2000 to \$2.21 for the same period in 2001.

Gain on disposition of assets of \$18,489 was received during the three months ended September 30, 2001 from disposal of equipment on three wells plugged and abandoned during the current period. Expenses to plug and abandon these wells were \$16,941. For the three months ended September 30, 2000, a gain of \$546 was recognized due to equipment credits received on a fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$494,885 for the three months ended September 30, 2001 as compared to \$347,566 for the same period in 2000, an increase of \$147,319, or 42%. This increase was due to increases in depletion, production costs, abandoned property costs and the impairment of oil and gas properties, offset by a decline in G&A.

Production costs were \$328,174 for the three months ended September 30, 2001 and \$277,007 for the same period in 2000, resulting in a \$51,167 increase, or 18%. The increase was primarily due to additional workover costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 29% from \$22,375 for the three months ended September 30, 2000 to \$15,889 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The Partnership recognized a non-cash impairment provision of \$6,487 related to its proved oil and gas properties during the three months ended September 30, 2001.

10

Depletion was \$127,394 for the three months ended September 30, 2001 as compared to \$48,184 for the same period in 2000, representing an increase of \$79,210, or 164%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 1,349 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$24,251 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to a decline in oil and gas sales receipts of \$166,068 and increases in production costs of \$82,864 and abandoned property costs of \$40,357, offset by a decline in G&A expenses of \$4,830 and a reduction in working capital of \$260,208. The decrease in oil and gas receipts resulted from a decline of \$271,960 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$72,334, offset by an increase in gas prices of \$178,226 during 2001. The increase in production costs was primarily due to increased workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

During the nine months ended September 30, 2001 and 2000, the Partnership's principal investing activities were for expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from dispositions of assets of \$31,912 and \$7,695 were recognized during the nine months ended September 30, 2001 and 2000, respectively. Proceeds recognized during the period in 2001 were due to salvage income received on three wells plugged and abandoned during the current period. Proceeds recognized during the period in 2000 were from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$928,183, of which \$9,282 was distributed to the managing general partner and \$918,901 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$1,185,023, of which \$11,850 was distributed to the managing general partner and \$1,173,173 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none.

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 thereunto duly authorized.

PARKER & PARSLEY 87-A, LTD.

By: Pioneer Natural Resources USA, Inc.
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-B CONV., LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 87-B Conv., Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 87-B CONV., LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 87-B CONV., LTD.

(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 104,560	\$ 62,552
Accounts receivable - oil and gas sales	36,130	87,620
	-----	-----
Total current assets	140,690	150,172
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	3,153,597	3,280,150
Accumulated depletion	(2,640,864)	(2,733,516)
	-----	-----
Net oil and gas properties	512,733	546,634
	-----	-----
	\$ 653,423	\$ 696,806
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 13,884	\$ 6,423
Partners' capital:		
Managing general partner	6,380	6,889

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Limited partners (4,919 interests)	633,159	683,494
	-----	-----
	639,539	690,383
	-----	-----
	\$ 653,423	\$ 696,806
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 79,536	\$ 115,607	\$ 282,318	\$ 328,175
Interest	737	1,530	2,850	3,689
Gain on disposition of assets	--	85	5,439	1,004
	-----	-----	-----	-----
	80,273	117,222	290,607	332,868
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	51,842	41,434	143,178	125,900
General and administrative	2,069	3,538	7,341	9,845
Depletion	9,811	9,104	37,707	27,340
Abandoned property	--	--	4,243	--
	-----	-----	-----	-----
	63,722	54,076	192,469	163,085
	-----	-----	-----	-----
Net income	\$ 16,551	\$ 63,146	\$ 98,138	\$ 169,783
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 165	\$ 632	\$ 981	\$ 1,698
	=====	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Limited partners	\$ 16,386	\$ 62,514	\$ 97,157	\$ 168,085
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 3.33	\$ 12.71	\$ 19.75	\$ 34.17
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 6,889	\$ 683,494	\$ 690,383
Distributions	(1,490)	(147,492)	(148,982)
Net income	981	97,157	98,138
	-----	-----	-----
Balance at September 30, 2001	\$ 6,380	\$ 633,159	\$ 639,539
	=====	=====	=====

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

PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 98,138	\$ 169,783
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	37,707	27,340
Gain on disposition of assets	(5,439)	(1,004)
Changes in assets and liabilities:		
Accounts receivable	51,490	(23,187)
Accounts payable	10,331	5,023
	-----	-----
Net cash provided by operating activities	192,227	177,955
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(3,806)	(2,585)
Proceeds from asset dispositions	2,569	1,004
	-----	-----
Net cash used in investing activities	(1,237)	(1,581)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(148,982)	(179,766)
	-----	-----
Net increase (decrease) in cash	42,008	(3,392)
Cash at beginning of period	62,552	71,344
	-----	-----
Cash at end of period	\$ 104,560	\$ 67,952
	=====	=====

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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 87-B Conv., Ltd. (the "Partnership") was organized in 1987 as a general partnership under the laws of the State of Texas and was converted to a Texas limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,032,141 of which \$1,019,742 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

RESULTS OF OPERATIONS

Revenues:

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The Partnership's oil and gas revenues decreased 14% to \$282,318 for the nine months ended September 30, 2001 as compared to \$328,175 for the same period in 2000. The decrease in revenues resulted from a decrease in production and a lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30, 2001, 7,020 barrels of oil, 2,587 barrels of NGLs and 13,006 mcf of gas were sold, or 11,775 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 7,785 barrels of oil, 4,113 barrels of NGLs and 17,194 mcf of gas were sold, or 14,764 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.47, or 5%, from \$28.26 for the nine months ended September 30, 2000 to \$26.79 for the same period in 2001. The average price received per barrel of NGLs decreased \$.43, or 3%, from \$15.88 during the nine months ended September 30, 2000 to \$15.45 for the same period in 2001. The average price received per mcf of gas increased 67% from \$2.50 during the nine months ended September 30, 2000 to \$4.17 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$5,439 was received during the nine months ended September 30, 2001 from disposal of equipment on two wells plugged and abandoned during the current period. Expenses to plug and abandon these wells were \$4,243. For the nine months ended September 30, 2000, a gain on disposition of assets of \$1,004 was recognized due to credits received from the disposal of oil and gas equipment on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$192,469 for the nine months ended September 30, 2001 as compared to \$163,085 for the same period in 2000, an increase of \$29,384, or 18%. This increase was due to increases in production costs, depletion and abandoned property costs, offset by a decrease in general and administrative expenses ("G&A").

7

Production costs were \$143,178 for the nine months ended September 30, 2001 and \$125,900 for the same period in 2000, resulting in a \$17,278 increase, or 14%. The increase was due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 25% from \$9,845 for the nine months ended September 30, 2000 to \$7,341 for the same period in 2001, due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues.

Depletion was \$37,707 for the nine months ended September 30, 2001 as compared to \$27,340 for the same period in 2000, an increase of \$10,367, or 38%. This increase was due to a downward revision to proved reserves during the period

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 765 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$79,536 for the three months ended September 30, 2001 as compared to \$115,607 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 2,192 barrels of oil, 1,025 barrels of NGLs and 4,278 mcf of gas were sold, or 3,930 BOEs. For the three months ended September 30, 2000, 2,477 barrels of oil, 1,275 barrels of NGLs and 5,493 mcf of gas were sold, or 4,668 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.29, or 14%, from \$30.32 for the three months ended September 30, 2000 to \$26.03 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.02, or 28%, from \$17.66 during the three months ended September 30, 2000 to \$12.64 for the same period in 2001. The average price received per mcf of gas decreased 32% to \$2.22 during the three months ended September 30, 2001 from \$3.28 during the same period in 2000.

A gain on disposition of assets of \$85 recognized during the three months ended September 30, 2000 was attributable to credits received from the disposal of oil and gas equipment on one well.

Costs and Expenses:

Total costs and expenses increased to \$63,722 for the three months ended September 30, 2001 as compared to \$54,076 for the same period in 2000, an increase of \$9,646, or 18%. This increase was due to increases in production costs and depletion, offset by a decrease in G&A.

8

Production costs were \$51,842 for the three months ended September 30, 2001 and \$41,434 for the same period in 2000, resulting in an increase of \$10,408, or 25%. The increase was due to higher ad valorem taxes and additional well maintenance and workover costs incurred to stimulate well production.

During this period, G&A decreased 42%, from \$3,538 for the three months ended September 30, 2000 to \$2,069 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$9,811 for the three months ended September 30, 2001 as compared to \$9,104 for the same period in 2000, an increase of \$707, or 8%. This increase was primarily due to a downward revision to proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 285 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$14,272 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$79,985 in working capital and \$2,504 in G&A expenses, offset by a decline in oil and gas sales receipts of \$46,696 and increases in production costs of \$17,278 and abandoned property costs of \$4,243. The decline in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues. The decrease in oil and gas receipts resulted from a decline of \$61,546 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$13,928, offset by an increase in gas prices of \$28,778 during 2001. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$2,569 and \$1,004 were recognized during the nine months ended September 30, 2001 and 2000, respectively. Proceeds recognized during the period in 2001 were due to salvage income received on two wells plugged and abandoned during the current period. Proceeds recognized during the period in 2000 were from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$148,982, of which \$1,490 was distributed to the managing general partner and \$147,492 to the limited

9

partners. For the same period ended September 30, 2000, cash distributions to the partners were \$179,766, of which \$1,798 was distributed to the managing general partner and \$177,968 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-B, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 87-B, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-12244-02

PARKER & PARSLEY 87-B, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2185706

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

requirements for the past 90 days.

YES [X] NO []

PARKER & PARSLEY 87-B, LTD.

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Balance Sheets as of September 30, 2001 and December 31, 2000.....	3
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	4
Statement of Partners' Capital for the nine months ended September 30, 2001.....	5
Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	6
Notes to Financial Statements.....	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	8
PART II. OTHER INFORMATION	
Item 6. Exhibits and Reports on Form 8-K.....	12
Signatures.....	13

2

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 428,731	\$ 257,845
Accounts receivable - oil and gas sales	147,544	357,836
	-----	-----
Total current assets	576,275	615,681
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	12,879,164	13,396,004
Accumulated depletion	(10,784,559)	(11,162,910)
	-----	-----
Net oil and gas properties	2,094,605	2,233,094
	-----	-----
	\$ 2,670,880	\$ 2,848,775
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 55,769	\$ 25,998
Partners' capital:		
Managing general partner	26,080	28,156
Limited partners (20,089 interests)	2,589,031	2,794,621
	-----	-----
	2,615,111	2,822,777
	-----	-----
	\$ 2,670,880	\$ 2,848,775
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 324,818	\$ 472,512	\$1,152,993	\$1,340,625
Interest	3,028	6,245	11,667	15,156
Gain on disposition of assets	--	349	22,214	4,102
	-----	-----	-----	-----
	327,846	479,106	1,186,874	1,359,883
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	211,736	169,247	584,756	514,171
General and administrative	8,445	14,176	29,978	40,219
Depletion	40,142	37,143	154,030	111,659
Abandoned property	--	--	17,332	--
	-----	-----	-----	-----
	260,323	220,566	786,096	666,049
	-----	-----	-----	-----
Net income	\$ 67,523	\$ 258,540	\$ 400,778	\$ 693,834
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 676	\$ 2,585	\$ 4,008	\$ 6,938
	=====	=====	=====	=====
Limited partners	\$ 66,847	\$ 255,955	\$ 396,770	\$ 686,896
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 3.33	\$ 12.74	\$ 19.75	\$ 34.19
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Managing general partner	Limited partners	Total
-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Balance at January 1, 2001	\$ 28,156	\$ 2,794,621	\$ 2,822,777
Distributions	(6,084)	(602,360)	(608,444)
Net income	4,008	396,770	400,778
	-----	-----	-----
Balance at September 30, 2001	\$ 26,080	\$ 2,589,031	\$ 2,615,111
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 400,778	\$ 693,834
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	154,030	111,659
Gain on disposition of assets	(22,214)	(4,102)
Changes in assets and liabilities:		
Accounts receivable	210,292	(63,056)
Accounts payable	41,493	19,767
	-----	-----
Net cash provided by operating activities	784,379	758,102
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(15,541)	(10,558)
Proceeds from asset dispositions	10,492	4,102
	-----	-----
Net cash used in investing activities	(5,049)	(6,456)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(608,444)	(734,154)
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net increase in cash	170,886	17,492
Cash at beginning of period	257,845	262,756
	-----	-----
Cash at end of period	\$ 428,731	\$ 280,248
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 87-B, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Pioneer has valued the Partnership interest at \$4,217,818 of which \$4,166,286 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 14% to \$1,152,993 for the nine months ended September 30, 2001 as compared to \$1,340,625 for the same period in 2000. The decrease in revenues resulted from a decline in production and decreases in the average prices received for oil and natural gas liquids ("NGLs"), offset by a higher average price received for gas. For the nine months ended September 30, 2001, 28,670 barrels of oil, 10,570 barrels of NGLs and 53,125 mcf of gas were sold, or 48,094 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 31,795 barrels of oil, 16,800 barrels of NGLs and 70,245 mcf of gas were sold, or 60,303 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.47, or 5%, from \$28.26 for the nine months ended September 30, 2000 to \$26.79 for the same period in 2001. The average price received per barrel of NGLs decreased \$.43, or 3%, from \$15.88 during the nine months ended September 30, 2000 to \$15.45 for the same period in 2001. The average price received per mcf of gas increased 67% from \$2.50 during the nine months ended September 30, 2000 to \$4.17 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$22,214 was received during the nine months ended September 30, 2001 from disposal of equipment on two wells plugged and abandoned during the current period. Expenses to plug and abandon these wells were \$17,332. For the nine months ended September 30, 2000, a gain on disposition of assets of \$4,102 was recognized due to credits received from the disposal of oil and gas equipment on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$786,096 for the nine months ended September 30, 2001 as compared to \$666,049 for the same period in 2000, an increase of \$120,047, or 18%. This increase was due to increases in production costs, depletion and abandoned property costs, offset by a decrease in general and administrative expenses ("G&A").

8

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Production costs were \$584,756 for the nine months ended September 30, 2001 and \$514,171 for the same period in 2000 resulting in a \$70,585 increase, or 14%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 25% from \$40,219 for the nine months ended September 30, 2000 to \$29,978 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues.

Depletion was \$154,030 for the nine months ended September 30, 2001 as compared to \$111,659 for the same period in 2000, representing an increase of \$42,371, or 38%. This increase was due to a downward revision to proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 3,125 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$324,818 for the three months ended September 30, 2001 as compared to \$472,512 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 8,956 barrels of oil, 4,185 barrels of NGLs and 17,485 mcf of gas were sold, or 16,055 BOEs. For the three months ended September 30, 2000, 10,119 barrels of oil, 5,215 barrels of NGLs and 22,437 mcf of gas were sold, or 19,074 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.29, or 14%, from \$30.32 for the three months ended September 30, 2000 to \$26.03 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.02, or 28%, from \$17.66 during the three months ended September 30, 2000 to \$12.64 for the same period in 2001. The average price received per mcf of gas decreased 32% from \$3.28 during the three months ended September 30, 2000 to \$2.22 for the same period in 2001.

A gain on disposition of assets of \$349, recognized during the three months ended September 30, 2000, was attributable to credits received from the disposal of oil and gas equipment on one well.

Costs and Expenses:

Total costs and expenses increased to \$260,323 for the three months ended September 30, 2001 as compared to \$220,566 for the same period in 2000, an increase of \$39,757, or 18%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$211,736 for the three months ended September 30, 2001 and

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$169,247 for the same period in 2000 resulting in a \$42,489 increase, or 25%. The increase was primarily due to higher ad valorem taxes and additional well maintenance and workover costs incurred to stimulate production.

During this period, G&A decreased 40% from \$14,176 for the three months ended September 30, 2000 to \$8,445 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues.

Depletion was \$40,142 for the three months ended September 30, 2001 as compared to \$37,143 for the same period in 2000, representing an increase of \$2,999, or 8%. This increase was primarily due to a downward revision to proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in production of 1,163 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$26,277 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$295,074 in working capital and \$10,241 in G&A expenses, offset by a decline in oil and gas sales receipts of \$191,121 and increases in production costs of \$70,585 and abandoned property costs of \$17,332. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues. The decrease in oil and gas receipts resulted from a decline of \$251,354 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$57,380, offset by an increase in gas prices of \$117,613 during 2001. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of oil and gas equipment on active properties.

Proceeds from disposition of assets of \$10,492 and \$4,102 were recognized during the nine months ended September 30, 2001 and 2000, respectively. Proceeds recognized during the period in 2001 were due to salvage income received on two wells plugged and abandoned during the current period. Proceeds recognized during the period in 2000 were from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$608,444, of which \$6,084 was distributed to the managing general partner and \$602,360 to the limited

partners. For the same period ended September 30, 2000, cash distributions to the partners were \$734,154, of which \$7,342 was distributed to the managing general partner and \$726,812 to the limited partners.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 87-B, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRODUCING PROPERTIES 87-A, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Producing Properties 87-A, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-11193-1

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2195512

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 282,471	\$ 182,200
Accounts receivable - oil and gas sales	152,062	296,050
	-----	-----
Total current assets	434,533	478,250
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,421,875	5,701,030
Accumulated depletion	(4,812,976)	(5,019,550)
	-----	-----
Net oil and gas properties	608,899	681,480
	-----	-----
	\$ 1,043,432	\$ 1,159,740
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 50,506	\$ 37,240
Partners' capital:		
Managing general partner	11,171	12,460
Limited partners (24,426 interests)	981,755	1,110,030
	-----	-----
	992,926	1,122,500
	-----	-----
	\$ 1,043,432	\$ 1,159,740
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine Se
	2001	2000	2001
Revenues:			
Oil and gas	\$ 245,446	\$ 425,268	\$ 953,45
Interest	2,025	4,409	8,67
Gain (loss) on disposition of assets	15,138	(1,034)	54,37
	-----	-----	-----
	262,609	428,643	1,016,49
	-----	-----	-----
Costs and expenses:			
Oil and gas production	163,515	232,421	497,34
General and administrative	4,632	12,758	28,60
Impairment of oil and gas properties	28,862	--	28,86
Depletion	13,851	19,469	43,73
Abandoned property	15,229	4,038	32,69
	-----	-----	-----
	226,089	268,686	631,23
	-----	-----	-----
Net income	\$ 36,520	\$ 159,957	\$ 385,26
	=====	=====	=====
Allocation of net income:			
Managing general partner	\$ 366	\$ 1,600	\$ 3,85
	=====	=====	=====
Limited partners	\$ 36,154	\$ 158,357	\$ 381,40
	=====	=====	=====
Net income per limited partnership interest	\$ 1.48	\$ 6.49	\$ 15.6
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 12,466	\$ 1,110,038	\$ 1,122,504
Distributions	(5,148)	(509,691)	(514,839)
Net income	3,853	381,408	385,261
	-----	-----	-----
Balance at September 30, 2001	\$ 11,171	\$ 981,755	\$ 992,926
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	-----	-----
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 385,261	\$ 460,282
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	28,862	--

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Depletion	43,732	52,686
Gain on disposition of assets	(54,375)	(23,311)
Changes in assets and liabilities:		
Accounts receivable	143,991	(92,942)
Accounts payable	13,264	7,159
	-----	-----
Net cash provided by operating activities	560,735	403,874
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(3,537)	(829)
Proceeds from asset dispositions	57,906	43,366
	-----	-----
Net cash provided by investing activities	54,369	42,537
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(514,839)	(450,855)
	-----	-----
Net increase (decrease) in cash	100,265	(4,444)
Cash at beginning of period	182,206	170,538
	-----	-----
Cash at end of period	\$ 282,471	\$ 166,094
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Producing Properties 87-A, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

7

provision of \$28,862 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,624,622 of which \$2,589,227 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 15% to \$953,451 for the nine months ended September 30, 2001 as compared to \$1,121,194 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 28,916 barrels of oil, 5,946 barrels of NGLs and 32,901 mcf of gas were sold, or 40,346 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 33,684 barrels of oil, 7,631 barrels of NGLs and 34,418 mcf of gas were sold, or 47,051 BOEs. Of the decrease, 2,155 BOEs are attributable to the fact that on July 1, 2001, the Partnership's revenue and operating expense allocation reverted to 80.808081% from 95.959595% pursuant to the Program agreement governing the Partnership which provides for a reversionary interest of 80.808081% once cumulative distributions equal initial partners' capital ("Reversionary Interest"). Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.48, or 5%, from \$28.33 for the nine months ended September 30, 2000 to \$26.85 for the same period in 2001. The average price received per barrel of NGLs decreased \$.90, or 8%, from \$11.64 during the nine months ended September 30, 2000 to \$10.74 for the same period in 2001. The average price received per mcf of gas increased 52% from \$2.27 during the nine months ended September 30, 2000 to \$3.44 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

8

Gains on disposition of assets of \$54,375 and \$23,311 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 was due to \$45,790 from salvage income on two wells plugged and abandoned in the current period and \$8,585 was primarily due to equipment credits received on fully depleted wells. The gain recognized during the period ended September 30, 2000 was comprised of \$10,858 from equipment credits on one well plugged and abandoned in the current period and \$17,081 salvage income primarily from wells plugged and abandoned during 1999, offset by a \$4,628 loss on the abandonment of two additional wells plugged in the current period. Expenses incurred during the nine months ended September 30, 2001 and 2000 to plug and abandon these wells were \$32,692 and \$17,107, respectively.

Costs and Expenses:

Total costs and expenses decreased to \$631,237 for the nine months ended September 30, 2001 as compared to \$695,781 for the same period in 2000, a decrease of \$64,544, or 9%. This decrease was the result of lower production costs, depletion and general and administrative expenses ("G&A"), offset by increases in the impairment of oil and gas properties and abandoned property costs.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Production costs were \$497,344 for the nine months ended September 30, 2001 and \$592,352 for the same period in 2000, resulting in a \$95,008 decrease, or 16%. The decrease was primarily due to lower workover expenses and well maintenance costs and a 5% decline in lease operating costs and production taxes attributable to the Reversionary Interest change, offset by higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 15%, from \$33,636 for the nine months ended September 30, 2000 to \$28,607 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues and the Reversionary Interest change as noted above.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$28,862 related to its proved oil and gas properties during the nine months ended September 30, 2001.

9

Depletion was \$43,732 for the nine months ended September 30, 2001 as compared to \$52,686 for the same period in 2000, representing a decrease of \$8,954, or 17%. This decrease was the result of a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decline in oil production of 4,768 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 42% to \$245,446 for the three months ended September 30, 2001 as compared to \$425,268 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 8,076 barrels of oil, 2,201 barrels of NGLs and 8,443 mcf of gas were sold, or 11,684 BOEs. For the three months ended September 30, 2000, 11,999 barrels of oil, 2,647 barrels of NGLs and 11,524 mcf of gas were sold, or 16,567 BOEs. Of the decrease, 2,154 BOEs were attributable to the Reversionary Interest change

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

occurring. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.01, or 13%, from \$30.14 for the three months ended September 30, 2000 to \$26.13 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.17, or 26%, from \$12.05 during the three months ended September 30, 2000 to \$8.88 for the same period in 2001. The average price received per mcf of gas decreased 36% from \$2.75 during the three months ended September 30, 2000 to \$1.77 for the same period in 2001.

Gain on disposition of assets of \$15,138 recognized during the three months ended September 30, 2001 consisted of \$11,280 from salvage income received on two wells plugged and abandoned during the current period and \$3,858 from equipment credits on fully depleted wells. Loss on disposition of assets of \$1,034 recognized during the three months ended September 30, 2000 resulted primarily from the loss on the abandonment of two wells plugged during the current period. Expenses incurred during the three months ended September 30, 2001 and 2000 to plug and abandon these wells were \$15,229 and \$4,038, respectively.

Costs and Expenses:

Total costs and expenses decreased to \$226,089 for the three months ended September 30, 2001 as compared to \$268,686 for the same period in 2000, a decrease of \$42,597, or 16%. This decrease was the result of lower production costs, G&A and depletion, offset by increases in the impairment of oil and gas properties and abandoned property costs.

Production costs were \$163,515 for the three months ended September 30, 2001 and \$232,421 for the same period in 2000, resulting in a \$68,906 decrease, or 30%. The decrease was primarily due

10

to lower workover expenses and well maintenance costs and a 14% decline in lease operating costs and production taxes attributable to the Reversionary Interest change, offset by higher ad valorem taxes.

During this period, G&A decreased 64% from \$12,758 for the three months ended September 30, 2000 to \$4,632 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$28,862 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$13,851 for the three months ended September 30, 2001 as compared to \$19,469 for the same period in 2000, representing a decrease of \$5,618, or 29%. This decrease was attributable to a decline in oil production of 3,923 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$156,861 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. The increase was attributable to decreases in production costs of \$95,008, G&A expenses of \$5,029 and working capital of \$243,038, offset by a decrease in oil and gas sales receipts of \$170,629 and an increase in abandoned property costs of \$15,585. The decrease in oil and gas receipts resulted from lower oil and NGL prices during 2001 of \$56,571 and a \$151,359 decline in production and Reversionary Interest change during 2001 as compared to the same period in 2000, offset by an increase of \$37,301 resulting from higher gas prices received. The decrease in production costs was primarily due to lower workover expenses and well maintenance costs and the Reversionary Interest change, offset by higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues and the Reversionary Interest change.

Net Cash Provided by Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of oil and gas equipment on active properties.

Proceeds from disposition of assets of \$57,906 and \$43,366 were received during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period in 2001 were comprised of \$45,790 from salvage income on two wells plugged and abandoned in the current period and \$12,116 from equipment credits received on active wells. The proceeds recognized during the period in 2000 were primarily from equipment credits on wells plugged and abandoned during 2000 and 1999.

11

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$514,839, of which \$5,148 was distributed to the managing general partner and \$509,691 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$450,855, of which \$4,509 was distributed to the managing general partner and \$446,346 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

12

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

13

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY PRODUCING
PROPERTIES 87-A, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

14

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRODUCING PROPERTIES 87-B, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Producing Properties 87-B, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-11193-2

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS

75-2205943

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Balance Sheets as of September 30, 2001 and December 31, 2000.....	3
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	4
Statement of Partners' Capital for the nine months ended September 30, 2001.....	5
Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	6
Notes to Financial Statements.....	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	8
PART II. OTHER INFORMATION	
Item 6. Exhibits and Reports on Form 8-K.....	11
Signatures.....	12

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.
(A Texas Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 102,879	\$ 19,277
Accounts receivable - oil and gas sales	125,462	194,002
	-----	-----
Total current assets	228,341	213,279
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	4,830,091	4,829,203
Accumulated depletion	(4,208,000)	(4,181,937)
	-----	-----
Net oil and gas properties	622,091	647,266
	-----	-----
	\$ 850,432	\$ 860,545
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 33,621	\$ 20,375
Partners' capital:		
Managing general partner	8,427	8,661
Limited partners (12,191 interests)	808,384	831,509
	-----	-----
	816,811	840,170
	-----	-----
	\$ 850,432	\$ 860,545
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 194,104	\$ 252,587	\$ 629,266	\$ 722,124
Interest	743	2,184	2,996	4,720
Gain on disposition of assets	--	--	--	8,294
	-----	-----	-----	-----
	194,847	254,771	632,262	735,138
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	111,923	71,685	321,809	263,814
General and administrative	5,823	7,578	18,878	21,664
Depletion	8,877	10,453	26,063	29,282
	-----	-----	-----	-----
	126,623	89,716	366,750	314,760
	-----	-----	-----	-----
Net income	\$ 68,224	\$ 165,055	\$ 265,512	\$ 420,378
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 682	\$ 1,651	\$ 2,655	\$ 4,204
	=====	=====	=====	=====
Limited partners	\$ 67,542	\$ 163,404	\$ 262,857	\$ 416,174
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 5.54	\$ 13.41	\$ 21.56	\$ 34.14
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 8,661	\$ 831,509	\$ 840,170
Distributions	(2,889)	(285,982)	(288,871)
Net income	2,655	262,857	265,512
	-----	-----	-----
Balance at September 30, 2001	\$ 8,427	\$ 808,384	\$ 816,811
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	----- 2001	----- 2000
Cash flows from operating activities:		
Net income	\$ 265,512	\$ 420,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	26,063	29,000
Gain on disposition of assets	--	(8,000)
Changes in assets and liabilities:		
Accounts receivable	68,540	(37,000)
Accounts payable	13,246	10,000
	-----	-----
Net cash provided by operating activities	373,361	414,000
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas equipment	(2,821)	

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Proceeds from asset dispositions	1,933	13
	-----	-----
Net cash provided by (used in) investing activities	(888)	13
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(288,871)	(430)
	-----	-----
Net increase (decrease) in cash	83,602	(1)
Cash at beginning of period	19,277	21
	-----	-----
Cash at end of period	\$ 102,879	\$ 19
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Producing Properties 87-B, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements for the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,357,795 of which \$2,296,689 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 13% to \$629,266 for the nine months ended September 30, 2001 as compared to \$722,124 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decrease in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 15,371 barrels of oil, 6,486 barrels of NGLs and 31,041 mcf of gas were sold, or 27,031 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 17,798 barrels of oil, 7,883 barrels of NGLs and 37,119 mcf of gas were sold, or 31,868 BOEs. Of the decrease, 1,797 BOEs are attributable to the fact that on April 1, 2000 the Partnership's revenue and operating expense percentage reverted to 80.808081% from 95.959595% pursuant to the Program agreement governing the Partnership which provides for a reversionary interest of 80.808081% once cumulative distributions equal initial partners' capital ("Reversionary Interest"). Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.93, or 7%, from \$28.49 for the nine months ended September 30, 2000 to \$26.56 for the same period in 2001. The average price received per barrel of NGLs decreased \$.47, or 3%, from \$15.80 during the nine months ended September 30, 2000 to \$15.33 for the same period in 2001. The average price received per mcf of gas increased 61% from \$2.44 during the nine months ended September 30, 2000 to \$3.92 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

A gain on disposition of assets of \$8,294 was recognized during the nine months ended September 30, 2000. The gain was due to equipment credits received on one well.

Costs and Expenses:

Total costs and expenses increased to \$366,750 for the nine months ended September 30, 2001 as compared to \$314,760 for the same period in 2000, an increase of \$51,990, or 17%. This increase was due to an increase in production costs, offset by declines in depletion and general and administrative expenses ("G&A").

Production costs were \$321,809 for the nine months ended September 30, 2001 and \$263,814 for the same period in 2000, resulting in \$57,995 increase, or 22%. The increase in production costs resulted from additional well maintenance costs incurred to stimulate well production and higher ad

8

valorem taxes, offset by an 8% decline in lease operating costs and production taxes attributable to the Reversionary Interest occurring.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 13% from \$21,664 for the nine months ended September 30, 2000 to \$18,878 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$26,063 for the nine months ended September 30, 2001 as compared to \$29,282 for the same period in 2000, representing a decrease in depletion of \$3,219, or 11%. This decrease was the result of a decline in oil production of 2,427 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 23% to \$194,104 for the three months ended September 30, 2001 as compared to \$252,587 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 5,107 barrels of oil, 2,698 barrels of NGLs and 11,560 mcf of gas were sold, or 9,732 BOEs. For the three months ended September 30, 2000, 5,836 barrels of oil, 2,454 barrels of NGLs and 10,989 mcf of gas were sold, or 10,122 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.69, or 12% from \$29.58 for the three months ended September 30, 2000 to \$25.89 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.05, or 28%, from \$17.98 during the three months ended September 30, 2000 to \$12.93 for the same period in 2001. The average price received per mcf of gas decreased 29% from \$3.26 during the three months ended September 30, 2000 to \$2.33 for the same period in 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$126,623 for the three months ended September 30, 2001 as compared to \$89,716 for the same period in 2000, an increase of \$36,907, or 41%. This increase was due to an increase in production costs, offset by declines in G&A and depletion.

Production costs were \$111,923 for the three months ended September 30, 2001 and \$71,685 for the same period in 2000, resulting in a \$40,238 increase, or 56%. The increase was the result of additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

9

During this period, G&A decreased 23% from \$7,578 for the three months ended September 30, 2000 to \$5,823 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$8,877 for the three months ended September 30, 2001 as compared to \$10,453 for the same period in 2000, representing a decrease in depletion of \$1,576, or 15%. This decrease was attributable to a decrease in oil production of 729 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$41,313 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This decrease was due to a reduction of \$94,582 in oil and gas sales receipts and an increase of \$57,995 in production costs, offset by a \$2,786 decline in G&A expenses and a reduction of \$108,478 in working capital. The decrease in oil and gas receipts resulted from a decline of \$109,686 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$38,135, offset by an increase in gas prices of \$53,239 during 2001. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes, offset by the Reversionary Interest charge. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 were related to upgrades of equipment on various active oil and gas properties.

Proceeds from disposition of assets of \$1,933 and \$13,943 were recognized for the nine months ended September 30, 2001 and 2000, respectively. The proceeds were primarily from equipment credits on fully depleted wells.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$288,871, of which \$2,889 was distributed to the managing general partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

and \$285,982 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$430,530 of which \$4,305 was distributed to the managing general partner and \$426,225 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into

10

Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(b) Reports on Form 8-K - none

11

PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.
(A Texas Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY PRODUCING
PROPERTIES 87-B, LTD.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRIVATE INVESTMENT 87, LTD.,
A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

 THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Private Investment 87, Ltd. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.

(A Texas Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.

(A Texas Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 248,152	\$ 94,943
Accounts receivable - oil and gas sales	75,206	169,256
	-----	-----
Total current assets	323,358	264,199

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Oil and gas properties - at cost, based on the successful efforts accounting method	7,226,978	7,234,802
Accumulated depletion	(6,056,827)	(5,959,961)
	-----	-----
Net oil and gas properties	1,170,151	1,274,841
	-----	-----
	\$ 1,493,509	\$ 1,539,040
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 42,619	\$ 14,344
Partners' capital:		
Managing general partner	14,264	15,002
Limited partners (262 interests)	1,436,626	1,509,694
	-----	-----
	1,450,890	1,524,696
	-----	-----
	\$ 1,493,509	\$ 1,539,040
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$232,379	\$285,189	\$ 794,655	\$ 735,244
Interest	1,705	3,372	5,794	7,991
Gain on disposition of assets	208	--	208	15,200
	-----	-----	-----	-----
	234,292	288,561	800,657	758,435
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and expenses:				
Oil and gas production	131,299	94,808	353,572	296,303
General and administrative	6,042	8,555	20,661	22,057
Impairment of oil and gas properties	22,836	--	22,836	--
Depletion	28,521	21,207	74,030	60,458
	-----	-----	-----	-----
	188,698	124,570	471,099	378,818
	-----	-----	-----	-----
Net income	\$ 45,594	\$163,991	\$ 329,558	\$ 379,617
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 456	\$ 1,640	\$ 3,296	\$ 3,796
	=====	=====	=====	=====
Limited partners	\$ 45,138	\$162,351	\$ 326,262	\$ 375,821
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 172.28	\$ 619.66	\$1,245.27	\$1,434.43
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.
(A Texas Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 15,002	\$ 1,509,694	\$ 1,524,696
Distributions	(4,034)	(399,330)	(403,364)
Net income	3,296	326,262	329,558
	-----	-----	-----
Balance at September 30, 2001	\$ 14,264	\$ 1,436,626	\$ 1,450,890
	=====	=====	=====

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

4

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 329,558	\$ 379,617
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	22,836	--
Depletion	74,030	60,458
Gain on disposition of assets	(208)	(15,200)
Changes in assets and liabilities:		
Accounts receivable	94,050	(46,960)
Accounts payable	28,275	15,697
	548,541	393,612
Cash flows from investing activities:		
Additions to oil and gas properties	(5,884)	(8,504)
Proceeds from asset dispositions	13,916	25,096
	8,032	16,592
Cash flows used in financing activities:		
Cash distributions to partners	(403,364)	(422,116)
Net increase (decrease) in cash	153,209	(11,912)
Cash at beginning of period	94,943	134,914
Cash at end of period	\$ 248,152	\$ 123,002

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.

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 87, Ltd. (the "Partnership") was organized in 1987 as a general partnership under the laws of the State of Texas and was converted to a Texas limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

provision of \$22,836 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,626,123 of which \$2,599,862 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 8% to \$794,655 for the nine months ended September 30, 2001 as compared to \$735,244 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas and natural gas liquids ("NGLs") and an increase in production, offset by a decline in average prices received for oil. For the nine months ended September 30, 2001, 19,215 barrels of oil, 8,374 barrels of NGLs and 39,952 mcf of gas were sold, or 34,248 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 17,753 barrels of oil, 8,434 barrels of NGLs and 35,841 mcf of gas were sold, or 32,161 BOEs.

The average price received per barrel of oil decreased \$2.42, or 8%, from \$29.00 for the nine months ended September 30, 2000 to \$26.58 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$15.17 during the nine months ended September 30, 2000 to \$15.22 for the same period in 2001. The average price received per mcf of gas increased 52% from \$2.58 during the nine months ended September 30, 2000 to \$3.92 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$208 and \$15,200 were recognized during the nine months ended September 30, 2001 and 2000, respectively, resulting from salvage income received on two wells plugged and abandoned in a prior year.

7

Costs and Expenses:

Total costs and expenses increased to \$471,099 for the nine months ended September 30, 2001 as compared to \$378,818 for the same period in 2000, an increase of \$92,281, or 24%. This increase was due to increases in production

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

costs, the impairment of oil and gas properties and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$353,572 for the nine months ended September 30, 2001 and \$296,303 for the same period in 2000, resulting in a \$57,269 increase, or 19%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 6%, from \$22,057 for the nine months ended September 30, 2000 to \$20,661 for the same period in 2001.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$22,836 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$74,030 for the nine months ended September 30, 2001 as compared to \$60,458 for the same period in 2000, an increase of \$13,572, or 22%. This increase was due to an increase in oil production of 1,462 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 19% to \$232,379 for the three months ended September 30, 2001 as compared to \$285,189 for the same period in 2000. The decrease in revenues resulted from lower average prices received, offset by an increase in production. For the three months ended September 30, 2001, 6,115 barrels of oil, 3,333 barrels of NGLs and 14,196 mcf of gas were sold, or 11,814 BOEs. For the three months ended September 30, 2000, 6,605 barrels of oil, 2,676 barrels of NGLs and 11,945 mcf of gas were sold, or 11,272 BOEs.

The average price received per barrel of oil decreased \$4.75, or 16%, from \$30.40 for the three months ended September 30, 2000 to \$25.65 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.30, or 25%, from \$16.96 during the three months ended September 30, 2000 to \$12.66 for the same period in 2001. The average price received per mcf of gas decreased 28% to \$2.35 during the three months ended September 30, 2001 from \$3.26 during the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Gain on disposition of assets of \$208 was recognized during the three months ended September 30, 2001 resulting from salvage income received on one well plugged and abandoned in a prior year.

Costs and Expenses:

Total costs and expenses increased to \$188,698 for the three months ended September 30, 2001 as compared to \$124,570 for the same period in 2000, an increase of \$64,128, or 51%. This increase was due to increases in production costs, the impairment of oil and gas properties and depletion, offset by a decline in G&A.

Production costs were \$131,299 for the three months ended September 30, 2001 and \$94,808 for the same period in 2000, resulting in a \$36,491 increase, or 38%. This increase was due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 29%, from \$8,555 for the three months ended September 30, 2000 to \$6,042 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$22,836 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$28,521 for the three months ended September 30, 2001 as compared to \$21,207 for the same period in 2000, an increase of \$7,314, or 34%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices,

9

offset by a decline in oil production of 490 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$154,929 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$57,214 and reductions in working capital of \$153,588 and G&A expenses of \$1,396, offset by increases in production costs of \$57,269. The increase in oil and gas receipts resulted from an increase in gas and NGL prices during 2001 which contributed an additional \$48,265 to oil and gas receipts and \$54,048 resulting from the increase in production during 2001 as compared to the same period in 2000, offset by a decline of \$45,099 due to decreased oil prices during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and increased ad valorem taxes.

Net Cash Provided by Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were for expenditures related to oil and gas equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$13,916 and \$25,096 were recognized during

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period in 2001 consisted of \$13,708 in equipment credits on one fully depleted well and \$208 in salvage income on one well plugged and abandoned in a prior year. The proceeds recognized during the period in 2000 were from salvage income received on two wells plugged and abandoned in a prior year.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$403,364, of which \$4,034 was distributed to the managing general partner and \$399,330 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$422,116, of which \$4,221 was distributed to the managing general partner and \$417,895 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

10

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-A CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 88-A Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 88-A CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 88-A CONV., L.P.
(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 105,513	\$ 54,706
Accounts receivable - oil and gas sales	37,665	65,812
	-----	-----
Total current assets	143,178	120,518
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	2,966,854	2,964,986
Accumulated depletion	(2,547,573)	(2,502,477)
	-----	-----
Net oil and gas properties	419,281	462,509
	-----	-----
	\$ 562,459	\$ 583,027
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable-affiliate	\$ 15,550	\$ 5,544
Partners' capital:		
Managing general partner	5,541	5,847
Limited partners (3,793 interests)	541,368	571,636
	-----	-----
	546,909	577,483
	-----	-----
	\$ 562,459	\$ 583,027
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 88-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 81,958	\$118,404	\$308,009	\$305,534
Interest	707	1,336	2,642	3,334
Gain on disposition of assets	--	--	--	76
	-----	-----	-----	-----
	82,665	119,740	310,651	308,944
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	42,940	38,155	129,012	121,722
General and administrative	2,458	3,552	9,240	9,166
Impairment of oil and gas properties	15,533	--	15,533	--
Depletion	10,463	9,046	29,563	23,373
	-----	-----	-----	-----
	71,394	50,753	183,348	154,261
	-----	-----	-----	-----
Net income	\$ 11,271	\$ 68,987	\$127,303	\$154,683
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 113	\$ 690	\$ 1,273	\$ 1,547
	=====	=====	=====	=====
Limited partners	\$ 11,158	\$ 68,297	\$126,030	\$153,136
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 2.94	\$ 18.00	\$ 33.23	\$ 40.37
	=====	=====	=====	=====

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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 88-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 5,847	\$ 571,636	\$ 577,483
Distributions	(1,579)	(156,298)	(157,877)
Net income	1,273	126,030	127,303
	-----	-----	-----
Balance at September 30, 2001	\$ 5,541	\$ 541,368	\$ 546,909
	=====	=====	=====

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

PARKER & PARSLEY 88-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 127,303	\$ 154,683
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	15,533	--
Depletion	29,563	23,373
Gain on disposition of assets	--	(76)
Changes in assets and liabilities:		
Accounts receivable	28,147	(10,858)
Accounts payable	10,006	6,579
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net cash provided by operating activities	210,552	173,701
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(1,868)	(2,809)
Proceeds from asset dispositions	--	76
	-----	-----
Net cash used in investing activities	(1,868)	(2,733)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(157,877)	(174,206)
	-----	-----
Net increase (decrease) in cash	50,807	(3,238)
Cash at beginning of period	54,706	66,104
	-----	-----
Cash at end of period	\$ 105,513	\$ 62,866
	=====	=====

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.

5

PARKER & PARSLEY 88-A CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 88-A Conv., L.P. (the "Partnership") was organized in 1988 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$15,533 related to its proved oil and gas properties during the nine months ended September 30, 2001.

6

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$944,717 of which \$922,941 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 1% to \$308,009 for the nine months ended September 30, 2001 as compared to \$305,534 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas, offset by lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production. For the nine months ended September 30, 2001, 7,396 barrels of oil, 3,051 barrels of NGLs and 19,219 mcf of gas were sold, or 13,650 barrel of oil equivalents ("BOEs"). For the nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2000, 7,212 barrels of oil, 4,010 barrels of NGLs and 16,705 mcf of gas were sold, or 14,006 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.98, or 7%, from \$28.30 for the nine months ended September 30, 2000 to \$26.32 for the same period in 2001. The average price received per barrel of NGLs decreased \$.25, or 2%, from \$14.48 during the nine months ended September 30, 2000 to \$14.23 for the same period in 2001. The average price received per mcf of gas increased 39% from \$2.62 for the nine months ended September 30, 2000 to \$3.64 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$76 was recognized during the nine months ended September 30, 2000 resulting from equipment credits received on one fully depleted well.

7

Costs and Expenses:

Total costs and expenses increased to \$183,348 for the nine months ended September 30, 2001 as compared to \$154,261 for the same period in 2000, an increase of \$29,087, or 19%. This increase was due to increases in the impairment of oil and gas properties, production costs, depletion and general and administrative expenses ("G&A").

Production costs were \$129,012 for the nine months ended September 30, 2001 and \$121,722 for the same period in 2000, resulting in a \$7,290 increase, or 6%. This increase was due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower workover costs.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 1% from \$9,166 for the nine months ended September 30, 2000 to \$9,240 for the same period in 2001, primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$15,533 related to its proved oil and gas properties during the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

nine months ended September 30, 2001.

Depletion was \$29,563 for the nine months ended September 30, 2001 as compared to \$23,373 for the same period in 2000, an increase of \$6,190, or 26%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices for the nine months ended September 30, 2001 as compared to the same period in 2000 and an increase in oil production of 184 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$81,958 for the three months ended September 30, 2001 as compared to \$118,404 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 2,251 barrels of oil, 1,170 barrels of NGLs and 5,156 mcf of gas were sold, or 4,280 BOEs. For the three months ended September 30, 2000, 2,799 barrels of oil, 1,265 barrels of NGLs and 6,005 mcf of gas were sold, or 5,065 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.83, or 7%, from \$27.98 for the three months ended September 30, 2000 to \$26.15 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.85, or 30%, from \$15.92 during the three months ended September 30, 2000 to \$11.07 for the same period in 2001. The average price received per mcf of gas decreased 41% to \$1.98 during the three months ended September 30, 2001 from \$3.38 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$71,394 for the three months ended September 30, 2001 as compared to \$50,753 for the same period in 2000, an increase of \$20,641, or 41%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in G&A.

Production costs were \$42,940 for the three months ended September 30, 2001 and \$38,155 for the same period in 2000 resulting in a \$4,785 increase, or 13%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production taxes.

During this period, G&A decreased 31% from \$3,552 for the three months ended September 30, 2000 to \$2,458 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$15,533 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$10,463 for the three months ended September 30, 2001 as compared

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

to \$9,046 for the same period in 2000, an increase in depletion of \$1,417, or 16%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decrease in oil production of 548 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

9

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$36,851 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in sales receipts of \$1,783 and a reduction in working capital of \$42,432, offset by increases in production costs of \$7,290 and G&A expenses of \$74. The increase in oil and gas receipts resulted from an increase of \$17,129 in average prices received for gas and \$358 resulted from the increase in production during 2001 as compared to the same period in 2000, offset by a decrease of \$15,704 in average prices received for oil and NGLs during 2001. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower workover costs. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were related to expenditures for equipment upgrades on various oil and gas properties.

Proceeds of \$76 recognized during the nine months ended September 30, 2000 were from equipment credits on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$157,877, of which \$1,579 was distributed to the managing general partner and \$156,298 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$174,206, of which \$1,742 was distributed to the managing general partner and \$172,464 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the

10

agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-A, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker &

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Parsley 88-A, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-19659-01

PARKER & PARSLEY 88-A, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2225738

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES /X/ NO / /

PARKER & PARSLEY 88-A, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....

Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months ended September 30, 2001.....

Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 367,261	\$ 193,491
Accounts receivable - oil and gas sales	128,453	224,465
	-----	-----
Total current assets	495,714	417,956
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	10,117,650	10,111,281
Accumulated depletion	(8,688,082)	(8,534,409)
	-----	-----
Net oil and gas properties	1,429,568	1,576,872
	-----	-----
	\$ 1,925,282	\$ 1,994,828
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 53,099	\$ 18,724
Partners' capital:		
Managing general partner	18,964	20,003
Limited partners (12,935 interests)	1,853,219	1,956,101
	-----	-----
	1,872,183	1,976,104
	-----	-----
	\$ 1,925,282	\$ 1,994,828
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine m Sept
	2001	2000	2001
Revenues:			
Oil and gas	\$ 279,405	\$ 404,891	\$ 1,050,356
Interest	2,482	4,613	9,266
Gain on disposition of assets	--	--	--
	281,887	409,504	1,059,622
Costs and expenses:			
Oil and gas production	146,434	130,098	439,961
General and administrative	8,383	12,147	31,511
Impairment of oil and gas properties	52,901	--	52,901
Depletion	35,751	30,877	100,772
	243,469	173,122	625,145
Net income	\$ 38,418	\$ 236,382	\$ 434,477
Allocation of net income:			
Managing general partner	\$ 384	\$ 2,364	\$ 4,345
Limited partners	\$ 38,034	\$ 234,018	\$ 430,132
Net income per limited partnership interest	\$ 2.94	\$ 18.09	\$ 33.25

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 20,003	\$ 1,956,101	\$ 1,976,104
Distributions	(5,384)	(533,014)	(538,398)
Net income	4,345	430,132	434,477
	-----	-----	-----
Balance at September 30, 2001	\$ 18,964	\$ 1,853,219	\$ 1,872,183
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	----- 2001 -----	----- 2000 -----
Cash flows from operating activities:		
Net income	\$ 434,477	\$ 528,899
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	52,901	--
Depletion	100,772	79,675
Gain on disposition of assets	--	(259)
Changes in assets and liabilities:		
Accounts receivable	96,012	(21,329)
Accounts payable	34,375	22,103
	-----	-----
Net cash provided by operating activities	718,537	609,089

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows from investing activities:		
Additions to oil and gas properties	(6,369)	(9,580)
Proceeds from asset dispositions	--	259
	-----	-----
Net cash used in investing activities	(6,369)	(9,321)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(538,398)	(594,086)
	-----	-----
Net increase in cash	173,770	5,682
Cash at beginning of period	193,491	215,801
	-----	-----
Cash at end of period	\$ 367,261	\$ 221,483
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 88-A, L.P. (the "Partnership") is a limited partnership organized in 1988 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

7

provision of \$52,901 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,228,907 of which \$3,153,865 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 1% to \$1,050,356 for the nine months ended September 30, 2001 as compared to \$1,043,026 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas, offset by lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production. For the nine months ended September 30,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

2001, 25,222 barrels of oil, 10,396 barrels of NGLs and 65,563 mcf of gas were sold, or 46,545 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 24,596 barrels of oil, 13,677 barrels of NGLs and 56,955 mcf of gas were sold, or 47,766 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.98, or 7%, from \$28.30 for the nine months ended September 30, 2000 to \$26.32 for the same period in 2001. The average price received per barrel of NGLs decreased \$.25, or 2%, from \$14.48 during the nine months ended September 30, 2000 to \$14.23 for the same period in 2001. The average price received per mcf of gas increased 39% from \$2.62 during the nine months ended September 30, 2000 to \$3.64 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$259 was recognized during the nine months ended September 30, 2000 resulting from equipment credits received on one well.

8

Costs and Expenses:

Total costs and expenses increased to \$625,145 for the nine months ended September 30, 2001 as compared to \$526,077 for the same period in 2000, an increase of \$99,068, or 19%. This increase was due to increases in the impairment of oil and gas properties, production costs, depletion and general and administrative expenses ("G&A").

Production costs were \$439,961 for the nine months ended September 30, 2001 and \$415,111 for the same period in 2000 resulting in an increase of \$24,850, or 6%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decrease in workover costs.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 1%, from \$31,291 for the nine months ended September 30, 2000 to \$31,511 for the same period in 2001, primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$52,901 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$100,772 for the nine months ended September 30, 2001 as compared to \$79,675 for the same period in 2000, representing an increase of \$21,097, or 26%. This increase was the result of a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices and an increase in oil production of 626 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$279,405 for the three months ended September 30, 2001 as compared to \$404,891 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months

9

ended September 30, 2001, 7,667 barrels of oil, 3,981 barrels of NGLs and 17,597 mcf of gas were sold, or 14,581 BOEs. For the three months ended September 30, 2000, 9,541 barrels of oil, 4,325 barrels of NGLs and 20,466 mcf of gas were sold, or 17,277 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.83, or 7%, from \$27.98 for the three months ended September 30, 2000 to \$26.15 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.85, or 30%, from \$15.92 during the three months ended September 30, 2000 to \$11.07 for the same period in 2001. The average price received per mcf of gas decreased 41% from \$3.38 during the three months ended September 30, 2000 to \$1.98 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$243,469 for the three months ended September 30, 2001 as compared to \$173,122 for the same period in 2000, an increase of \$70,347, or 41%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decrease in G&A.

Production costs were \$146,434 for the three months ended September 30, 2001 and \$130,098 for the same period in 2000, resulting in a \$16,336 increase, or 13%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decline in production taxes.

During this period, G&A decreased 31% from \$12,147 for the three months ended September 30, 2000 to \$8,383 for the same period in 2001, due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The Partnership recognized a non-cash impairment provision of \$52,901 related to its proved oil and gas properties during the period ended September 30, 2001.

Depletion was \$35,751 for the three months ended September 30, 2001 as compared to \$30,877 for the same period in 2000, representing an increase of \$4,874, or 16%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 compared to the same period in 2000 as a result of lower commodity prices, offset by a decrease in oil production of 1,874 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$109,448 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$4,905 and a reduction of \$129,613 in working capital, offset

10

by increases in production costs of \$24,850 and G&A expenses of \$220. The increase in revenue receipts resulted from increases in gas prices of \$58,271 and \$47,798 resulting from an increase in oil and gas production during 2001 as compared to the same period in 2000, offset by decreases of \$54,476 in oil and NGL prices and \$46,688 in NGL production. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decrease in workover costs. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$259 received during the nine months ended September 30, 2000 were due to equipment credits received on one well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$538,398, of which \$5,384 was distributed to the managing general partner and \$533,014 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$594,086, of which \$5,941 was distributed to the managing general partner and \$588,145 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

11

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 thereunto duly authorized.

PARKER & PARSLEY 88-A, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-B CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 88-B Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 88-B CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 88-B CONV., L.P.

(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 129,543	\$ 58,050
Accounts receivable - oil and gas sales	43,474	80,619
	-----	-----
Total current assets	173,017	138,669
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	2,751,252	2,824,029
Accumulated depletion	(2,391,169)	(2,424,313)
	-----	-----
Net oil and gas properties	360,083	399,716
	-----	-----
	\$ 533,100	\$ 538,385
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Current liabilities:

Accounts payable - affiliate	\$ 19,250	\$ 6,684
------------------------------	-----------	----------

Partners' capital:

Managing general partner	5,129	5,308
Limited partners (3,636 interests)	508,721	526,393
	-----	-----
	513,850	531,701
	-----	-----
	\$ 533,100	\$ 538,385
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY 88-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$105,325	\$143,104	\$354,526	\$383,160
Interest	775	1,466	2,757	3,544
Gain on disposition of assets	--	2,886	3,190	6,478
	-----	-----	-----	-----
	106,100	147,456	360,473	393,182
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	54,225	46,350	148,819	129,611
General and administrative	2,679	4,293	8,909	11,495
Impairment of oil and gas properties	14,234	--	14,234	--
Depletion	12,704	6,631	27,619	21,046
Abandoned property	6	3,340	4,165	3,340
	-----	-----	-----	-----
	83,848	60,614	203,746	165,492
	-----	-----	-----	-----
Net income	\$ 22,252	\$ 86,842	\$156,727	\$227,690
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 222	\$ 869	\$ 1,567	\$ 2,277
	=====	=====	=====	=====
Limited partners	\$ 22,030	\$ 85,973	\$155,160	\$225,413
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 6.06	\$ 23.64	\$ 42.67	\$ 61.99

=====

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.

3

PARKER & PARSLEY 88-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 5,308	\$ 526,393	\$ 531,701
Distributions	(1,746)	(172,832)	(174,578)
Net income	1,567	155,160	156,727
	-----	-----	-----
Balance at September 30, 2001	\$ 5,129	\$ 508,721	\$ 513,850
	=====	=====	=====

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

PARKER & PARSLEY 88-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended September 30,	
-----	-----
2001	2000
-----	-----

Cash flows from operating activities:

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income	\$ 156,727	\$ 227,690
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	14,234	--
Depletion	27,619	21,046
Gain on disposition of assets	(3,190)	(6,478)
Changes in assets and liabilities:		
Accounts receivable	37,145	(20,356)
Accounts payable	13,356	9,333
	-----	-----
Net cash provided by operating activities	245,891	231,235
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(2,448)	(2,350)
Proceeds from asset dispositions	2,628	5,320
	-----	-----
Net cash provided by investing activities	180	2,970
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(174,578)	(225,984)
	-----	-----
Net increase in cash	71,493	8,221
Cash at beginning of period	58,050	59,846
	-----	-----
Cash at end of period	\$ 129,543	\$ 68,067
	=====	=====

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.

5

PARKER & PARSLEY 88-B CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 88-B Conv., L.P. (the "Partnership") was organized in 1988 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$14,234 related to its proved oil and gas properties during the nine months ended September 30, 2001.

6

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,252,584 of which \$1,233,237 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Revenues:

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

The Partnership's oil and gas revenues decreased 7% to \$354,526 for the nine months ended September 30, 2001 as compared to \$383,160 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 9,074 barrels of oil, 2,963 barrels of NGLs and 13,253 mcf of gas were sold, or 14,246 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 9,855 barrels of oil, 4,114 barrels of NGLs and 16,862 mcf of gas were sold, or 16,779 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.82, or 3%, from \$28.32 for the nine months ended September 30, 2000 to \$27.50 for the same period in 2001. The average price received per barrel of NGLs increased \$.13, or 1%, from \$15.11 during the nine months ended September 30, 2000 to \$15.24 for the same period in 2001. The average price received per mcf of gas increased 81% from \$2.49 during the nine months ended September 30, 2000 to \$4.51 in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$3,190 was recognized during the nine months ended September 30, 2001 due to the sale of equipment on one well plugged and abandoned during the current period. A gain of \$6,478 was recognized during the same period in 2000 resulting from a \$4,726 salvage income from one well plugged and abandoned during the current period and \$1,752 from equipment credits received on one fully depleted well. Abandoned property costs of \$4,165 and \$3,340 were

7

incurred during the nine months ended September 30, 2001 and 2000, respectively, to abandon these wells.

Costs and Expenses:

Total costs and expenses increased to \$203,746 for the nine months ended September 30, 2001 as compared to \$165,492 for the same period in 2000, an increase of \$38,254, or 23%. This increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$148,819 for the nine months ended September 30, 2001 and \$129,611 for the same period in 2000, resulting in a \$19,208 increase, or 15%. The increase was due to higher ad valorem taxes and additional well maintenance and workover costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 22% from \$11,495 for the nine months ended September 30, 2000 to \$8,909 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$14,234 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$27,619 for the nine months ended September 30, 2001 as compared to \$21,046 for the same period in 2000, an increase of \$6,573, or 31%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a decrease in oil production of 781 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 26% to \$105,325 for the three months ended September 30, 2001 as compared to \$143,104 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 3,234 barrels of oil, 1,060 barrels of NGLs and 4,816 mcf of gas were sold, or 5,097 BOEs. For the three months ended September 30, 2000, 3,152 barrels of oil, 1,508 barrels of NGLs and 6,019 mcf of gas were sold, or 5,663 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$5.15, or 16%, from \$31.31 for the three months ended September 30, 2000 to \$26.16 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.65, or 33%, from \$16.90 during the three months ended September 30, 2000 to \$11.25 for the same period in 2001. The average price received per mcf of gas decreased 42% to \$1.84 during the three months ended September 30, 2001 from \$3.16 during the same period in 2000.

Gain on disposition of assets of \$2,886 was recognized during the three months ended September 30, 2000. The gain was comprised of \$1,752 from equipment credits received on one fully depleted well and \$1,134 received from salvage income on one well plugged and abandoned during the current period. Abandoned property costs of \$6 and \$3,340 were incurred during the three months ended September 30, 2001 and 2000, respectively, resulting from one well plugged and abandoned during the current periods.

Costs and Expenses:

Total costs and expenses increased to \$83,848 for the three months ended September 30, 2001 as compared to \$60,614 for the same period in 2000, an increase of \$23,234, or 38%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

declines in abandoned property costs and G&A.

Production costs were \$54,225 for the three months ended September 30, 2001 and \$46,350 for the same period in 2000, resulting in a \$7,875 increase, or 17%. The increase was due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production.

During this period, G&A decreased 38% from \$4,293 for the three months ended September 30, 2000 to \$2,679 for the same period in 2001 primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$14,234 related to its proved oil and gas properties during the three months ended September 30, 2001.

9

Depletion was \$12,704 for the three months ended September 30, 2001 as compared to \$6,631 for the same period in 2000, an increase of \$6,073, or 92%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$14,656 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$61,524 in working capital and \$2,586 in G&A expenses, offset by increases in production costs of \$19,208 and abandoned property costs of \$825 and a reduction in oil and gas sales receipts of \$29,421. The decrease in oil and gas receipts resulted from the decrease of \$8,833 in oil prices and \$55,318 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase of \$34,730 in gas and NGL prices. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance and workover costs incurred to stimulate well production. The decrease in G&A was due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were related to expenditures for equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$2,628 was recognized during the nine months ended September 30, 2001. The gain was comprised of \$2,424 received from the sale of equipment on one well plugged and abandoned during the current period and \$204 from equipment credits received on one active well. Proceeds of \$5,320 received during the same period in 2000 were due to \$3,591 on one well plugged and abandoned during the current period and \$1,729 from equipment credits on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$174,578, of which \$1,746 was distributed to the managing general partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

and \$172,832 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$225,984, of which \$2,260 was distributed to the managing general partner and \$223,724 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

10

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-B, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 88-B, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-19659-02

PARKER & PARSLEY 88-B, L.P.

(Exact name of Registrant as specified in its charter)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

DELAWARE

75-2240121

 (State or other jurisdiction of
 incorporation or organization)

 (I.R.S. Employer
 Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 /X/ NO / /

PARKER & PARSLEY 88-B, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	
	Balance Sheets as of September 30, 2001 and December 31, 2000.....	
	Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	
	Statement of Partners' Capital for the nine months ended September 30, 2001.....	
	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	
	Notes to Financial Statements.....	
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....
 Signatures.....

2

PARKER & PARSLEY 88-B, L.P.
 (A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 320,866	\$ 144,763
Accounts receivable - oil and gas sales	107,113	198,467
	-----	-----
Total current assets	427,979	343,230
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	6,775,326	6,954,545
Accumulated depletion	(5,888,350)	(5,969,972)
	-----	-----
Net oil and gas properties	886,976	984,573
	-----	-----
	\$ 1,314,955	\$ 1,327,803
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 47,325	\$ 16,350
Partners' capital:		
Managing general partner	12,645	13,083
Limited partners (8,954 interests)	1,254,985	1,298,370
	-----	-----
	1,267,630	1,311,453

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

-----	-----
\$ 1,314,955	\$ 1,327,803
=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 88-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months e September	
	2001	2000	2001	
Revenues:				
Oil and gas	\$ 259,220	\$ 352,159	\$ 873,186	\$
Interest	1,927	3,636	6,841	
Gain on disposition of assets	--	7,108	7,855	
	261,147	362,903	887,882	
Costs and expenses:				
Oil and gas production	133,495	114,143	366,524	
General and administrative	6,594	10,565	21,943	
Impairment of oil and gas properties	34,975	--	34,975	
Depletion	31,335	16,274	68,090	
Abandoned property	17	8,226	10,258	
	206,416	149,208	501,790	
Net income	\$ 54,731	\$ 213,695	\$ 386,092	\$
Allocation of net income:				
Managing general partner	\$ 547	\$ 2,137	\$ 3,861	\$
Limited partners	\$ 54,184	\$ 211,558	\$ 382,231	\$

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income per limited partnership interest	\$ 6.05	\$ 23.63	\$ 42.69	\$
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 88-B, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 13,083	\$ 1,298,370	\$ 1,311,453
Distributions	(4,299)	(425,616)	(429,915)
Net income	3,861	382,231	386,092
	-----	-----	-----
Balance at September 30, 2001	\$ 12,645	\$ 1,254,985	\$ 1,267,630
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 88-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 386,092	\$ 560,753
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	34,975	--
Depletion	68,090	51,791
Gain on disposition of assets	(7,855)	(15,953)
Changes in assets and liabilities:		
Accounts receivable	91,354	(29,725)
Accounts payable	32,919	22,569
	-----	-----
Net cash provided by operating activities	605,575	589,435
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(6,028)	(5,788)
Proceeds from asset dispositions	6,471	13,102
	-----	-----
Net cash provided by investing activities	443	7,314
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(429,915)	(556,511)
	-----	-----
Net increase in cash	176,103	40,238
Cash at beginning of period	144,763	129,430
	-----	-----
Cash at end of period	\$ 320,866	\$ 169,668
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 88-B, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Parker & Parsley 88-B, L.P. (the "Partnership") is a limited partnership organized in 1988 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

7

provision of \$34,975 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Pioneer has valued the Partnership interest at \$3,086,337 of which \$3,023,397 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 7% to \$873,186 for the nine months ended September 30, 2001 as compared to \$943,505 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 22,346 barrels of oil, 7,311 barrels of NGLs and 32,649 mcf of gas were sold, or 35,099 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 24,263 barrels of oil, 10,130 barrels of NGLs and 41,502 mcf of gas were sold, or 41,310 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.82, or 3%, from \$28.32 for the nine months ended September 30, 2000 to \$27.50 for the same period in 2001. The average price received per barrel of NGLs increased \$.13, or 1%, from \$15.11 during the nine months ended September 30, 2000 to \$15.24 for the same period in 2001. The average price received per mcf of gas increased 81% from \$2.49 during the nine months ended September 30, 2000 to \$4.51 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$7,855 was recognized during the nine months ended September 30, 2001 due to the sale of equipment on one well plugged and abandoned during the current period. A gain of \$15,953 was recognized during the same period in 2000 resulting from an \$11,638 salvage

8

income from one well plugged and abandoned during the current period and \$4,315 from equipment credits received on one fully depleted well. Abandoned property costs of \$10,528 and \$8,226 were incurred during the nine months ended September 30, 2001 and 2000, respectively, to abandon these wells.

Costs and Expenses:

Total costs and expenses increased to \$501,790 for the nine months ended September 30, 2001 as compared to \$407,518 for the same period in 2000, an increase of \$94,272, or 23%. This increase was due to increases in production costs, depletion, the impairment of oil and gas properties and abandoned property costs, offset by a decline in general and administrative expenses

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

("G&A").

Production costs were \$366,524 for the nine months ended September 30, 2001 and \$319,196 for the same period in 2000, resulting in an increase of \$47,328, or 15%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs and workover expenses incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 22% from \$28,305 for the nine months ended September 30, 2000 to \$21,943 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$34,975 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$68,090 for the nine months ended September 30, 2001 as compared to \$51,791 for the same period in 2000, representing an increase of \$16,299, or 31%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a decline in oil production of 1,917 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

9

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 26% to \$259,220 for the three months ended September 30, 2001 as compared to \$352,159 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 7,949 barrels of oil, 2,619 barrels of NGLs and 11,857 mcf of gas were sold, or 12,544 BOEs. For the three months ended September 30, 2000, 7,752 barrels of oil, 3,707 barrels of NGLs and 14,807 mcf of gas were sold, or 13,927 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The average price received per barrel of oil decreased \$5.15, or 16%, from \$31.31 for the three months ended September 30, 2000 to \$26.16 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.65, or 33%, from \$16.90 during the three months ended September 30, 2000 to \$11.25 for the same period in 2001. The average price received per mcf of gas decreased 42% from \$3.16 during the three months ended September 30, 2000 to \$1.84 for the same period in 2001.

Gain on disposition of assets of \$7,108 was recognized during the three months ended September 30, 2000. The gain was comprised of \$4,315 from equipment credits received on one fully depleted well and \$2,793 received from salvage income on one well plugged and abandoned during the current period. Abandoned property costs of \$17 and \$8,226 were incurred during the three months ended September 30, 2001 and 2000, respectively, resulting from one well plugged and abandoned during the current periods.

Costs and Expenses:

Total costs and expenses increased to \$206,416 for the three months ended September 30, 2001 as compared to \$149,208 for the same period in 2000, an increase of \$57,208, or 38%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by decreases in abandoned property costs and G&A.

Production costs were \$133,495 for the three months ended September 30, 2001 and \$114,143 for the same period in 2000 resulting in a \$19,352 increase, or 17%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production and ad valorem taxes.

During this period, G&A decreased 38% from \$10,565 for the three months ended September 30, 2000 to \$6,594 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

10

The Partnership recognized a non-cash impairment provision of \$34,975 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$31,335 for the three months ended September 30, 2001 as compared to \$16,274 for the same period in 2000, representing an increase of \$15,061, or 93%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$16,140 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$131,429 in working capital and G&A expenses of \$6,362, offset by increases in production costs of \$47,328, abandoned property costs of \$2,032 and a reduction in oil and gas sales receipts of \$72,291. The decrease in oil and gas receipts resulted from the decline of

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$21,833 in oil prices during 2001 and \$135,612 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by increases in gas and NGL prices of \$85,154. The increase in production costs was primarily due to higher ad valorem taxes and additional well maintenance and workover costs incurred to stimulate well production. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to upgrades of oil and gas equipment on various oil and gas properties.

Proceeds from dispositions of assets of \$6,471 was recognized during the nine months ended September 30, 2001. The proceeds were comprised of \$5,968 received from the sale of equipment on one well plugged and abandoned during the current period and \$503 from equipment credits received on one active well. Proceeds of \$13,102 received during the same period in 2000 were due to \$8,845 on one well plugged and abandoned during the current period and \$4,257 from equipment credits on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2000, cash distributions to the partners were \$429,915, of which \$4,299 was distributed to the managing general partner and \$425,616 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$556,511, of which \$5,565 was distributed to the managing general partner and \$550,946 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into

11

Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 88-B, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 88-B, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and

Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-C CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 88-C Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 88-C CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 88-C CONV., L.P.
 (A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 108,920	\$ 51,156
Accounts receivable - oil and gas sales	38,388	66,963
	-----	-----
Total current assets	147,308	118,119
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	2,400,899	2,458,118
Accumulated depletion	(2,055,170)	(2,078,258)
	-----	-----
Net oil and gas properties	345,729	379,860
	-----	-----
	\$ 493,037	\$ 497,979
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 17,008	\$ 5,927
Partners' capital:		
Managing general partner	4,745	4,905
Limited partners (3,411 interests)	471,284	487,147
	-----	-----
	476,029	492,052
	-----	-----
	\$ 493,037	\$ 497,979
	=====	=====

The financial information included herein as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 88-C CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 87,732	\$119,902	\$302,836	\$318,657
Interest	679	1,227	2,413	3,010
Gain on disposition of assets	--	2,269	2,508	5,093
	88,411	123,398	307,757	326,760
Costs and expenses:				
Oil and gas production	47,414	39,073	130,202	112,471
General and administrative	2,451	3,597	9,129	9,560
Impairment of oil and gas properties	11,171	--	11,171	--
Depletion	11,047	6,317	24,706	19,292
Abandoned property	49	2,626	3,279	2,626
	72,132	51,613	178,487	143,949
Net income	\$ 16,279	\$ 71,785	\$129,270	\$182,811
Allocation of net income:				
Managing general partner	\$ 163	\$ 718	\$ 1,293	\$ 1,828
Limited partners	\$ 16,116	\$ 71,067	\$127,977	\$180,983
Net income per limited partnership interest	\$ 4.73	\$ 20.84	\$ 37.52	\$ 53.06

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.

PARKER & PARSLEY 88-C CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 4,905	\$ 487,147	\$ 492,052
Distributions	(1,453)	(143,840)	(145,293)
Net income	1,293	127,977	129,270
	-----	-----	-----
Balance at September 30, 2001	\$ 4,745	\$ 471,284	\$ 476,029
	=====	=====	=====

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

PARKER & PARSLEY 88-C CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 129,270	\$ 182,811
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	11,171	--
Depletion	24,706	19,292
Gain on disposition of assets	(2,508)	(5,093)
Changes in assets and liabilities:		
Accounts receivable	28,575	(16,829)
Accounts payable	11,702	6,893
	-----	-----
Net cash provided by operating activities	202,916	187,074
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows from investing activities:		
Additions to oil and gas properties	(1,925)	(1,862)
Proceeds from asset dispositions	2,066	4,183
	-----	-----
Net cash provided by investing activities	141	2,321
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(145,293)	(187,973)
	-----	-----
Net increase in cash	57,764	1,422
Cash at beginning of period	51,156	56,353
	-----	-----
Cash at end of period	\$ 108,920	\$ 57,775
	=====	=====

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.

5

PARKER & PARSLEY 88-C CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 88-C Conv., L.P. (the "Partnership") was organized in 1988 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$11,171 related to its proved oil and gas properties during the nine months ended September 30, 2001.

6

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,009,229 of which \$996,208 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 5% to \$302,836 for the nine months ended September 30, 2001 as compared to \$318,657 for the same period in 2000. The decrease in revenues resulted from lower average prices received from oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 7,375 barrels of oil, 2,938 barrels of NGLs and 12,521 mcf of gas were sold, or 12,400 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 7,994 barrels of oil, 3,665 barrels of NGLs and 14,995 mcf of gas were sold, or 14,158 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.73, or 3%, from \$28.38 for the nine months ended September 30, 2000 to \$27.65 for the same period in 2001. The average price received per barrel of NGLs increased \$.19, or 1%, from \$15.03 during the nine months ended September 30, 2000 to \$15.22 for the same period in 2001. The average price received per mcf of gas increased 77% from \$2.44 during the nine months ended September 30, 2000 to \$4.31 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$2,508 and \$5,093 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 was due to salvage income received on one well plugged and abandoned during the current period. The gain recognized during the period ended September 30, 2000 was primarily due to salvage income received on one well plugged and abandoned during the period ended 2000.

7

Costs and Expenses:

Total costs and expenses increased to \$178,487 for the nine months ended September 30, 2001 as compared to \$143,949 for the same period in 2000, an increase of \$34,538, or 24%. The increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$130,202 for the nine months ended September 30, 2001 and \$112,471 for the same period in 2000 resulting in a \$17,731 increase, or 16%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel costs. During this period, G&A decreased 5%, from \$9,560 for the nine months ended September 30, 2000 to \$9,129 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

provision of \$11,171 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$24,706 for the nine months ended September 30, 2001 as compared to \$19,292 for the same period in 2000, an increase of \$5,414, or 28%. This increase was due to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 619 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Abandoned property costs of \$3,279 and \$2,626 were incurred for the nine months ended September 30, 2001 and 2000, respectively, to plug and abandon one well during the current periods.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 27% to \$87,732 for the three months ended September 30, 2001 as compared to \$119,902 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 2,598 barrels of oil, 980 barrels of NGLs and 4,361 mcf of gas were sold, or 4,305 BOEs. For the three months ended September 30, 2000, 2,639 barrels of oil, 1,267 barrels of NGLs and 5,043 mcf of gas were sold, or 4,747 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.98, or 16%, from \$31.26 for the three months ended September 30, 2000 to \$26.28 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.53, or 32%, from \$17.08 during the three months ended September 30, 2000 to \$11.55 for the same period in 2001. The average price received per mcf of gas decreased 40% to \$1.88 during the three months ended September 30, 2001 from \$3.11 during the same period in 2000.

A gain on disposition of assets of \$2,269 recognized during the three months ended September 30, 2000 was due to salvage income received on one well plugged and abandoned during the period ended 2000.

Costs and Expenses:

Total costs and expenses increased to \$72,132 for the three months ended September 30, 2001 as compared to \$51,613 for the same period in 2000, an increase of \$20,519, or 40%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by declines in G&A and abandoned property costs.

Production costs were \$47,414 for the three months ended September 30, 2001 and \$39,073 for the same period in 2000, resulting in an \$8,341 increase, or 21%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production.

During this period, G&A decreased 32%, from \$3,597 for the three months ended September 30, 2000 to \$2,451 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$11,171 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$11,047 for the three months ended September 30, 2001 as compared to \$6,317 for the same period in 2000, an increase of \$4,730, or 75%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices.

9

Abandoned property costs of \$49 and \$2,626 were incurred for the three months ended September 30, 2001 and 2000, respectively, to plug and abandon one well during the current periods.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$15,842 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$50,213 and G&A expenses of \$431, offset by increases in production costs of \$17,731 and abandoned property costs of \$653 and a reduction in oil and gas receipts of \$16,418. The decrease in oil and gas receipts resulted from the decrease in oil commodity prices during 2001 of \$5,974 and a decline in production of \$38,893 during 2001 as compared to the same period in 2000, offset by increased gas and NGL commodity prices of \$28,449. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$2,066 and \$4,183 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during 2001 were primarily due to salvage income received on a well plugged and abandoned during the current year. The proceeds recognized during 2000 were due to salvage income received on one well plugged and abandoned during the period ended 2000.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$145,293, of which \$1,453 was distributed to the managing general partner and \$143,840 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$187,973, of which \$1,880 was distributed to the managing general partner and \$186,093 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

10

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 88-C, L.P.,
A DELAWARE LIMITED PARTNERSHIP

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 88-C, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 88-C , L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 88-C, L.P.
(A Delaware Limited Partnership)

BALANCE SHEETS

September 30, 2001	December 31, 2000
-----	-----
(Unaudited)	

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ASSETS

Current assets:		
Cash	\$ 72,627	\$ 31,689
Accounts receivable - oil and gas sales	27,453	47,902
	-----	-----
Total current assets	100,080	79,591
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	1,711,107	1,751,887
Accumulated depletion	(1,465,093)	(1,481,594)
	-----	-----
Net oil and gas properties	246,014	270,293
	-----	-----
	\$ 346,094	\$ 349,884
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	\$ 12,249	\$ 4,246
Partners' capital:		
Managing general partner	3,326	3,443
Limited partners (2,431 interests)	330,519	342,195
	-----	-----
	333,845	345,638
	-----	-----
	\$ 346,094	\$ 349,884
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 88-C, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended September 30,	Nine months ended September 30,
-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 62,636	\$ 85,503	\$ 215,744	\$ 220,000
Interest	547	803	1,580	1,580
Gain on disposition of assets	--	1,617	1,788	1,788
	-----	-----	-----	-----
	63,183	87,923	219,112	233,368
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	33,832	27,815	92,793	87,923
General and administrative	1,950	2,565	6,703	6,703
Impairment of oil and gas properties	7,965	--	7,965	7,965
Depletion	7,876	4,492	17,558	17,558
Abandoned property	7	1,872	2,337	2,337
	-----	-----	-----	-----
	51,630	36,744	127,356	132,816
	-----	-----	-----	-----
Net income	\$ 11,553	\$ 51,179	\$ 91,756	\$ 133,368
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 116	\$ 512	\$ 918	\$ 918
	=====	=====	=====	=====
Limited partners	\$ 11,437	\$ 50,667	\$ 90,838	\$ 122,450
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 4.71	\$ 20.85	\$ 37.37	\$ 37.37
	=====	=====	=====	=====

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.

PARKER & PARSLEY 88-C, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Managing general partner	Limited partners	Total
--------------------------------	---------------------	-------

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Balance at January 1, 2001	\$ 3,443	\$ 342,195	\$ 345,638
Distributions	(1,035)	(102,514)	(103,549)
Net income	918	90,838	91,756
Balance at September 30, 2001	\$ 3,326	\$ 330,519	\$ 333,845

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

PARKER & PARSLEY 88-C, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 91,756	\$ 130,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	7,965	--
Depletion	17,558	13,743
Gain on disposition of assets	(1,788)	(3,630)
Changes in assets and liabilities:		
Accounts receivable	20,449	(11,926)
Accounts payable	8,445	4,863
Net cash provided by operating activities	144,385	133,113
Cash flows from investing activities:		
Additions to oil and gas properties	(1,370)	(1,327)
Proceeds from asset dispositions	1,472	2,981
Net cash provided by investing activities	102	1,654

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows used in financing activities:		
Cash distributions to partners	(103,549)	(133,968)
	-----	-----
Net increase in cash	40,938	799
Cash at beginning of period	31,689	35,943
	-----	-----
Cash at end of period	\$ 72,627	\$ 36,742
	=====	=====

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.

5

PARKER & PARSLEY 88-C, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 88-C, L.P. (the "Partnership") is a limited partnership organized in 1988 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

6

provision of \$7,965 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$714,658 of which \$706,056 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 5% to \$215,744 for the nine months ended September 30, 2001 as compared to \$227,002 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 5,252 barrels of oil, 2,090 barrels of NGLs and 8,970 mcf of gas were sold, or 8,837 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 5,698 barrels of oil, 2,609 barrels of NGLs and 10,687 mcf of gas were sold, or 10,088 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.73, or 3%, from \$28.38 for the nine months ended September 30, 2000 to \$27.65 for the same period in 2001. The average price received per barrel of NGLs increased \$.19, or 1%, from \$15.03 during the nine months ended September 30, 2000 to \$15.22 for the same

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

period in 2001. The average price received per mcf of gas increased 77% from \$2.44 during the nine months ended September 30, 2000 to \$4.31 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$1,788 and \$3,630 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September

7

30, 2001 was due to salvage income received on one well plugged and abandoned during the current period. The gain recognized during the period ended September 30, 2000 was primarily due to salvage income received on one well plugged and abandoned during the period ended 2000.

Costs and Expenses:

Total costs and expenses increased to \$127,356 for the nine months ended September 30, 2001 as compared to \$102,546 for the same period in 2000, an increase of \$24,810, or 24%. This increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$92,793 for the nine months ended September 30, 2001 and \$80,121 for the same period in 2000 resulting in a \$12,672 increase, or 16%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 2%, from \$6,810 for the nine months ended September 30, 2000 to \$6,703 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$7,965 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$17,558 for the nine months ended September 30, 2001 as compared

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

to \$13,743 for the same period in 2000, an increase of \$3,815, or 28%. This increase was due to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 446 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Abandoned property costs of \$2,337 and \$1,872 were incurred for the nine months ended September 30, 2001 and 2000, respectively, to plug and abandon one well during the current periods.

8

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 27% to \$62,636 for the three months ended September 30, 2001 as compared to \$85,503 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 1,849 barrels of oil, 701 barrels of NGLs and 3,159 mcf of gas were sold, or 3,077 BOEs. For the three months ended September 30, 2000, 1,884 barrels of oil, 903 barrels of NGLs and 3,601 mcf of gas were sold, or 3,387 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.98, or 16%, from \$31.26 for the three months ended September 30, 2000 to \$26.28 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.53, or 32%, from \$17.08 during the three months ended September 30, 2000 to \$11.55 for the same period in 2001. The average price received per mcf of gas decreased 40% to \$1.88 during the three months ended September 30, 2001 from \$3.11 during the same period in 2000.

A gain on disposition of assets of \$1,617 recognized during the three months ended September 30, 2000 was due to salvage income received on one well plugged and abandoned during the period ended 2000.

Costs and Expenses:

Total costs and expenses increased to \$51,630 for the three months ended September 30, 2001 as compared to \$36,744 for the same period in 2000, an increase of \$14,886, or 41%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by declines in G&A and abandoned property costs.

Production costs were \$33,832 for the three months ended September 30, 2001 and \$27,815 for the same period in 2000, resulting in a \$6,017 increase, or 22%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production.

During this period, G&A decreased 24%, from \$2,565 for the three months ended September 30, 2000 to \$1,950 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$7,965 related to

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

its proved oil and gas properties during the three months ended September 30, 2001.

9

Depletion was \$7,876 for the three months ended September 30, 2001 as compared to \$4,492 for the same period in 2000, an increase of \$3,384, or 75%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices.

Abandoned property costs of \$7 and \$1,872 were incurred for the three months ended September 30, 2001 and 2000, respectively, to plug and abandon one well during the current periods.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$11,272 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$35,957 and G&A expenses of \$107, offset by increases in production costs of \$12,672 and abandoned property costs of \$465 and a decline in oil and gas receipts of \$11,655. The decrease in oil and gas receipts resulted from a decline in oil commodity prices of \$4,158 during 2001 and a decline in production during 2001 of \$27,641, offset by an increase in gas and NGL commodity prices of \$20,144. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$1,472 and \$2,981 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during 2001 were primarily due to salvage income received on a well plugged and abandoned during the current year. The proceeds recognized during 2000 were due to salvage income received on one well plugged and abandoned during the period ended 2000.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$103,549, of which \$1,035 was distributed to the managing general partner and \$102,514 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$133,968, of which \$1,340 was distributed to the managing general partner and \$132,628 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships"

below.

10

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

OF

PARKER & PARSLEY
PRODUCING PROPERTIES 88-A, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION SPECIFIC TO PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P. AND SUPPLEMENTS THE SUPPLEMENTAL INFORMATION TO THE PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001, OF PIONEER NATURAL RESOURCES COMPANY, A DELAWARE CORPORATION THAT WE CALL PIONEER PARENT, AND PIONEER NATURAL RESOURCES USA, INC., A DELAWARE CORPORATION THAT WE CALL PIONEER USA, BY WHICH PIONEER USA IS SOLICITING PROXIES TO BE VOTED AT A SPECIAL MEETING OF THE LIMITED PARTNERS OF THE PARTNERSHIP. THE PURPOSE OF THE SPECIAL MEETING IS FOR YOU TO VOTE UPON THE MERGER OF THE PARTNERSHIP WITH AND INTO PIONEER USA THAT, IF COMPLETED, WILL RESULT IN YOUR RECEIVING COMMON STOCK OF PIONEER PARENT FOR YOUR PARTNERSHIP INTERESTS.

THIS DOCUMENT CONTAINS THE PARTNERSHIP'S QUARTERLY REPORT ON FORM 10-Q, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-19133-A

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

----- 7

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(State or other jurisdiction of incorporation or organization)

(I.R.S. Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS

(Address of principal executive offices)

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 [X] NO []

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....

Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months ended September 30, 2001.....

Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....
 Signatures.....

2

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
 (A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 343,338	\$ 253,499
Accounts receivable - oil and gas sales	72,540	115,810
	-----	-----
Total current assets	415,878	369,309
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	4,855,712	4,855,712
Accumulated depletion	(3,793,693)	(3,719,241)
	-----	-----
Net oil and gas properties	1,062,019	1,136,471
	-----	-----
	\$ 1,477,897	\$ 1,505,780
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 29,420	\$ 11,054
Partners' capital:		
Managing general partner	14,416	14,879
Limited partners (11,222 interests)	1,434,061	1,479,847
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	1,448,477	1,494,726
	-----	-----
	\$ 1,477,897	\$ 1,505,780
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months end September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 160,309	\$ 182,810	\$ 510,321	\$ 520,000
Interest	2,283	4,475	8,508	1,000
Gain on disposition of assets	--	--	6,447	--
	-----	-----	-----	-----
	162,592	187,285	525,276	521,000
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	72,619	64,917	199,948	260,000
General and administrative	3,974	5,484	14,480	1,000
Impairment of oil and gas properties	18,255	--	18,255	--
Depletion	19,670	19,737	56,197	4,000
Abandoned property	--	--	10,766	--
	-----	-----	-----	-----
	114,518	90,138	299,646	325,000
	-----	-----	-----	-----
Net income	\$ 48,074	\$ 97,147	\$ 225,630	\$ 226,000
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 480	\$ 971	\$ 2,256	\$ 2,000
	=====	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Limited partners	\$ 47,594	\$ 96,176	\$ 223,374	\$ 21
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 4.25	\$ 8.57	\$ 19.91	\$
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 14,879	\$ 1,479,847	\$ 1,494,726
Distributions	(2,719)	(269,160)	(271,879)
Net income	2,256	223,374	225,630
	-----	-----	-----
Balance at September 30, 2001	\$ 14,416	\$ 1,434,061	\$ 1,448,477
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 225,630	\$ 222,098
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	18,255	--
Depletion	56,197	49,684
Gain on disposition of assets	(6,447)	(9,859)
Changes in assets and liabilities:		
Accounts receivable	43,270	(1,287)
Accounts payable	18,366	16,675
	-----	-----
Net cash provided by operating activities	355,271	277,311
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	--	(782)
Proceeds from asset dispositions	6,447	9,859
	-----	-----
Net cash provided by investing activities	6,447	9,077
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(271,879)	(339,285)
	-----	-----
Net increase (decrease) in cash	89,839	(52,897)
Cash at beginning of period	253,499	323,271
	-----	-----
Cash at end of period	\$ 343,338	\$ 270,374
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Producing Properties 88-A, L.P. (the "Partnership") is a limited partnership organized in 1988 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

provision of \$18,255 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,088,664 of which \$2,053,405 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 4% to \$510,321 for the nine months ended September 30, 2001 as compared to \$529,705 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 12,433 barrels of oil, 6,103 barrels of NGLs and 26,047 mcf of gas were sold, or 22,877 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 12,685 barrels of oil, 7,553 barrels of NGLs and 29,106 mcf of gas were sold, or 25,089 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.70, or 6%, from \$28.54 for the nine months ended September 30, 2000 to \$26.84 for the same period in 2001. The average price received per barrel of NGLs increased \$.12, or 1%, from \$13.80 during the nine months ended September 30, 2000 to \$13.92 for the same period in 2001. The average price received per mcf of gas increased 61% from \$2.18 during the nine months ended September 30, 2000 to \$3.52 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Gains on disposition of assets of \$6,447 and \$9,859 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the nine months ended September 30, 2001 resulted from equipment credits received on one well that was plugged and abandoned during the current period. Expenses incurred during the nine months ended September 30, 2001 to plug this well were \$10,766. The gain recognized during the period ended September 30, 2000 resulted from equipment credits received on one fully depleted well.

Costs and Expenses:

Total costs and expenses decreased to \$299,646 for the nine months ended September 30, 2001 as compared to \$329,745 for the same period in 2000, a decrease of \$30,099, or 9%. This decrease resulted from decreases in production costs and general and administrative expenses ("G&A"), offset by increases in the impairment of oil and gas properties, abandoned property costs and depletion.

Production costs were \$199,948 for the nine months ended September 30, 2001 and \$264,170 for the same period in 2000 resulting in a \$64,222 decrease, or 24%. The decrease was primarily due to lower workover expenses and well maintenance costs, offset by higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 9% from \$15,891 for the nine months ended September 30, 2000 to \$14,480 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of lower oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$18,255 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$56,197 for the nine months ended September 30, 2001 as compared to \$49,684 for the same period in 2000, representing an increase of \$6,513, or 13%. This increase was primarily the result of a downward revision in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 12% to \$160,309 for the three months ended September 30, 2001 as compared to \$182,810 for the same period in 2000. The decrease in revenues resulted from lower average prices received, offset by a slight increase in production. For the three months ended September 30, 2001, 4,175 barrels of oil, 2,263 barrels of NGLs and 9,878 mcf of gas were sold, or 8,084 BOEs. For the three months ended September 30, 2000, 4,197 barrels of oil, 2,315 barrels of NGLs and 8,704 mcf of gas were sold, or 7,963 BOEs.

The average price received per barrel of oil decreased \$4.06, or 13%, from \$30.23 for the three months ended September 30, 2000 to \$26.17 for the same period in 2001. The average price received per barrel of NGLs decreased \$.38, or 3%, from \$13.50 during the three months ended September 30, 2000 to \$13.12 for the same period in 2001. The average price received per mcf of gas decreased 24% from \$2.84 during the three months ended September 30, 2000 to \$2.16 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$114,518 for the three months ended September 30, 2001 as compared to \$90,138 for the same period in 2000, an increase of \$24,380, or 27%. This increase was due to increases in the impairment of oil and gas properties and production costs, offset by declines in G&A and depletion.

Production costs were \$72,619 for the three months ended September 30, 2001 and \$64,917 for the same period in 2000, resulting in a \$7,702 increase, or 12%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decline in workover expenses.

During this period, G&A decreased 28% from \$5,484 for the three months ended September 30, 2000 to \$3,974 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated as a result of lower oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$18,255 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$19,670 for the three months ended September 30, 2001 as compared to \$19,737 for the same period in 2000, representing a decrease in depletion of \$67.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$77,960 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to decreases in

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

production costs of \$64,222 and G&A expenses of \$1,411 and a reduction of \$46,248 in working capital, offset by a decrease in oil and gas sales receipts of \$23,155 and an increase in abandoned property costs of \$10,766. The decrease in production costs was primarily due to lower workover expenses and well maintenance costs, offset by higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of lower oil and gas revenues. The decrease in oil and gas receipts resulted from the decline in oil prices of \$21,616 during 2001 and \$37,714 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in gas and NGL prices of \$36,175.

Net Cash Provided by Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2000 were related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$6,447 and \$9,859 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the nine months ended September 30, 2001 resulted from equipment credits received on one well that was plugged and abandoned during the current period. The proceeds recognized during the period ended September 30, 2000 resulted from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$271,879, of which \$2,719 was distributed to the managing general partner and \$269,160 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$339,285, of which \$3,393 was distributed to the managing general partner and \$335,892 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY PRODUCING
PROPERTIES 88-A, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Private Investment 88, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.
(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 336,512	\$ 174,638
Accounts receivable - oil and gas sales	117,161	190,189
	-----	-----
Total current assets	453,673	364,827
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	7,351,528	7,348,142
Accumulated depletion	(6,235,778)	(6,092,889)
	-----	-----
Net oil and gas properties	1,115,750	1,255,253
	-----	-----
	\$ 1,569,423	\$ 1,620,080
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 48,291	\$ 9,440
Partners' capital:		
Managing general partner	15,376	16,271
Limited partners (249 interests)	1,505,756	1,594,369
	-----	-----
	1,521,132	1,610,640
	-----	-----
	\$ 1,569,423	\$ 1,620,080
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$252,520	\$345,951	\$878,326	\$944,374
Interest	2,196	4,322	7,789	10,324
	-----	-----	-----	-----
	254,716	350,273	886,115	954,698
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	133,296	103,736	368,354	315,742
General and administrative	6,313	10,378	21,958	28,331
Impairment of oil and gas properties	82,411	--	82,411	--
Depletion	21,045	17,596	60,478	57,857
	-----	-----	-----	-----
	243,065	131,710	533,201	401,930
	-----	-----	-----	-----
Net income	\$ 11,651	\$218,563	\$352,914	\$552,768
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 116	\$ 2,186	\$ 3,529	\$ 5,528
	=====	=====	=====	=====
Limited partners	\$ 11,535	\$216,377	\$349,385	\$547,240
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 46.32	\$ 868.98	\$1,403.15	\$2,197.75
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Managing general partner	Limited partners	Total
-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Balance at January 1, 2001	\$ 16,271	\$ 1,594,369	\$ 1,610,640
Distributions	(4,424)	(437,998)	(442,422)
Net income	3,529	349,385	352,914
	-----	-----	-----
Balance at September 30, 2001	\$ 15,376	\$ 1,505,756	\$ 1,521,132
	=====	=====	=====

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

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 352,914	\$ 552,768
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	82,411	--
Depletion	60,478	57,857
Changes in assets and liabilities:		
Accounts receivable	73,028	(43,764)
Accounts payable	38,851	22,947
	-----	-----
Net cash provided by operating activities	607,682	589,808
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(3,386)	(4,269)
Proceeds from asset dispositions	--	467
	-----	-----
Net cash used in investing activities	(3,386)	(3,802)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(442,422)	(586,599)
	-----	-----
Net increase (decrease) in cash	161,874	(593)
Cash at beginning of period	174,638	200,529

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	-----	-----
Cash at end of period	\$ 336,512	\$ 199,936
	=====	=====

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.

5

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 88, L.P. (the "Partnership") was organized in 1988 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1989.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

6

provision of \$82,411 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,538,899 of which \$3,503,510 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 7% to \$878,326 for the nine months ended September 30, 2001 as compared to \$944,374 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decrease in production, offset by a higher average price received for gas. For the nine months ended September 30, 2001, 21,853 barrels of oil, 8,166 barrels of NGLs and 43,510 mcf of gas were sold, or 37,271 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 22,815 barrels of oil, 12,104 barrels of NGLs and 46,784 mcf of gas were sold, or 42,716 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.38, or 5%, from \$28.53 for the nine months ended September 30, 2000 to \$27.15 for the same period in 2001. The average price received per barrel of NGLs decreased \$.51, or 3%, from \$14.65 during the nine months ended September 30, 2000 to \$14.14 for the same period in 2001. The average price received per mcf of gas increased 57% from \$2.48 during the nine months ended September 30, 2000 to \$3.89 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

7

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$533,201 for the nine months ended September 30, 2001 as compared to \$401,930 for the same period in 2000, an increase of \$131,271, or 33%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$368,354 for the nine months ended September 30, 2001 and \$315,742 for the same period in 2000, resulting in a \$52,612 increase, or 17%. The increase was primarily the result of additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 22%, from \$28,331 for the nine months ended September 30, 2000 to \$21,958 for the same period in 2001 due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$82,411 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$60,478 for the nine months ended September 30, 2001 as compared to \$57,857 for the same period in 2000, an increase of \$2,621, or 5%. This increase was due to a decline in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 962 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 27% to \$252,520 for the three months ended September 30, 2001 as compared to \$345,951 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 6,763 barrels of oil, 3,682 barrels of NGLs and 15,409 mcf of gas were sold, or 13,013 BOEs. For the three months ended

September 30, 2000, 7,544 barrels of oil, 4,062 barrels of NGLs and 15,885 mcf of gas were sold, or 14,254 BOEs. Due to the decline characteristics of the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.26, or 14%, from \$30.52 for the three months ended September 30, 2000 to \$26.26 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.36, or 27%, from \$15.91 during the three months ended September 30, 2000 to \$11.55 for the same period in 2001. The average price received per mcf of gas decreased 35% to \$2.10 during the three months ended September 30, 2001 from \$3.22 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$243,065 for the three months ended September 30, 2001 as compared to \$131,710 for the same period in 2000, an increase of \$111,355, or 85%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decrease in G&A.

Production costs were \$133,296 for the three months ended September 30, 2001 and \$103,736 for the same period in 2000, resulting in a \$29,560 increase, or 28%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 39%, from \$10,378 for the three months ended September 30, 2000 to \$6,313 for the same period in 2001 due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$82,411 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$21,045 for the three months ended September 30, 2001 as compared to \$17,596 for the same period in 2000, an increase of \$3,449, or 20%. This increase was attributable to a decline in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 781 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$17,874 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$132,696 and G&A expenses of \$6,373, offset by an increase in production costs of \$52,612 and a decline in oil and gas receipts of \$68,583. The decrease in oil and gas receipts resulted from the decline in production of \$94,567 and lower oil and NGL commodity prices of \$37,468, offset by an increase in gas commodity prices of \$63,452 during 2001 as compared to the

same period in 2000. The increase in production costs was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net Cash Used in Investing Activities

The Partnership's investing activities for the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on several oil and gas properties.

Proceeds from asset dispositions of \$467 recognized during the nine months ended September 30, 2000 were due to equipment credits on active properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$442,422, of which \$4,424 was distributed to the managing general partner and \$437,998 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$586,599, of which \$5,866 was distributed to the managing general partner and \$580,733 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

10

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 89-A CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 89-A Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 89-A CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 89-A CONV., L.P.
 (A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 87,818	\$ 49,781
Accounts receivable - oil and gas sales	31,082	57,620
	-----	-----
Total current assets	118,900	107,401
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	2,091,224	2,205,981
Accumulated depletion	(1,775,946)	(1,860,437)
	-----	-----
Net oil and gas properties	315,278	345,544
	-----	-----
	\$ 434,178	\$ 452,945
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 11,241	\$ 4,194
Partners' capital:		
Managing general partner	4,297	4,556
Limited partners (2,797 interests)	418,640	444,195
	-----	-----
	422,937	448,751
	-----	-----
	\$ 434,178	\$ 452,945
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 89-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 71,559	\$102,671	\$264,279	272,560
Interest	585	1,149	2,234	2,874
Gain on disposition of assets	6,005	--	9,718	2,083
	-----	-----	-----	-----
	78,149	103,820	276,231	277,517
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	40,238	34,716	114,282	106,525
General and administrative	2,147	3,552	8,535	8,809
Depletion	19,163	5,052	30,913	15,903
Abandoned property	3,597	--	5,860	--
	-----	-----	-----	-----
	65,145	43,320	159,590	131,237
	-----	-----	-----	-----
Net income	\$ 13,004	\$ 60,500	\$116,641	\$146,280
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 130	\$ 605	\$ 1,166	\$ 1,463
	=====	=====	=====	=====
Limited partners	\$ 12,874	\$ 59,895	\$115,475	\$144,817
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 4.61	\$ 21.42	\$ 41.29	\$ 51.78
	=====	=====	=====	=====

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.

PARKER & PARSLEY 89-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 4,556	\$ 444,195	\$ 448,751
Distributions	(1,425)	(141,030)	(142,455)
Net income	1,166	115,475	116,641
	-----	-----	-----
Balance at September 30, 2001	\$ 4,297	\$ 418,640	\$ 422,937
	=====	=====	=====

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

PARKER & PARSLEY 89-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 116,641	\$ 146,280
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	30,913	15,903
Gain on disposition of assets	(9,718)	(2,083)
Changes in assets and liabilities:		
Accounts receivable	26,538	(10,511)
Accounts payable	11,277	6,541
	-----	-----
Net cash provided by operating activities	175,651	156,130
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(647)	(2,306)
Proceeds from asset dispositions	5,488	2,083

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net cash provided by (used in) investing activities	4,841	(223)
Cash flows used in financing activities:		
Cash distributions to partners	(142,455)	(160,327)
Net increase (decrease) in cash	38,037	(4,420)
Cash at beginning of period	49,781	58,311
Cash at end of period	\$ 87,818	\$ 53,891

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.

5

PARKER & PARSLEY 89-A CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 89-A Conv., L.P. (the "Partnership") was organized in 1989 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1990.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$938,221 of which \$928,839 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 3% to \$264,279 for the nine months ended September 30, 2001 as compared to \$272,560 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by an increase in the average price received for gas. For the nine months ended September 30, 2001, 5,952 barrels of oil, 2,849 barrels of NGLs and 15,338 mcf of gas were sold, or 11,357 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 6,258 barrels of oil, 3,477 barrels of NGLs and 15,638 mcf of gas were sold, or 12,341 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.21, or 4%, from \$28.59 for the nine months ended September 30, 2000 to \$27.38 for the same period in 2001. The average price received per barrel of NGLs decreased \$1.83, or 12%, from \$14.67 during the nine months ended September 30, 2000 to \$12.84 for the same period in 2001. The average price received per mcf of gas increased 55% from \$2.73 during the nine months ended September 30, 2000 to \$4.22 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$9,718 and \$2,083 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 was due to \$9,089 salvage income received on two wells plugged and abandoned during the current period and \$629 from equipment credits received on a fully depleted well. Abandoned property costs of \$5,860 were incurred during 2001 to plug and abandon these wells. The gain recognized during the period ended September 30, 2000 was from equipment credits received on one fully depleted well.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$159,590 for the nine months ended September 30, 2001 as compared to \$131,237 for the same period in 2000, an increase of \$28,353, or 22%. This increase was due to increases in depletion, production costs and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

7

Production costs were \$114,282 for the nine months ended September 30, 2001 as compared to \$106,525 for the same period in 2000, resulting in a \$7,757 increase, or 7%. This increase was primarily due to higher workover and well maintenance costs incurred to stimulate well production and an increase in ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 3% from \$8,809 for the nine months ended September 30, 2000 to \$8,535 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$30,913 for the nine months ended September 30, 2001 as compared to \$15,903 for the same period in 2000, an increase of \$15,010, or 94%. This increase was the result of a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 306 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 30% to \$71,559 for the three months ended September 30, 2001 as compared to \$102,671 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 1,980 barrels of oil, 1,045 barrels of NGLs and 4,166 mcf of gas were sold, or 3,719 BOEs. For the three months ended September 30, 2000, 2,086 barrels of oil, 1,226 barrels of NGLs and 5,475 mcf of gas were sold, or 4,225 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.05, or 13%, from \$30.64 for the three months ended September 30, 2000 to \$26.59 for the same period in 2001. The average price received per barrel of NGLs decreased \$6.39, or 39%, from \$16.35 during the three months ended September 30, 2000 to \$9.96 for the same period in 2001. The average price received per mcf of gas decreased 40% to \$2.05 during the three months ended September 30, 2001 from \$3.42 during the same period in 2000.

Gain on disposition of assets of \$6,005 recognized for the three months ended September 30, 2001 was due to \$5,376 in salvage income received on two wells plugged and abandoned during the current period and \$629 from equipment credits on a fully depleted well. Abandoned property costs of \$3,597 were recognized for the three months ended September 30, 2001 to plug and abandon these wells.

Costs and Expenses:

Total costs and expenses increased to \$65,145 for the three months ended September 30, 2001 as compared to \$43,320 for the same period in 2000, an increase of \$21,825, or 50%. This increase was due to increases in depletion, production costs and abandoned property costs, offset by a decline in G&A.

Production costs were \$40,238 for the three months ended September 30, 2001 and \$34,716 for the same period in 2000 resulting in a \$5,522 increase, or 16%. This increase was the result of additional well maintenance and workover costs incurred to stimulate well production and an increase in ad valorem taxes.

During this period, G&A decreased 40% from \$3,552 for the three months ended September 30, 2000 to \$2,147 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$19,163 for the three months ended September 30, 2001 as compared to \$5,052 for the same period in 2000, an increase of \$14,111, or 279%. This increase was the result of a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 106 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$19,521 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to decreases in G&A expenses of \$274 and working capital of \$41,785, offset by a decrease in oil and gas sales receipts of \$8,921 and increases in production costs of \$7,757 and abandoned property costs of \$5,860. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues. The decrease in oil and gas receipts resulted from lower average prices received for oil and NGLs during 2001 which resulted in a \$14,601 decrease and a decline in production of \$17,704, offset by a \$23,384 increase resulting from higher average prices received for gas. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

Net Cash Provided by (Used in) Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$5,488 and \$2,083 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period in 2001 were primarily from salvage income on two wells plugged and abandoned during the current

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

period. The proceeds recognized during the period in 2000 were due to equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$142,455, of which \$1,425 was distributed to the managing general partner and \$141,030 was distributed to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$160,327, of which \$1,603 was distributed to the managing general partner and \$158,724 was distributed to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 89-A, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 89-A, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-01

PARKER & PARSLEY 89-A, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2297058

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS

75039

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(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 [X] NO []

PARKER & PARSLEY 89-A, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....	
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	
Statement of Partners' Capital for the nine months ended September 30, 2001.....	
Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	
Notes to Financial Statements.....	

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....	
Signatures.....	

PARKER & PARSLEY 89-A, L.P.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 268,224	\$ 154,704
Accounts receivable - oil and gas sales	92,470	171,226
	-----	-----
Total current assets	360,694	325,930
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	6,218,341	6,559,576
Accumulated depletion	(5,280,605)	(5,531,818)
	-----	-----
Net oil and gas properties	937,736	1,027,758
	-----	-----
	\$ 1,298,430	\$ 1,353,688
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 36,074	\$ 12,645
Partners' capital:		
Managing general partner	12,815	13,602
Limited partners (8,317 interests)	1,249,541	1,327,441
	-----	-----
	1,262,356	1,341,043
	-----	-----
	\$ 1,298,430	\$ 1,353,688
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 89-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$212,821	\$305,191	\$786,034	\$810,322
Interest	1,791	3,498	6,817	8,795
Gain on disposition of assets	17,858	--	28,898	6,194
	-----	-----	-----	-----
	232,470	308,689	821,749	825,311
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	119,647	103,256	339,498	316,752
General and administrative	6,592	10,777	25,876	27,049
Depletion	56,995	14,978	91,945	47,267
Abandoned property	10,695	--	19,519	--
	-----	-----	-----	-----
	193,929	129,011	476,838	391,068
	-----	-----	-----	-----
Net income	\$ 38,541	\$179,678	\$344,911	\$434,243
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 385	\$ 1,796	\$ 3,449	\$ 4,342
	=====	=====	=====	=====
Limited partners	\$ 38,156	\$177,882	\$341,462	\$429,901
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 4.59	\$ 21.39	\$ 41.06	\$ 51.69
	=====	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 89-A, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Managing general partner	Limited partners	Total
-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Balance at January 1, 2001	\$ 13,602	\$ 1,327,441	\$ 1,341,043
Distributions	(4,236)	(419,362)	(423,598)
Net income	3,449	341,462	344,911
	-----	-----	-----
Balance at September 30, 2001	\$ 12,815	\$ 1,249,541	\$ 1,262,356
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 89-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 344,911	\$ 434,243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	91,945	47,267
Gain on disposition of assets	(28,898)	(6,194)
Changes in assets and liabilities:		
Accounts receivable	78,756	(31,115)
Accounts payable	36,008	20,312
	-----	-----
Net cash provided by operating activities	522,722	464,513
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(1,923)	(6,857)
Proceeds from asset dispositions	16,319	6,194
	-----	-----
Net cash provided by (used in) investing activities	14,396	(663)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(423,598)	(476,738)
	-----	-----
Net increase (decrease) in cash	113,520	(12,888)
Cash at beginning of period	154,704	180,301
	-----	-----
Cash at end of period	\$ 268,224	\$ 167,413

=====

=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 89-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 89-A, L.P. (the "Partnership") is a limited partnership organized in 1989 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,794,725 of which \$2,731,848 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 3% to \$786,034 for the nine months ended September 30, 2001 as compared to \$810,322 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 17,700 barrels of oil, 8,481 barrels of NGLs and 45,607 mcf of gas were sold, or 33,782 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 18,609 barrels of oil, 10,334 barrels of NGLs and 46,510 mcf of gas were sold, or 36,695 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.21, or 4%, from \$28.59 for the nine months ended September 30, 2000 to \$27.38 for the same period in 2001. The average price received per barrel of NGLs decreased \$1.83, or 12%, from \$14.67 during the nine months ended September 30, 2000 to \$12.84 for the same period in 2001. The average price received per mcf of gas increased 55% from \$2.73 during the nine months ended September 30, 2000 to \$4.22 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$28,898 and \$6,194 were recognized for the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period in 2001 was due to \$27,026 in salvage income from two wells plugged and abandoned during the current period and \$1,872 from equipment credits received on a fully depleted well. The gain recognized during the period in 2000 was from equipment credits received on one fully depleted well. Abandoned property costs of \$19,519 were incurred during the nine months ended September 30, 2001 to plug and abandon these wells.

Costs and Expenses:

Total costs and expenses increased to \$476,838 for the nine months ended September 30, 2001 as compared to \$391,068 for the same period in 2000, an increase of \$85,770, or 22%. This increase was due to increases in depletion, production costs and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

8

Production costs were \$339,498 for the nine months ended September 30, 2001 and \$316,752 for the same period in 2000 resulting in a \$22,746 increase, or 7%. The increase was due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

general partner personnel and operating costs. During this period, G&A decreased 4% from \$27,049 for the nine months ended September 30, 2000 to \$25,876 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$91,945 for the nine months ended September 30, 2001 as compared to \$47,267 for the same period in 2000, representing an increase of \$44,678, or 95%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 909 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 30% to \$212,821 for the three months ended September 30, 2001 as compared to \$305,191 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 5,889 barrels of oil, 3,103 barrels of NGLs and 12,375 mcf of gas were sold, or 11,055 BOEs. For the three months ended September 30, 2000, 6,197 barrels of oil, 3,652 barrels of NGLs and 16,282 mcf of gas were sold, or 12,563 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.05, or 13%, from \$30.64 for the three months ended September 30, 2000 to \$26.59 for the same period in 2001. The average price received per barrel of NGLs decreased \$6.39, or 39%, from \$16.35 during the three months ended September 30, 2000 to \$9.96 for the same period in 2001. The average price received per mcf of gas decreased 40% from \$3.42 during the three months ended September 30, 2000 to \$2.05 for the same period in 2001.

Gain on disposition of assets of \$17,858 recognized for the three months ended September 30, 2001 was due to \$15,986 in salvage income received on two wells plugged and abandoned during the current period and \$1,872 from equipment credits on a fully depleted well. Abandoned property costs of \$10,695 were incurred during the three months ended September 30, 2001 to plug and abandon these wells.

9

Costs and Expenses:

Total costs and expenses increased to \$193,929 for the three months ended September 30, 2001 as compared to \$129,011 for the same period in 2000, an increase of \$64,918, or 50%. This increase was due to increases in depletion, production costs and abandoned property costs, offset by a decline in G&A.

Production costs were \$119,647 for the three months ended September 30, 2001 and \$103,256 for the same period in 2000, resulting in a \$16,391 increase, or 16%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

During this period, G&A decreased 39% from \$10,777 for the three months ended September 30, 2000 to \$6,592 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$56,995 for the three months ended September 30, 2001 as compared to \$14,978 for the same period in 2000, representing an increase of \$42,017, or 281%. This increase was due to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 308 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$58,209 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to decreases in G&A expenses of \$1,173 and a reduction in working capital of \$125,567, offset by a decrease in oil and gas sales receipts of \$26,266 and increases in production costs of \$22,746 and abandoned property costs of \$19,519. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues. The decrease in oil and gas receipts resulted from lower average prices received for oil and NGLs during 2001 which resulted in a \$41,370 decrease and a decline in production of \$52,491, offset by a \$67,595 increase resulting from higher average prices received for gas. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were related to equipment upgrades on active oil and gas properties.

Proceeds from disposition of assets of \$16,319 and \$6,194 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period in 2001 were primarily from salvage income on two wells plugged and abandoned during the current

10

period. The proceeds recognized during the period in 2000 were due to equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$423,598, of which \$4,236 was distributed to the managing general partner and \$419,362 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$476,738, of which \$4,767 was distributed to the managing general partner and \$471,971 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

11

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 89-A, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 89-A, L.P.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 89-B CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 89-B Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 89-B CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(Unaudited)

PARKER & PARSLEY 89-B CONV., L.P.
(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 191,288	\$ 94,922
Accounts receivable - oil and gas sales	80,909	134,431
	-----	-----
Total current assets	272,197	229,353
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,318,425	5,314,971
Accumulated depletion	(4,549,707)	(4,443,011)
	-----	-----
Net oil and gas properties	768,718	871,960
	-----	-----
	\$ 1,040,915	\$ 1,101,313
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 28,825	\$ 11,787
Partners' capital:		
Managing general partner	10,267	11,042
Limited partners (6,307 interests)	1,001,823	1,078,484
	-----	-----
	1,012,090	1,089,526
	-----	-----
	\$ 1,040,915	\$ 1,101,313
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 89-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 168,045	\$ 213,150	\$ 600,262	\$ 711,150
Interest	1,291	2,583	4,663	10,118
	<u>169,336</u>	<u>215,733</u>	<u>604,925</u>	<u>721,268</u>
Costs and expenses:				
Oil and gas production	92,147	82,348	266,185	266,185
General and administrative	5,041	7,314	19,118	19,118
Impairment of oil and gas properties	48,672	--	48,672	--
Depletion	21,876	16,488	58,024	58,024
	<u>167,736</u>	<u>106,150</u>	<u>391,999</u>	<u>343,327</u>
Net income	<u>\$ 1,600</u>	<u>\$ 109,583</u>	<u>\$ 212,926</u>	<u>\$ 377,941</u>
Allocation of net income:				
Managing general partner	\$ 16	\$ 1,095	\$ 2,129	\$ 10,118
Limited partners	\$ 1,584	\$ 108,488	\$ 210,797	\$ 367,823
Net income per limited partnership interest	<u>\$.25</u>	<u>\$ 17.20</u>	<u>\$ 33.42</u>	<u>\$ 33.42</u>

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.

PARKER & PARSLEY 89-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 11,042	\$ 1,078,484	\$ 1,089,526
Distributions	(2,904)	(287,458)	(290,362)
Net income	2,129	210,797	212,926
	-----	-----	-----
Balance at September 30, 2001	\$ 10,267 =====	\$ 1,001,823 =====	\$ 1,012,090 =====

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.

PARKER & PARSLEY 89-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended September 30,	
----- 2001	2000 -----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows from operating activities:		
Net income	\$ 212,926	\$ 314,135
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	48,672	--
Depletion	58,024	48,328
Changes in assets and liabilities:		
Accounts receivable	53,522	(23,744)
Accounts payable	17,038	13,285
	-----	-----
Net cash provided by operating activities	390,182	352,004
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(4,622)	(22,885)
Proceeds from asset dispositions	1,168	--
	-----	-----
Net cash used in investing activities	(3,454)	(22,885)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(290,362)	(340,500)
	-----	-----
Net increase (decrease) in cash	96,366	(11,381)
Cash at beginning of period	94,922	116,810
	-----	-----
Cash at end of period	\$ 191,288	\$ 105,429
	=====	=====

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.

PARKER & PARSLEY 89-B CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 89-B Conv., L.P. (the "Partnership") was organized as a general partnership in 1989 under the laws of the State of Texas and was converted to a Delaware limited partnership on May 30, 1990.

The Partnership engages in oil and gas development and production in Texas and

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

6

provision of \$48,672 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,784,756 of which \$1,761,305 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS(1)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 4% to \$600,262 for the nine months ended September 30, 2001 as compared to \$622,684 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decrease in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 13,568 barrels of oil, 6,212 barrels of NGLs and 33,698 mcf of gas were sold, or 25,396 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 14,984 barrels of oil, 8,270 barrels of NGLs and 31,453 mcf of gas were sold, or 28,496 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.10, or 4%, from \$28.36 for the nine months ended September 30, 2000 to \$27.26 for the same period in 2001. The average price received per barrel of NGLs increased \$.59, or 4%, from \$14.42 during the nine months ended September 30, 2000 to \$15.01 for the same period in 2001. The average price received per mcf of gas increased 63% from \$2.49 during the nine months ended September 30, 2000 to \$4.07 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

7

Costs and Expenses:

Total costs and expenses increased to \$391,999 for the nine months ended September 30, 2001 as compared to \$314,787 for the same period in 2000, an increase of \$77,212, or 25%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$266,185 for the nine months ended September 30, 2001 and \$246,547 for the same period in 2000, resulting in a \$19,638 increase, or 8%. This increase was due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 4%, from \$19,912 for the nine months ended September 30, 2000 to \$19,118 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$48,672 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$58,024 for the nine months ended September 30, 2001 as compared to \$48,328 for the same period in 2000, an increase of \$9,696, or 20%. This increase was due to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 1,416 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 21% to \$168,045 for the three months ended September 30, 2001 as compared to \$213,150 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months

8

ended September 30, 2001, 4,396 barrels of oil, 2,459 barrels of NGLs and 10,415 mcf of gas were sold, or 8,591 BOEs. For the three months ended September 30, 2000, 4,816 barrels of oil, 2,334 barrels of NGLs and 9,552 mcf of gas were sold, or 8,742 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.95, or 13%, from \$30.31 for the three months ended September 30, 2000 to \$26.36 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.73, or 24%, from \$15.68 during the three months ended September 30, 2000 to \$11.95 for the same period in 2001. The average price received per mcf of gas decreased 32% to \$2.18 during the three months ended September 30, 2001 from \$3.21 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$167,736 for the three months ended September 30, 2001 as compared to \$106,150 for the same period in 2000, an increase of \$61,586, or 58%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decrease in G&A.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Production costs were \$92,147 for the three months ended September 30, 2001 and \$82,348 for the same period in 2000, resulting in a \$9,799 increase, or 12%. The increase was due to higher ad valorem taxes and an increase in well maintenance costs incurred to stimulate well production, offset by a decrease in production taxes.

During this period, G&A decreased 31%, from \$7,314 for the three months ended September 30, 2000 to \$5,041 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$48,672 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$21,876 for the three months ended September 30, 2001 as compared to \$16,488 for the same period in 2000, an increase of \$5,388, or 33%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 420 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$38,178 during the nine months ended September 30, 2001 from the same period in 2000. This increase was due to decreases of \$794 in G&A expenses and \$81,019 in working capital, offset by an increase in production costs of \$19,638 and a decline in oil and gas sales receipts of \$23,997. The decrease in oil and gas receipts resulted from

9

the decline in the average prices received for oil of \$18,083 and \$60,377 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in the average prices received for gas and NGLs of \$54,463. The increase in production costs was due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$1,168 were received during the nine months ended September 30, 2001. The proceeds were from equipment credits received on one active well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$290,362, of which \$2,904 was distributed to the managing general partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

and \$287,458 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$340,500, of which \$3,405 was distributed to the managing general partner and \$337,095 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

10

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 89-B, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 89-B, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY 89-B, L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 89-B, L.P.
(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 211,438	\$ 105,641
Accounts receivable - oil and gas sales	89,053	148,020
	-----	-----
Total current assets	300,491	253,661
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,859,608	5,855,803
Accumulated depletion	(5,012,483)	(4,894,889)
	-----	-----
Net oil and gas properties	847,125	960,914
	-----	-----
	\$ 1,147,616	\$ 1,214,575
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 31,763	\$ 12,985
Partners' capital:		
Managing general partner	11,399	12,256
Limited partners (6,949 interests)	1,104,454	1,189,334
	-----	-----
	1,115,853	1,201,590
	-----	-----
	\$ 1,147,616	\$ 1,214,575
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 89-B, L.P.
(A Delaware Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$185,004	\$234,681	\$660,944	\$685,480
Interest	1,405	2,867	5,128	6,909
	-----	-----	-----	-----
	186,409	237,548	666,072	692,389
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	101,518	90,734	293,252	271,638
General and administrative	5,550	8,053	21,045	21,921
Impairment of oil and gas properties	53,666	--	53,666	--
Depletion	24,105	18,158	63,928	53,235
	-----	-----	-----	-----
	184,839	116,945	431,891	346,794
	-----	-----	-----	-----
Net income	\$ 1,570	\$120,603	\$234,181	\$345,595
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 16	\$ 1,206	\$ 2,342	\$ 3,456
	=====	=====	=====	=====
Limited partners	\$ 1,554	\$119,397	\$231,839	\$342,139
	=====	=====	=====	=====
Net income per limited partnership interest	\$.22	\$ 17.19	\$ 33.36	\$ 49.24
	=====	=====	=====	=====

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.

PARKER & PARSLEY 89-B, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 12,256	\$ 1,189,334	\$ 1,201,590
Distributions	(3,199)	(316,719)	(319,918)
Net income	2,342	231,839	234,181
	-----	-----	-----
Balance at September 30, 2001	\$ 11,399	\$ 1,104,454	\$ 1,115,853
	=====	=====	=====

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

PARKER & PARSLEY 89-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 234,181	\$ 345,595
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	53,666	--
Depletion	63,928	53,235
Changes in assets and liabilities:		
Accounts receivable	58,967	(26,048)
Accounts payable	18,778	14,929
	-----	-----
Net cash provided by operating activities	429,520	387,711
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(5,092)	(25,215)
Proceeds from asset dispositions	1,287	--
	-----	-----
Net cash used in investing activities	(3,805)	(25,215)
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows used in financing activities:		
Cash distributions to partners	(319,918)	(375,160)
	-----	-----
Net increase (decrease) in cash	105,797	(12,664)
Cash at beginning of period	105,641	130,083
	-----	-----
Cash at end of period	\$ 211,438	\$ 117,419
	=====	=====

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.

5

PARKER & PARSLEY 89-B, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 89-B, L.P. (the "Partnership") is a limited partnership organized in 1989 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$53,666 related to its proved oil and gas properties during the nine months ended September 30, 2001.

6

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,963,928 of which \$1,924,144 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 4% to \$660,944 for the nine months ended September 30, 2001 as compared to \$685,480 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decrease in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 14,935 barrels of oil, 6,849 barrels of NGLs and 37,107 mcf of gas were sold, or 27,969 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 16,497 barrels of oil, 9,105 barrels of NGLs and 34,637 mcf of gas were sold, or 31,375 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.10, or 4%, from \$28.36 for the nine months ended September 30, 2000 to \$27.26 for the same period in 2001. The average price received per barrel of NGLs increased \$.59, or 4%, from \$14.42 during the nine months ended September 30, 2000 to \$15.01 for the same period in 2001. The average price received per mcf of gas increased 63% from \$2.49 during the nine months ended September 30, 2000 to \$4.07 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

future oil and gas production at average prices lower or higher than those received during the nine months ended September 30, 2001.

7

Costs and Expenses:

Total costs and expenses increased to \$431,891 for the nine months ended September 30, 2001 as compared to \$346,794 for the same period in 2000, an increase of \$85,097, or 25%. This increase was due to an increase in production costs, the impairment of oil and gas properties and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$293,252 for the nine months ended September 30, 2001 and \$271,638 for the same period in 2000, resulting in a \$21,614, or 8%, increase. This increase was the result of additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 4%, from \$21,921 for the nine months ended September 30, 2000 to \$21,045 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$53,666 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$63,928 for the nine months ended September 30, 2001 as compared to \$53,235 for the same period in 2000, an increase of \$10,693, or 20%. This increase was due to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 1,562 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 21% to \$185,004 for the three months ended September 30, 2001 as compared to \$234,681 for the same period in 2000. The decrease in revenues

resulted from a decrease in production and lower average prices received. For the three months ended September 30, 2001, 4,840 barrels of oil, 2,708 barrels of NGLs and 11,469 mcf of gas were sold, or 9,460 BOEs. For the three months ended September 30, 2000, 5,299 barrels of oil, 2,567 barrels of NGLs and 10,523 mcf of gas were sold, or 9,620 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.95, or 13%, from \$30.31 for the three months ended September 30, 2000 to \$26.36 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.73, or 24%, from \$15.68 during the three months ended September 30, 2000 to \$11.95 for the same period in 2001. The average price received per mcf of gas decreased 32% to \$2.18 during the three months ended September 30, 2001 from \$3.21 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$184,839 for the three months ended September 30, 2001 as compared to \$116,945 for the same period in 2000, an increase of \$67,894, or 58%. This increase was due to increases in production costs, the impairment of oil and gas properties and depletion, offset by a decrease in G&A.

Production costs were \$101,518 for the three months ended September 30, 2001 and \$90,734 for the same period in 2000, resulting in a \$10,784 increase, or 12%. The increase was due to higher ad valorem taxes and an increase in well maintenance costs incurred to stimulate well production, offset by a decrease in production taxes.

During this period, G&A decreased 31%, from \$8,053 for the three months ended September 30, 2000 to \$5,550 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$53,666 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$24,105 for the three months ended September 30, 2001 as compared to \$18,158 for the same period in 2000, an increase of \$5,947, or 33%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decrease in oil production of 459 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$41,809 during the nine months ended September 30, 2001 from the same period in 2000. This increase was due to a decrease in G&A expenses of \$876 and reductions in working capital of \$88,864, offset by a decrease in oil and gas sales receipts

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

of \$26,317 and an increase in production costs of \$21,614. The decrease in oil and gas receipts resulted from the decrease in the average price received for oil of \$19,876 and \$66,407 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in the average price received for gas and NGLs of \$59,966. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$1,287 were received during the nine months ended September 30, 2001 from equipment credits on one active well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$319,918, of which \$3,199 was distributed to the managing general partner and \$316,719 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$375,160, of which \$3,752 was distributed to the managing general partner and \$371,408 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

11

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY
PRIVATE INVESTMENT 89, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley Private Investment 89, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.

(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 176,905	\$ 101,600
Accounts receivable - oil and gas sales	109,460	118,399
	-----	-----
Total current assets	286,365	219,999
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,237,687	5,223,723
Accumulated depletion	(4,403,143)	(4,351,220)
	-----	-----
Net oil and gas properties	834,544	872,503
	-----	-----
	\$ 1,120,909	\$ 1,092,502
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Current liabilities:		
Accounts payable - affiliate	\$ 30,277	\$ 15,443
Partners' capital:		
Managing general partner	12,903	12,767
Limited partners (176.5 interests)	1,077,729	1,064,292
	-----	-----
	1,090,632	1,077,059
	-----	-----
	\$ 1,120,909	\$ 1,092,502
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 179,915	\$ 224,506	\$ 632,145	\$ 613,023
Interest	1,288	2,430	4,349	5,906
	-----	-----	-----	-----
	181,203	226,936	636,494	618,929
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	92,862	88,476	326,233	246,879
General and administrative	5,397	8,226	20,435	19,881
Depletion	16,569	15,922	51,923	44,883
	-----	-----	-----	-----
	114,828	112,624	398,591	311,643
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income	\$ 66,375	\$ 114,312	\$ 237,903	\$ 307,286
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 664	\$ 1,143	\$ 2,379	\$ 3,073
	=====	=====	=====	=====
Limited partners	\$ 65,711	\$ 113,169	\$ 235,524	\$ 304,213
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 372.30	\$ 641.19	\$ 1,334.41	\$ 1,723.59
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 12,767	\$ 1,064,292	\$ 1,077,059
Distributions	(2,243)	(222,087)	(224,330)
Net income	2,379	235,524	237,903
	-----	-----	-----
Balance at September 30, 2001	\$ 12,903	\$ 1,077,729	\$ 1,090,632
	=====	=====	=====

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.

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 237,903	\$ 307,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	51,923	44,883
Changes in assets and liabilities:		
Accounts receivable	8,939	(29,988)
Accounts payable	14,834	12,939
	-----	-----
Net cash provided by operating activities	313,599	335,120
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(14,685)	(10,741)
Proceeds from asset dispositions	721	158
	-----	-----
Net cash used in investing activities	(13,964)	(10,583)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(224,330)	(320,734)
	-----	-----
Net increase in cash	75,305	3,803
Cash at beginning of period	101,600	105,420
	-----	-----
Cash at end of period	\$ 176,905	\$ 109,223
	=====	=====

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.

PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.

(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 89, L.P. (the "Partnership") was organized in 1989 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1990.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$2,030,049 of which \$1,998,362 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 3% to \$632,145 for the nine months ended September 30, 2001 as compared to \$613,023 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas and an increase in production, offset by lower average prices received for oil and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 16,643 barrels of oil, 5,776 barrels of NGLs and 29,644 mcf of gas were sold, or 27,360 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 17,053 barrels of oil, 5,923 barrels of NGLs and 22,377 mcf of gas were sold, or 26,706 BOEs.

The average price received per barrel of oil decreased \$1.23, or 4%, from \$28.02 for the nine months ended September 30, 2000 to \$26.79 for the same period in 2001. The average price received per barrel of NGLs decreased \$.97, or 7%, from \$13.92 during the nine months ended September 30, 2000 to \$12.95 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.36 during the nine months ended September 30, 2000 to \$3.76 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$398,591 for the nine months ended September 30, 2001 as compared to \$311,643 for the same period in 2000, an increase of \$86,948, or 28%. This increase was due to increases in production costs, general and administrative expenses ("G&A") and depletion.

Production costs were \$326,233 for the nine months ended September 30, 2001 and \$246,879 for the same period in 2000, resulting in a \$79,354 increase, or 32%. The increase was attributable to additional workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 3%, from \$19,881 for the nine months ended September 30, 2000 to \$20,435 for the same period in 2001, primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

7

Depletion was \$51,923 for the nine months ended September 30, 2001 as compared to \$44,883 for the same period in 2000, an increase of \$7,040, or 16%. This increase was primarily due to a reduction in proved reserves due to lower commodity prices during the period ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Revenues:

The Partnership's oil and gas revenues decreased 20% to \$179,915 for the three months ended September 30, 2001 as compared to \$224,506 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 5,416 barrels of oil, 2,309 barrels of NGLs and 8,456 mcf of gas were sold, or 9,134 BOEs. For the three months ended September 30, 2000, 5,454 barrels of oil, 2,303 barrels of NGLs and 9,053 mcf of gas were sold, or 9,266 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.98, or 13%, from \$30.05 for the three months ended September 30, 2000 to \$26.07 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.76, or 32%, from \$14.78 during the three months ended September 30, 2000 to \$10.02 for the same period in 2001. The average price received per mcf of gas decreased 37% to \$1.84 during the three months ended September 30, 2001 from \$2.94 during the same period in 2000.

Costs and Expenses:

Total costs and expenses increased to \$114,828 for the three months ended September 30, 2001 as compared to \$112,624 for the same period in 2000, an increase of \$2,204, or 2%. This increase was due to increases in production costs and depletion, offset by a decline in G&A.

Production costs were \$92,862 for the three months ended September 30, 2001 and \$88,476 for the same period in 2000, resulting in a \$4,386 increase, or 5%. The increase was primarily due to higher ad valorem taxes.

During this period, G&A decreased 34%, from \$8,226 for the three months ended September 30, 2000 to \$5,397 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$16,569 for the three months ended September 30, 2001 as compared to \$15,922 for the same period in 2000, an increase of \$647, or 4%. This increase was primarily attributable to a reduction in proved reserves due to lower commodity prices during the period ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$21,521 during the nine months ended September 30, 2001 from the same period in 2000. This decrease was due to increases in production costs of \$79,354 and G&A expenses of \$554, offset by an increase in oil and gas receipts of \$17,565 and a reduction in working capital of \$40,822. The increase in oil and gas receipts resulted from the increase in gas commodity prices during 2001 which contributed an additional \$31,437 to oil and gas receipts and \$14,439 resulting from an increase in production during 2001 as compared to the same period in 2000, offset by a

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

decline in oil and NGL commodity prices of \$28,311. The increase in production costs was primarily due to additional workover and well maintenance costs incurred to stimulate well production and higher ad valorem taxes. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investing activities included expenditures related to equipment upgrades on various oil and gas properties for the nine months ended September 30, 2001 and 2000.

Proceeds from asset dispositions of \$721 and \$158 for the nine months ended September 30, 2001 and 2000, respectively, were due to equipment credits received on active wells.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$224,330, of which \$2,243 was distributed to the managing general partner and \$222,087 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$320,734, of which \$3,207 was distributed to the managing general partner and \$317,527 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into

9

Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90-A CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90-A Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 90-A CONV., L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 90-A CONV., L.P.

(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 68,855	\$ 30,771
Accounts receivable - oil and gas sales	26,523	42,233
	-----	-----
Total current assets	95,378	73,004
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	1,762,513	1,761,261
Accumulated depletion	(1,410,862)	(1,390,348)
	-----	-----
Net oil and gas properties	351,651	370,913
	-----	-----
	\$ 447,029	\$ 443,917
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 9,934	\$ 5,524

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Partners' capital:		
Managing general partner	4,399	4,412
Limited partners (2,359 interests)	432,696	433,981
	-----	-----
	437,095	438,393
	-----	-----
	\$ 447,029	\$ 443,917
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY 90-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 53,709	\$ 76,703	\$ 200,918	\$ 200,918
Interest	468	883	1,623	1,623
Gain on disposition of assets	--	--	--	--
	-----	-----	-----	-----
	54,177	77,586	202,541	203,141
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	27,493	26,269	84,692	84,692
General and administrative	1,753	2,678	6,669	6,669
Depletion	7,269	7,796	20,514	20,514
	-----	-----	-----	-----
	36,515	36,743	111,875	111,875
	-----	-----	-----	-----
Net income	\$ 17,662	\$ 40,843	\$ 90,666	\$ 91,266
	=====	=====	=====	=====

Allocation of net income:

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Managing general partner	\$ 177	\$ 408	\$ 907	\$
Limited partners	\$ 17,485	\$ 40,435	\$ 89,759	\$
Net income per limited partnership interest	\$ 7.41	\$ 17.14	\$ 38.05	\$

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.

3

PARKER & PARSLEY 90-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 4,412	\$ 433,981	\$ 438,393
Distributions	(920)	(91,044)	(91,964)
Net income	907	89,759	90,666
	-----	-----	-----
Balance at September 30, 2001	\$ 4,399	\$ 432,696	\$ 437,095
	=====	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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

PARKER & PARSLEY 90-A CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 90,666	\$ 99,12
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	20,514	20,22
Gain on disposition of assets	--	(3,26
Changes in assets and liabilities:		
Accounts receivable	15,710	(13,14
Accounts payable	4,410	3,05
	-----	-----
Net cash provided by operating activities	131,300	105,99
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(1,252)	(2,28
Proceeds from asset dispositions	--	3,26
	-----	-----
Net cash provided by (used in) investing activities	(1,252)	97
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(91,964)	(106,40
	-----	-----
Net increase in cash	38,084	57
Cash at beginning of period	30,771	41,09
	-----	-----
Cash at end of period	\$ 68,855	\$ 41,66
	=====	=====

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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.

5

PARKER & PARSLEY 90-A CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-A Conv., L.P. (the "Partnership") was organized in 1990 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1991.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$592,956 of which \$583,543 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 1% to \$200,918 for the nine months ended September 30, 2001 as compared to \$202,184 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 4,444 barrels of oil, 2,149 barrels of NGLs and 11,496 mcf of gas were sold, or 8,509 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 4,750 barrels of oil, 2,753 barrels of NGLs and 10,491 mcf of gas were sold, or 9,252 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.96, or 3%, from \$28.43 for the nine months ended September 30, 2000 to \$27.47 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$14.53 during the nine months ended September 30, 2000 to \$14.58 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.59 during the nine months ended September 30, 2000 to \$4.13 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$3,262 was recognized during the nine months ended September 30, 2000 resulting from equipment credits received on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$111,875 for the nine months ended September 30, 2001 as compared to \$108,479 for the same period in 2000, an increase of \$3,396, or 3%. This increase was due to increases in production costs, depletion and general and administrative expenses ("G&A").

Production costs were \$84,692 for the nine months ended September 30, 2001 and \$81,684 for the same period in 2000 resulting in a \$3,008 increase, or 4%. The increase was due to higher ad valorem taxes, offset by a decrease in workover costs.

G&A's components are independent accounting and engineering fees and managing

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

general partner personnel and operating costs. During this period, G&A increased 2% from \$6,570 for the nine months ended September 30, 2000 to \$6,669 for the same period in 2001.

7

Depletion was \$20,514 for the nine months ended September 30, 2001 as compared to \$20,225 for the same period in 2000, an increase of \$289, or 1%. This increase was primarily due to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 306 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 30% to \$53,709 for the three months ended September 30, 2001 as compared to \$76,703 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 1,395 barrels of oil, 867 barrels of NGLs and 3,341 mcf of gas were sold, or 2,819 BOEs. For the three months ended September 30, 2000, 1,645 barrels of oil, 900 barrels of NGLs and 3,589 mcf of gas were sold, or 3,143 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.68, or 12%, from \$30.25 for the three months ended September 30, 2000 to \$26.57 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.29, or 32%, from \$16.51 during the three months ended September 30, 2000 to \$11.22 for the same period in 2001. The average price received per mcf of gas decreased 38% to \$2.06 during the three months ended September 30, 2001 from \$3.34 during the same period in 2000.

Costs and Expenses:

Total costs and expenses decreased to \$36,515 for the three months ended September 30, 2001 as compared to \$36,743 for the same period in 2000, a decrease of \$228, or 1%. This decrease was due to declines in G&A and depletion, offset by an increase in production costs.

Production costs were \$27,493 for the three months ended September 30, 2001 and \$26,269 for the same period in 2000, resulting in a \$1,224 increase, or 5%. The increase was due to higher ad valorem taxes, offset by decreases in production taxes and well maintenance costs.

During this period, G&A decreased 35%, from \$2,678 for the three months ended September 30, 2000 to \$1,753 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$7,269 for the three months ended September 30, 2001 as compared to \$7,796 for the same period in 2000, a decrease of \$527, or 7%. This decrease was attributable to a decline in oil production of 250 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$25,303 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction of \$30,210 in working capital, offset by increases in production costs of \$3,008 and G&A expenses of \$99 and a reduction in oil and gas sales receipts of \$1,800. The decrease in oil and gas receipts resulted from declines of \$5,093 in oil prices and \$13,066 in production, offset by an increase of \$16,359 in gas and NGL prices during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to increased ad valorem, offset by a decrease in workover costs.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds of \$3,262 recognized during the nine months ended September 30, 2000 were from equipment credits on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$91,964, of which \$920 was distributed to the managing general partner and \$91,044 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$106,403, of which \$1,064 was distributed to the managing general partner and \$105,339 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90-A, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90-A, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-05

PARKER & PARSLEY 90-A, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2329245

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 90-A, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 90-A, L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 203,050	\$ 92,685
Accounts receivable - oil and gas sales	76,688	122,067
	-----	-----
Total current assets	279,738	214,752
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,088,799	5,085,185
Accumulated depletion	(4,073,625)	(4,014,368)
	-----	-----
Net oil and gas properties	1,015,174	1,070,817
	-----	-----
	\$ 1,294,912	\$ 1,285,569
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 28,897	\$ 15,770
Partners' capital:		
Managing general partner	12,741	12,779
Limited partners (6,811 interests)	1,253,274	1,257,020
	-----	-----
	1,266,015	1,269,799
	-----	-----
	\$ 1,294,912	\$ 1,285,569
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 90-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 155,153	\$ 221,255	\$ 580,050	\$ 580,050
Interest	1,380	2,604	4,789	4,789
Gain on disposition of assets	--	--	--	--
	156,533	223,859	584,839	584,839
Costs and expenses:				
Oil and gas production	79,369	75,837	244,499	244,499
General and administrative	4,959	7,896	19,344	19,344
Depletion	21,000	22,443	59,257	59,257
	105,328	106,176	323,100	323,100
Net income	\$ 51,205	\$ 117,683	\$ 261,739	\$ 261,739
Allocation of net income:				
Managing general partner	\$ 512	\$ 1,176	\$ 2,617	\$ 2,617
Limited partners	\$ 50,693	\$ 116,507	\$ 259,122	\$ 259,122
Net income per limited partnership interest	\$ 7.44	\$ 17.11	\$ 38.04	\$ 38.04

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL (Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 12,779	\$ 1,257,020	\$ 1,269,799
Distributions	(2,655)	(262,868)	(265,523)
Net income	2,617	259,122	261,739
	-----	-----	-----
Balance at September 30, 2001	\$ 12,741	\$ 1,253,274	\$ 1,266,015
	=====	=====	=====

The financial information included herein has been prepared by managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 90-A, L.P. (A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS (Unaudited)

	Nine months ended September 30,	
	----- 2001 -----	----- 2000 -----
Cash flows from operating activities:		
Net income	\$ 261,739	\$ 285,4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	59,257	58,4
Gain on disposition of assets	--	(9,4

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Changes in assets and liabilities:		
Accounts receivable	45,379	(37,7
Accounts payable	13,127	9,6
	-----	-----
Net cash provided by operating activities	379,502	306,3
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(3,614)	(6,5
Proceeds from asset dispositions	--	9,4
	-----	-----
Net cash provided by (used in) investing activities	(3,614)	2,8
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(265,523)	(307,2
	-----	-----
Net increase in cash	110,365	1,9
Cash at beginning of period	92,685	122,6
	-----	-----
Cash at end of period	\$ 203,050	\$ 124,5
	=====	=====

The financial information included herein has been prepared by managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 90-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-A, L.P. (the "Partnership") is a limited partnership organized in 1990 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,716,195 of which \$1,662,363 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 1% to \$580,050 for the nine months ended September 30, 2001 as compared to \$583,512 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and a decline in production, offset by higher average prices received for gas and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 12,827 barrels of oil, 6,212 barrels of NGLs and 33,199 mcf of gas were sold, or 24,572 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 13,714 barrels of oil, 7,938 barrels of NGLs and 30,270 mcf of gas were sold, or 26,697 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.96, or 3%, from \$28.43 for the nine months ended September 30, 2000 to \$27.47 for the same period in 2001. The average price received per barrel of NGLs increased slightly from \$14.53 during the nine months ended September 30, 2000 to \$14.58 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.59 during the nine months ended September 30, 2000 to \$4.13 for the same

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$9,419 was recognized during the nine months ended September 30, 2000 resulting from equipment credits received on one well.

Costs and Expenses:

Total costs and expenses increased to \$323,100 for the nine months ended September 30, 2001 as compared to \$313,847 for the same period in 2000, an increase of \$9,253, or 3%. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$244,499 for the nine months ended September 30, 2001 and \$235,807 for the same period in 2000, resulting in an \$8,692 increase, or 4%. The increase was primarily due to higher ad valorem taxes, offset by a decline in workover costs.

8

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 1% from \$19,634 for the nine months ended September 30, 2000 to \$19,344 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$59,257 for the nine months ended September 30, 2001 as compared to \$58,406 for the same period in 2000, an increase of \$851, or 1%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 887 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 30% to \$155,153 for the three months ended September 30, 2001 as compared to \$221,255 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decrease in production. For the three months ended September 30, 2001, 4,024 barrels of oil, 2,522 barrels of NGLs and 9,660 mcf of gas were sold, or 8,156 BOEs. For the three months ended September 30, 2000, 4,749 barrels of oil, 2,600 barrels of NGLs and 10,373 mcf of gas were sold, or 9,078 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.68, or 12%, from \$30.25 for the three months ended September 30, 2000 to \$26.57 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.29, or 32%, from \$16.51 during the three months ended September 30, 2000 to \$11.22 for the same period in 2001. The average price received per mcf of gas decreased 38% from \$3.34 during the three months ended September 30, 2000 to \$2.06 for the

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

same period in 2001.

Costs and Expenses:

Total costs and expenses decreased to \$105,328 for the three months ended September 30, 2001 as compared to \$106,176 for the same period in 2000, a decrease of \$848, or 1%. This decrease was due to declines in G&A and depletion, offset by an increase in production costs.

Production costs were \$79,369 for the three months ended September 30, 2001 and \$75,837 for the same period in 2000 resulting in a \$3,532 increase, or 5%. The increase was primarily due to higher ad valorem taxes, offset by a decrease in production taxes and well maintenance costs.

During this period, G&A decreased 37% from \$7,896 for the three months ended September 30, 2000 to \$4,959 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

9

Depletion was \$21,000 for the three months ended September 30, 2001 as compared to \$22,443 for the same period in 2000, representing a decrease of \$1,443, or 6%. This decrease was attributable to a decline in oil production of 725 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$73,194 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$86,631 in working capital and \$290 in G&A expense, offset by an increase in production costs of \$8,692 and a reduction in oil and gas sales receipts of \$5,035. The decrease in oil and gas receipts resulted from the decrease of \$14,617 in oil prices and a decline in production of \$37,433, offset by an increase of \$47,015 in gas and NGL prices during 2001 as compared to the same period in 2000. The increase in production costs was primarily due to higher ad valorem taxes, offset by a decline in workover costs. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were for expenditures related to equipment upgrades on various oil and gas properties.

Proceeds of \$9,419 were recognized during the nine months ended September 30, 2000 from equipment credits on one well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$265,523, of which \$2,655 was distributed to the managing general partner and \$262,868 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$307,211, of which \$3,072 was

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

distributed to the managing general partner and \$304,139 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley

10

limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

- (a) Exhibits
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 90-A, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 90-A, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 9, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90-B CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

This document contains important information specific to Parker & Parsley 90-B Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-08

PARKER & PARSLEY 90-B CONV., L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2329284

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, IRVING, TEXAS

75039

(Address of principal executive offices)

(Zip code)

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 [X] NO []

PARKER & PARSLEY 90-B CONV., L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements
	Balance Sheets as of September 30, 2001 and December 31, 2000.....
	Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....
	Statement of Partners' Capital for the nine months ended September 30, 2001.....
	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....
	Notes to Financial Statements.....
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....

PART II. OTHER INFORMATION

Item 6.	Exhibits and Reports on Form 8-K.....
---------	---------------------------------------

Signatures.....

2

PARKER & PARSLEY 90-B CONV., L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 292,511	\$ 132,300
Accounts receivable - oil and gas sales	144,371	209,552
	-----	-----
Total current assets	436,882	341,852
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	9,567,572	9,628,120
Accumulated depletion	(8,108,789)	(8,075,752)
	-----	-----
Net oil and gas properties	1,458,783	1,552,368
	-----	-----
	\$ 1,895,665	\$ 1,894,220
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 50,571	\$ 15,580
Partners' capital:		
Managing general partner	18,450	18,785
Limited partners (11,897 interests)	1,826,644	1,859,855
	-----	-----
	1,845,094	1,878,640
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$ 1,895,665 \$ 1,894,220
 =====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 90-B CONV., L.P.
 (A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30,		Nine months September
	2001	2000	2001
Revenues:			
Oil and gas	\$ 300,263	\$ 405,161	\$ 1,063,346
Interest	1,957	3,426	7,043
Gain on disposition of assets	4,410	--	7,464
	306,630	408,587	1,077,853
Costs and expenses:			
Oil and gas production	168,131	135,775	450,324
General and administrative	8,287	13,970	31,171
Impairment of oil and gas properties	11,272	--	11,272
Depletion	31,450	24,992	85,849
Abandoned property	79	--	3,138
	219,219	174,737	581,754
Net income	\$ 87,411	\$ 233,850	\$ 496,099
Allocation of net income:			
Managing general partner	\$ 874	\$ 2,339	\$ 4,961
Limited partners	\$ 86,537	\$ 231,511	\$ 491,138

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income per limited partnership interest	\$ 7.27	\$ 19.46	\$ 41.28
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 90-B CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 18,785	\$ 1,859,855	\$ 1,878,640
Distributions	(5,296)	(524,349)	(529,645)
Net income	4,961	491,138	496,099
	-----	-----	-----
Balance at September 30, 2001	\$ 18,450	\$ 1,826,644	\$ 1,845,094
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 90-B CONV., L.P.
(A Delaware Limited Partnership)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 496,099	\$ 576,
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	11,272	
Depletion	85,849	77,
Gain on disposition of assets	(7,464)	(2,
Changes in assets and liabilities:		
Accounts receivable	65,181	(47,
Accounts payable	34,991	19,
	-----	-----
Net cash provided by operating activities	685,928	623,
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(3,650)	(14,
Proceeds from asset dispositions	7,578	2,
	-----	-----
Net cash provided by (used in) investing activities	3,928	(12,
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(529,645)	(597,
	-----	-----
Net increase in cash	160,211	14,
Cash at beginning of period	132,300	132,
	-----	-----
Cash at end of period	\$ 292,511	\$ 146,
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS

September 30, 2001

(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-B Conv., L.P. (the "Partnership") was organized as a general partnership in 1990 under the laws of the State of Texas and was converted to a Delaware limited partnership on August 1, 1991.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the results and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as

determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$11,272 related to its

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of the limited partners of the Partnership. Pioneer has valued the Partnership interest at \$3,275,273 of which \$3,220,716 is allocated to the non-affiliated limited partners. If a majority of the limited partners approve the transaction, the limited partners will receive their value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 3% to \$1,063,346 for the nine months ended September 30, 2001 as compared to \$1,092,350 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 25,759 barrels of oil, 10,283 barrels of NGLs and 51,734 mcf of gas were sold, or 44,664 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 27,178 barrels of oil, 12,971 barrels of NGLs and 50,036 mcf of gas were sold, or 48,488 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.07, or 4%, from \$28.68 for the nine months ended September 30, 2000 to \$27.61 for the same period in 2001. The average price received per barrel of NGLs decreased \$.33, or 2%, from \$14.66 during the nine months ended September 30, 2000 to \$14.33 for the same period in 2001. The average price received per mcf of gas increased 62% from \$2.45 for the nine months ended September 30, 2000 to \$3.96 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$7,464 and \$2,023 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 consisted of \$7,033 salvage income from one well plugged and abandoned in the current

period and \$431 from equipment credits received on one fully depleted well. The gain recognized during the period ended September 30, 2000 was due to the sale of equipment on one fully depleted well. Abandoned property costs of \$3,138 were incurred during the nine months ended September 30, 2001 to plug one well in the current period.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$581,754 for the nine months ended September 30, 2001 as compared to \$526,281 for the same period in 2000, an increase of \$55,473, or 11%. The increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$450,324 for the nine months ended September 30, 2001 and \$413,083 for the same period in 2000, resulting in a \$37,241 increase, or 9%. The increase was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 13% from \$35,694 for the nine months ended September 30, 2000 to \$31,171 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$11,272 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$85,849 for the nine months ended September 30, 2001 as compared to \$77,504 for the same period in 2000, representing an increase of \$8,345, or 11%. This increase was primarily due to a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decrease in oil production of 1,419 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

9

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 26% to \$300,263 for the three months ended September 30, 2001 as compared to \$405,161 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 8,406 barrels of oil, 3,873 barrels of NGLs and 16,365 mcf of gas were sold, or 15,007

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

BOEs. For the three months ended September 30, 2000, 9,220 barrels of oil, 4,367 barrels of NGLs and 17,020 mcf of gas were sold, or 16,424 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.26, or 14%, from \$30.54 during the three months ended September 30, 2000 to \$26.28 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.53, or 28%, from \$15.94 during the three months ended September 30, 2000 to \$11.41 for the same period in 2001. The average price received per mcf of gas decreased 32% from \$3.17 during the three months ended September 30, 2000 to \$2.16 for the same period in 2001.

A gain on disposition of assets of \$4,410 recognized during the three months ended September 30, 2001 was due to \$3,979 salvage income from one well plugged and abandoned in the current period and \$431 from equipment credits received on one fully depleted well. Abandoned property costs of \$79 were incurred during the three months ended September 30, 2001 to plug this well.

Costs and Expenses:

Total costs and expenses increased to \$219,219 for the three months ended September 30, 2001 as compared to \$174,737 for the same period in 2000, an increase of \$44,482, or 25%. This increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in G&A.

Production costs were \$168,131 for the three months ended September 30, 2001 and \$135,775 for the same period in 2000, resulting in a \$32,356 increase, or 24%. The increase was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production, offset by a decrease in production taxes.

During this period, G&A decreased 41% from \$13,970 for the three months ended September 30, 2000 to \$8,287 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$11,272 related to its proved oil and gas properties during the three months ended September 30, 2001.

10

Depletion was \$31,450 for the three months ended September 30, 2001 as compared to \$24,992 for the same period in 2000, representing an increase of \$6,458, or 26%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decrease in oil production of 814 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$62,064 during the nine

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$128,084 in working capital and \$4,523 in G&A expenses, offset by increases of \$37,241 in production costs and \$3,138 in abandoned property costs and a decline in oil and gas sales receipts of \$30,164. The decrease in oil and gas receipts resulted from the decline in oil and NGL prices during 2001 which resulted in a \$33,470 decline to oil and gas receipts and \$70,974 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in gas prices which contributed an additional \$74,280 to oil and gas receipts. The increase in production costs was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$7,578 and \$2,023 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period ended September 30, 2001 were primarily due to salvage income from one well plugged and abandoned during the current period. The proceeds recognized during the period ended September 30, 2000 were derived from the sale of equipment on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$529,645, of which \$5,296 was distributed to the managing general partner and \$524,349 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$597,062, of which \$5,971 was distributed to the managing general partner and \$591,091 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into

11

Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 90-B CONV., L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 90-B CONV., L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90-B, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90-B, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-07

PARKER & PARSLEY 90-B, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2329287

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 90-B, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and December 31, 2000.....

Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months ended September 30, 2001.....

Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 90-B, L.P.
 (A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

September 30, 2001	December 31, 2000
-----	-----
(Unaudited)	

ASSETS

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Current assets:		
Cash	\$ 798,150	\$ 364,895
Accounts receivable - oil and gas sales	393,565	568,283
	-----	-----
Total current assets	1,191,715	933,178
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	25,946,724	26,110,930
Accumulated depletion	(21,988,768)	(21,899,717)
	-----	-----
Net oil and gas properties	3,957,956	4,211,213
	-----	-----
	\$ 5,149,671	\$ 5,144,391
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 137,433	\$ 42,091
Partners' capital:		
Managing general partner	50,126	51,027
Limited partners (32,264 interests)	4,962,112	5,051,273
	-----	-----
	5,012,238	5,102,300
	-----	-----
	\$ 5,149,671	\$ 5,144,391
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 90-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

Three months ended

Nine months

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	September 30,		September
	2001	2000	2001
Revenues:			
Oil and gas	\$ 814,193	\$ 1,098,786	\$ 2,883,717
Interest	5,341	9,281	19,499
Gain on disposition of assets	11,959	--	20,242
	831,493	1,108,067	2,923,458
Costs and expenses:			
Oil and gas production	456,072	368,259	1,221,395
General and administrative	22,471	37,886	84,405
Impairment of oil and gas properties	30,575	--	30,575
Depletion	85,177	67,785	232,270
Abandoned property	213	--	8,509
	594,508	473,930	1,577,154
Net income	\$ 236,985	\$ 634,137	\$ 1,346,304
Allocation of net income:			
Managing general partner	\$ 2,370	\$ 6,341	\$ 13,463
Limited partners	\$ 234,615	\$ 627,796	\$ 1,332,841
Net income per limited partnership interest	\$ 7.27	\$ 19.46	\$ 41.31

The financial information included herein has been prepared by managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 90-B, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 51,027	\$ 5,051,273	\$ 5,102,300
Distributions	(14,364)	(1,422,002)	(1,436,366)
Net income	13,463	1,332,841	1,346,304
	-----	-----	-----
Balance at September 30, 2001	\$ 50,126	\$ 4,962,112	\$ 5,012,238
	=====	=====	=====

The financial information included herein has been prepared by managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 90-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	----- 2001 -----	----- 200 -----
Cash flows from operating activities:		
Net income	\$ 1,346,304	\$ 1,563
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	30,575	
Depletion	232,270	210
Gain on disposition of assets	(20,242)	(5)
Changes in assets and liabilities:		
Accounts receivable	174,718	(98)
Accounts payable	95,342	54
	-----	-----
Net cash provided by operating activities	1,858,967	1,723

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Cash flows from investing activities:		
Additions to oil and gas properties	(9,898)	(38,552)
Proceeds from asset dispositions	20,552	5,000
	-----	-----
Net cash provided by (used in) investing activities	10,654	(33,552)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(1,436,366)	(1,619,000)
	-----	-----
Net increase in cash	433,255	70,000
Cash at beginning of period	364,895	311,000
	-----	-----
Cash at end of period	\$ 798,150	\$ 381,000
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 90-B, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-B, L.P. (the "Partnership") is a limited partnership organized in 1990 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the

7

risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$30,575 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of the limited partners of the Partnership. Pioneer has valued the Partnership interest at \$8,900,613 of which \$8,788,939 is allocated to the non-affiliated limited partners. If a majority of the limited partners approve the transaction, the limited partners will receive their value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 3% to \$2,883,717 for the nine months ended September 30, 2001 as compared to \$2,962,304 for the same period in 2000. The decrease in revenues resulted from lower average prices received for oil and natural gas liquids ("NGLs") and a decline in production, offset by higher average prices received for gas. For the nine months ended September 30, 2001, 69,840 barrels of oil, 27,890 barrels of NGLs and 140,294 mcf of gas were

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

sold, or 121,112 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 73,699 barrels of oil, 35,181 barrels of NGLs and 135,699 mcf of gas were sold, or 131,497 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.07, or 4%, from \$28.68 for the nine months ended September 30, 2000 to \$27.61 for the same period in 2001. The average price received per barrel of NGLs decreased \$.33, or 2%, from \$14.66 during the nine months ended September 30, 2000 to \$14.33 for the same period in 2001. The average price received per mcf of gas increased 62% from \$2.45 for the nine months ended September 30, 2000 to \$3.96 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gains on disposition of assets of \$20,242 and \$5,487 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The gain recognized during the period ended September 30, 2001 consisted of \$19,074 salvage income from one well plugged and abandoned in the current period and \$1,168 from equipment credits received on one fully depleted well. The gain recognized

8

during the period ended September 30, 2000 was derived from the sale of equipment on one fully depleted well. Abandoned property costs of \$8,509 were incurred during the nine months ended September 30, 2001 to plug one well in the current period.

Costs and Expenses:

Total costs and expenses increased to \$1,577,154 for the nine months ended September 30, 2001 as compared to \$1,427,213 for the same period in 2000, an increase of \$149,941, or 11%. The increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned property costs, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$1,221,395 for the nine months ended September 30, 2001 and \$1,120,284 for the same period in 2000, resulting in an increase of \$101,111, or 9%. The increase was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 13% from \$96,797 for the nine months ended September 30, 2000 to \$84,405 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$30,575 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$232,270 for the nine months ended September 30, 2001 as compared to \$210,132 for the same period in 2000, representing an increase of \$22,138, or 11%. This increase was primarily due to a decline in proved reserves during the period ended September 30, 2001 due to lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and by a decrease in oil production of 3,859 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

9

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 26% to \$814,193 for the three months ended September 30, 2001 as compared to \$1,098,786 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 22,788 barrels of oil, 10,478 barrels of NGLs and 44,376 mcf of gas were sold, or 40,662 BOEs. For the three months ended September 30, 2000, 25,000 barrels of oil, 11,842 barrels of NGLs and 46,163 mcf of gas were sold, or 44,536 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.26, or 14%, from \$30.54 for the three months ended September 30, 2000 to \$26.28 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.53, or 28%, from \$15.94 during the three months ended September 30, 2000 to \$11.41 for the same period in 2001. The average price received per mcf of gas decreased 32% from \$3.17 during the three months ended September 30, 2000 to \$2.16 for the same period in 2001.

A gain on disposition of assets of \$11,959 recognized during the three months ended September 30, 2001 was due to \$10,791 salvage income from one well plugged and abandoned in the current period and \$1,168 from equipment credits received on one fully depleted well. Abandoned property costs of \$213 were incurred during the three months ended September 30, 2001 to plug this well.

Costs and Expenses:

Total costs and expenses increased to \$594,508 for the three months ended September 30, 2001 as compared to \$473,930 for the same period in 2000, an increase of \$120,578, or 25%. This increase was due to increases in production costs, the impairment of oil and gas properties, depletion and abandoned

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

property costs, offset by a decline in G&A.

Production costs were \$456,072 for the three months ended September 30, 2001 and \$368,259 for the same period in 2000 resulting in an \$87,813 increase, or 24%. The increase was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production, offset by a decrease in production taxes.

During this period, G&A decreased 41% from \$37,886 for the three months ended September 30, 2000 to \$22,471 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$30,575 related to its proved oil and gas properties for the three months ended September 30, 2001.

10

Depletion was \$85,177 for the three months ended September 30, 2001 as compared to \$67,785 for the same period in 2000, representing an increase of \$17,392, or 26%. This increase was attributable to a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and by a decrease in oil production of 2,212 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$135,819 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions of \$314,558 in working capital and \$12,392 in G&A expenses, offset by increases in production costs of \$101,111 and abandoned property costs of \$8,509 and a decline in oil and gas sales receipts of \$81,511. The decrease in oil and gas receipts resulted from the decline in oil and NGL prices during 2001 which resulted in a \$90,026 decline to oil and gas receipts and \$192,845 resulting from the decline in production during 2001 as compared to the same period in 2000, offset by an increase in gas prices which contributed an additional \$201,360 to oil and gas receipts. The increase in production costs was primarily due to higher ad valorem taxes and additional workover and well maintenance costs incurred to stimulate well production. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$20,552 and \$5,487 were recognized during the nine months ended September 30, 2001 and 2000, respectively. The proceeds recognized during the period ended September 30, 2001 were primarily due to salvage income from one well plugged and abandoned during the current period. The proceeds recognized during the period ended September 30, 2000 were derived

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

from the sale of equipment on one fully depleted well.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$1,436,366, of which \$14,364 was distributed to the managing general partner and \$1,422,002 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$1,619,198, of which \$16,192 was distributed to the managing general partner and \$1,603,006 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into

11

Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 90-B, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 90-B, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90-C CONV., L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90-C Conv., L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-10

PARKER & PARSLEY 90-C CONV., L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

75-2347264

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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)

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 [X] NO []

PARKER & PARSLEY 90-C CONV., L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements
	Balance Sheets as of September 30, 2001 and December 31, 2000.....
	Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....
	Statement of Partners' Capital for the nine months ended September 30, 2001.....
	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....
	Notes to Financial Statements.....
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....

PART II. OTHER INFORMATION

Item 6.	Exhibits and Reports on Form 8-K.....
---------	---------------------------------------

Signatures.....

PARKER & PARSLEY 90-C CONV., L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001 ----- (Unaudited)	December 31, 2000 -----
ASSETS		
Current assets:		
Cash	\$ 219,883	\$ 106,593
Accounts receivable - oil and gas sales	66,471	119,396
	-----	-----
Total current assets	286,354	225,989
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	5,801,749	5,798,493
Accumulated depletion	(5,051,593)	(5,000,618)
	-----	-----
Net oil and gas properties	750,156	797,875
	-----	-----
	\$ 1,036,510	\$ 1,023,864
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 34,540	\$ 14,074
Partners' capital:		
Managing general partner	9,989	10,067
Limited partners (7,531 interests)	991,981	999,723
	-----	-----
	1,001,970	1,009,790
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$ 1,036,510 \$ 1,023,864
 =====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 90-C CONV., L.P.
 (A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30,		Nine months September
	2001	2000	2001
Revenues:			
Oil and gas	\$ 175,857	\$ 256,283	\$ 619,975
Interest	1,352	2,546	4,764
	177,209	258,829	624,739
Costs and expenses:			
Oil and gas production	91,284	84,096	284,567
General and administrative	5,380	8,742	20,059
Impairment of oil and gas properties	8,163	--	8,163
Depletion	14,944	12,341	42,812
	119,771	105,179	355,601
Net income	\$ 57,438	\$ 153,650	\$ 269,138
Allocation of net income:			
Managing general partner	\$ 575	\$ 1,536	\$ 2,692
Limited partners	\$ 56,863	\$ 152,114	\$ 266,446
Net income per limited partnership interest	\$ 7.55	\$ 20.20	\$ 35.38

=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 90-C CONV., L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 10,067	\$ 999,723	\$ 1,009,790
Distributions	(2,770)	(274,188)	(276,958)
Net income	2,692	266,446	269,138
	-----	-----	-----
Balance at September 30, 2001	\$ 9,989 =====	\$ 991,981 =====	\$ 1,001,970 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 90-C CONV., L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 269,138	\$ 371,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	8,163	--
Depletion	42,812	38,657
Changes in assets and liabilities:		
Accounts receivable	52,925	(31,185)
Accounts payable	20,466	13,580
	-----	-----
Net cash provided by operating activities	393,504	392,489
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	(3,256)	(15,801)
Cash flows used in financing activities:		
Cash distributions to partners	(276,958)	(361,535)
	-----	-----
Net increase in cash	113,290	15,153
Cash at beginning of period	106,593	107,295
	-----	-----
Cash at end of period	\$ 219,883	\$ 122,448
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

PARKER & PARSLEY 90-C CONV., L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-C Conv., L.P. (the "Partnership") was organized as a general partnership in 1990 under the laws of the State of Texas and was converted to a Delaware limited partnership on August 1, 1991.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

provision of \$8,163 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,884,667 of which \$1,858,388 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 8% to \$619,975 for the nine months ended September 30, 2001 as compared to \$671,181 for the same period in 2000. The decrease in revenues resulted from a decrease in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30, 2001, 16,610 barrels of oil, 4,687 barrels of NGLs and 25,888 mcf of gas were sold, or 25,612 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 17,723 barrels of oil, 7,280 barrels of NGLs and 25,305 mcf of gas were sold, or 29,221 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.23, or 4%, from \$28.39 for the nine months ended September 30, 2000 to \$27.16 for the same period in 2001. The average price received per barrel of NGLs decreased \$.31, or 2%, from \$14.08 during the nine months ended September 30, 2000 to \$13.77 for the same period in 2001. The average price received per mcf of gas increased 55% from \$2.59 during the nine months ended September 30, 2000 to \$4.02 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses increased to \$355,601 for the nine months ended September 30, 2001 as compared to \$305,733 for the same period in 2000, an increase of \$49,868, or 16%. This increase was due to increases in production

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

costs, the impairment of oil and gas properties and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$284,567 for the nine months ended September 30, 2001 and \$245,244 for the same period in 2000, resulting in an increase of \$39,323, or 16%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 8% from \$21,832 for the nine months ended September 30, 2000 to \$20,059 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$8,163 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$42,812 for the nine months ended September 30, 2001 as compared to \$38,657 for the same period in 2000, representing an increase of \$4,155, or 11%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decrease in oil production of 1,113 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$175,857 for the three months ended September 30, 2001 as compared to \$256,283 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended

September 30, 2001, 5,105 barrels of oil, 2,210 barrels of NGLs and 8,083 mcf of gas were sold, or 8,662 BOEs. For the three months ended September 30, 2000, 5,764 barrels of oil, 2,853 barrels of NGLs and 11,213 mcf of gas were sold, or 10,486 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

The average price received per barrel of oil decreased \$4.00, or 13%, from \$30.30 for the three months ended September 30, 2000 to \$26.30 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.84, or 30%, from \$16.07 during the three months ended September 30, 2000 to \$11.23 for the same period in 2001. The average price received per mcf of gas decreased 35% from \$3.19 during the three months ended September 30, 2000 to \$2.07 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$119,771 for the three months ended September 30, 2001 as compared to \$105,179 for the same period in 2000, an increase of \$14,592, or 14%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in G&A.

Production costs were \$91,284 for the three months ended September 30, 2001 and \$84,096 for the same period in 2000, resulting in a \$7,188 increase, or 9%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production taxes.

During this period, G&A decreased 38% from \$8,742 for the three months ended September 30, 2000 to \$5,380 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$8,163 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$14,944 for the three months ended September 30, 2001 as compared to \$12,341 for the same period in 2000, representing an increase of \$2,603, or 21%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 as a result of lower commodity prices, offset by a decline in oil production of 659 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$1,015 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction in working capital of \$90,996 and a decrease of \$1,773 in G&A expenses, offset by an increase in production costs of \$39,323 and a decrease in oil and gas sales receipts of \$52,431. The decrease in oil and gas receipts resulted from the decline in production of \$63,623 during 2001 as compared

to the same period in 2000 and a decrease in the average prices received for oil and NGLs of \$25,167, offset by an increase in average prices received for gas of \$36,359. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were for expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$276,958, of which \$2,770 was distributed to the managing general partner and \$274,188 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$361,535, of which \$3,615 was distributed to the managing general partner and \$357,920 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed

11

mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

(1) "Item 2. Management's Discussion and Analysis of Financial Condition and

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 90-C CONV., L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 90-C CONV., L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

OF

PARKER & PARSLEY 90-C, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90-C, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-26097-09

PARKER & PARSLEY 90-C, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

75-2347262

(I.R.S. Employer
Identification Number)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 90-C, L.P.

TABLE OF CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Balance Sheets as of September 30, 2001 and December 31, 2000.....	3
Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	4
Statement of Partners' Capital for the nine months ended September 30, 2001.....	5
Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	6
Notes to Financial Statements.....	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	8

PART II. OTHER INFORMATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Item 6. Exhibits and Reports on Form 8-K.....	12
Signatures.....	13

PARKER & PARSLEY 90-C, L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 344,784	\$ 162,620
Accounts receivable - oil and gas sales	106,872	191,950
	-----	-----
Total current assets	451,656	354,570
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	9,327,018	9,321,783
Accumulated depletion	(8,121,923)	(8,040,111)
	-----	-----
Net oil and gas properties	1,205,095	1,281,672
	-----	-----
	\$ 1,656,751	\$ 1,636,242
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 55,627	\$ 22,567
Partners' capital:		
Managing general partner	15,961	16,087
Limited partners (12,107 interests)	1,585,163	1,597,588
	-----	-----
	1,601,124	1,613,675
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$ 1,656,751 \$ 1,636,242
 =====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 90-C, L.P.
 (A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 282,703	\$ 412,219	\$ 996,680	\$ 1,073,110
Interest	2,114	4,001	7,427	10,000
	-----	-----	-----	-----
	284,817	416,220	1,004,107	1,083,110
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	146,737	135,213	457,467	390,000
General and administrative	8,648	14,060	32,201	30,000
Impairment of oil and gas properties	13,105	--	13,105	--
Depletion	23,952	19,837	68,707	60,000
	-----	-----	-----	-----
	192,442	169,110	571,480	480,000
	-----	-----	-----	-----
Net income	\$ 92,375	\$ 247,110	\$ 432,627	\$ 593,110
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 923	\$ 2,471	\$ 4,326	\$ 10,000
	=====	=====	=====	=====
Limited partners	\$ 91,452	\$ 244,639	\$ 428,301	\$ 583,110
	=====	=====	=====	=====
Net income per limited				

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

partnership interest	\$	7.56	\$	20.20	\$	35.38	\$
		=====		=====		=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 90-C, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 16,087	\$ 1,597,588	\$ 1,613,675
Distributions	(4,452)	(440,726)	(445,178)
Net income	4,326	428,301	432,627
	-----	-----	-----
Balance at September 30, 2001	\$ 15,961	\$ 1,585,163	\$ 1,601,124
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 90-C, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended
September 30,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 432,627	\$ 596,819
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of oil and gas properties	13,105	--
Depletion	68,707	62,164
Changes in assets and liabilities:		
Accounts receivable	85,078	(50,135)
Accounts payable	33,060	22,240
	-----	-----
Net cash provided by operating activities	632,577	631,088
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	(5,235)	(25,402)
Cash flows used in financing activities:		
Cash distributions to partners	(445,178)	(581,211)
	-----	-----
Net increase in cash	182,164	24,475
Cash at beginning of period	162,620	164,100
	-----	-----
Cash at end of period	\$ 344,784	\$ 188,575
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 90-C, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90-C, L.P. (the "Partnership") is a limited partnership organized in 1990 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment

7

provision of \$13,105 related to its proved oil and gas properties during the nine months ended September 30, 2001.

NOTE 4. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,021,205 of which \$2,984,323 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 8% to \$996,680 for the nine months ended September 30, 2001 as compared to \$1,079,018 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by an increase in average prices received for gas. For the nine months ended September 30, 2001, 26,703 barrels of oil, 7,541 barrels of NGLs and 41,620 mcf of gas were sold, or 41,181 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 28,494 barrels of oil, 11,707 barrels of NGLs and 40,683 mcf of gas were sold, or 46,982 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.23, or 4%, from \$28.39 for the nine months ended September 30, 2000 to \$27.16 for the same period in 2001. The average price received per barrel of NGLs decreased \$.31, or 2%, from \$14.08 during the nine months ended September 30, 2000 to \$13.77 for the same period in 2001. The average price received per mcf of gas increased 55% from \$2.59 during the nine months ended September 30, 2000 to \$4.02 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

8

Costs and Expenses:

Total costs and expenses increased to \$571,480 for the nine months ended September 30, 2001 as compared to \$491,535 for the same period in 2000, an increase of \$79,945, or 16%. This increase was due to increases in production costs, the impairment of oil and gas properties and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$457,467 for the nine months ended September 30, 2001 and \$394,273 for the same period in 2000, resulting in an increase of \$63,194, or 16%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 8% from \$35,098 for the nine months ended September 30, 2000 to \$32,201 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121"), the Partnership reviews its proved oil and gas properties for impairment whenever events and circumstances indicate a decline in the recoverability of the carrying value of the Partnership's oil and gas properties. The Partnership has estimated the expected future cash flows of its

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

oil and gas properties as of September 30, 2001, based on proved reserves, and compared such estimated future cash flows to the respective carrying amount of the oil and gas properties to determine if the carrying amounts were likely to be recoverable. For those proved oil and gas properties for which the carrying amount exceeded the estimated future cash flows, an impairment was determined to exist; therefore, the Partnership adjusted the carrying amount of those oil and gas properties to their fair value as determined by discounting their expected future cash flows at a discount rate commensurate with the risks involved in the industry. As a result, the Partnership recognized a non-cash impairment provision of \$13,105 related to its proved oil and gas properties during the nine months ended September 30, 2001.

Depletion was \$68,707 for the nine months ended September 30, 2001 as compared to \$62,164 for the same period in 2000, representing an increase of \$6,543, or 11%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 1,791 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 31% to \$282,703 for the three months ended September 30, 2001 as compared to \$412,219 for the same period in 2000. The decrease in revenues

9

resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 8,206 barrels of oil, 3,559 barrels of NGLs and 12,995 mcf of gas were sold, or 13,931 BOEs. For the three months ended September 30, 2000, 9,267 barrels of oil, 4,602 barrels of NGLs and 18,019 mcf of gas were sold, or 16,872 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.00, or 13%, from \$30.30 for the three months ended September 30, 2000 to \$26.30 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.84, or 30%, from \$16.07 during the three months ended September 30, 2000 to \$11.23 for the same period in 2001. The average price received per mcf of gas decreased 35% from \$3.19 during the three months ended September 30, 2000 to \$2.07 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$192,442 for the three months ended September 30, 2001 as compared to \$169,110 for the same period in 2000, an increase of \$23,332, or 14%. This increase was due to increases in the impairment of oil and gas properties, production costs and depletion, offset by a decline in G&A.

Production costs were \$146,737 for the three months ended September 30, 2001 and \$135,213 for the same period in 2000 resulting in an \$11,524 increase, or 9%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by a decrease in

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

production taxes.

During this period, G&A decreased 38% from \$14,060 for the three months ended September 30, 2000 to \$8,648 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

The Partnership recognized a non-cash impairment provision of \$13,105 related to its proved oil and gas properties during the three months ended September 30, 2001.

Depletion was \$23,952 for the three months ended September 30, 2001 as compared to \$19,837 for the same period in 2000, representing an increase of \$4,115, or 21%. This increase was the result of a reduction in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decline in oil production of 1,061 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$1,489 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to a reduction in working capital of \$146,033 and a decrease of \$2,897 in G&A expenses, offset by an increase in

10

production costs of \$63,194 and a decrease in oil and gas sales receipts of \$84,247. The decrease in oil and gas receipts of \$102,246 resulted from the decline in production during 2001 as compared to the same period in 2000 and a decrease in the average prices received for oil and NGLs of \$40,439, offset by an increase in average prices received for gas of \$58,438. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 were for expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$445,178, of which \$4,452 was distributed to the managing general partner and \$440,726 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$581,211, of which \$5,812 was distributed to the managing general partner and \$575,399 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships"

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

11

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

12

PARKER & PARSLEY 90-C, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 90-C, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

13

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

This document contains important information specific to Parker & Parsley Private Investment 90, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.

(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 310,372	\$ 168,054
Accounts receivable - oil and gas sales	116,148	197,750
	-----	-----
Total current assets	426,520	365,804
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	8,477,949	8,464,366
Accumulated depletion	(7,191,666)	(7,073,249)
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net oil and gas properties	1,286,283	1,391,117
	-----	-----
	\$ 1,712,803	\$ 1,756,921
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 50,543	\$ 13,453
Partners' capital:		
Managing general partner	20,837	21,649
Limited partners (274.25 interests)	1,641,423	1,721,819
	-----	-----
	1,662,260	1,743,468
	-----	-----
	\$ 1,712,803	\$ 1,756,921
	=====	=====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 294,111	\$ 391,875	\$1,016,117	\$1,083,888
Interest	2,091	4,134	7,684	10,086
Gain on disposition of assets	--	2,385	--	2,385
	-----	-----	-----	-----
	296,202	398,394	1,023,801	1,096,359
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	166,592	141,307	428,240	379,640
General and administrative	7,353	13,338	27,259	34,635
Depletion	50,496	24,505	118,417	83,418
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	224,441	179,150	573,916	497,693
	-----	-----	-----	-----
Net income	\$ 71,761	\$ 219,244	\$ 449,885	\$ 598,666
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 718	\$ 2,193	\$ 4,499	\$ 5,987
	=====	=====	=====	=====
Limited partners	\$ 71,043	\$ 217,051	\$ 445,386	\$ 592,679
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 259.04	\$ 791.43	\$ 1,624.01	\$ 2,161.09
	=====	=====	=====	=====

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.

3

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner	Limited partners	Total
	-----	-----	-----
Balance at January 1, 2001	\$ 21,649	\$ 1,721,819	\$ 1,743,468
Distributions	(5,311)	(525,782)	(531,093)
Net income	4,499	445,386	449,885
	-----	-----	-----
Balance at September 30, 2001	\$ 20,837	\$ 1,641,423	\$ 1,662,260
	=====	=====	=====

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

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 449,885	\$ 598,666
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	118,417	83,418
Gain on disposition of assets	--	(2,385)
Changes in assets and liabilities:		
Accounts receivable	81,602	(57,043)
Accounts payable	37,090	20,944
	-----	-----
Net cash provided by operating activities	686,994	643,600
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(13,656)	(24,839)
Proceeds from asset dispositions	73	2,385
	-----	-----
Net cash used in investing activities	(13,583)	(22,454)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(531,093)	(592,158)
	-----	-----
Net increase in cash	142,318	28,988
Cash at beginning of period	168,054	174,341
	-----	-----
Cash at end of period	\$ 310,372	\$ 203,329
	=====	=====

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.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

NOTES TO FINANCIAL STATEMENTS September 30, 2001 (Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley Private Investment 90, L.P. (the "Partnership") was organized in 1990 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1991.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$3,412,684 of which \$3,360,078 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 6% to \$1,016,117 for the nine

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

months ended September 30, 2001 as compared to \$1,083,888 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by an increase in average prices received for gas. For the nine months ended September 30, 2001, 26,054 barrels of oil, 8,822 barrels of NGLs and 43,600 mcf of gas were sold, or 42,143 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 29,405 barrels of oil, 10,456 barrels of NGLs and 38,261 mcf of gas were sold, or 46,238 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$.99, or 3%, from \$28.34 for the nine months ended September 30, 2000 to \$27.35 for the same period in 2001. The average price received per barrel of NGLs decreased \$.16, or 1%, from \$14.77 during the nine months ended September 30, 2000 to \$14.61 for the same period in 2001. The average price received per mcf of gas increased 59% from \$2.51 during the nine months ended September 30, 2000 to \$4.00 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets was recognized during the nine months ended September 30, 2000 of \$2,385 from equipment credits received on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$573,916 for the nine months ended September 30, 2001 as compared to \$497,693 for the same period in 2000, an increase of \$76,223, or 15%. This increase was due to increases in production costs and depletion, offset by a decrease in general and administrative expenses ("G&A").

Production costs were \$428,240 for the nine months ended September 30, 2001 and \$379,640 for the same period in 2000, resulting in a \$48,600 increase, or 13%. The increase was the result of additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes.

7

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 21%, from \$34,635 for the nine months ended September 30, 2000 to \$27,259 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$118,417 for the nine months ended September 30, 2001 as compared to \$83,418 for the same period in 2000, an increase of \$34,999, or 42%. The increase was the result of a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decrease in oil production of 3,351 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Revenues:

The Partnership's oil and gas revenues decreased 25% to \$294,111 for the three months ended September 30, 2001 as compared to \$391,875 for the same period in 2000. The decrease in revenues resulted from lower average prices received and a decline in production. For the three months ended September 30, 2001, 8,239 barrels of oil, 4,050 barrels of NGLs and 14,301 mcf of gas were sold, or 14,673 BOEs. For the three months ended September 30, 2000, 9,671 barrels of oil, 3,510 barrels of NGLs and 13,272 mcf of gas were sold, or 15,393 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$3.80, or 13%, from \$30.22 for the three months ended September 30, 2000 to \$26.42 for the same period in 2001. The average price received per barrel of NGLs decreased \$4.48, or 28%, from \$16.17 during the three months ended September 30, 2000 to \$11.69 for the same period in 2001. The average price received per mcf of gas decreased 37% to \$2.03 during the three months ended September 30, 2001 from \$3.23 during the same period in 2000.

Gain on disposition of assets of \$2,385 was recognized during the three month period ended September 30, 2000 from equipment credits received on one fully depleted well.

Costs and Expenses:

Total costs and expenses increased to \$224,441 for the three months ended September 30, 2001 as compared to \$179,150 for the same period in 2000, an increase of \$45,291, or 25%. This increase was due to increases in depletion and production costs, offset by a decrease in G&A.

Production costs were \$166,592 for the three months ended September 30, 2001 and \$141,307 for the same period in 2000 resulting in a \$25,285 increase, or 18%. This increase was due to additional well maintenance and workover costs incurred to stimulate well production and an increase in ad valorem taxes.

8

During this period, G&A decreased 45%, from \$13,338 for the three months ended September 30, 2000 to \$7,353 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$50,496 for the three months ended September 30, 2001 as compared to \$24,505 for the same period in 2000, an increase of \$25,991, or 106%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 due to lower commodity prices, offset by a decrease in oil production of 1,432 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$43,394 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to reductions in working capital of \$154,791 and G&A expenses of \$7,376, offset by a decrease in oil and gas sales of \$70,173 and an

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

increase in production costs of \$48,600. The decrease in oil and gas receipts resulted from a decline in production of \$94,157 during 2001 as compared to the same period in 2000 and a decrease in average prices received for oil and NGLs of \$32,986, offset by an increase in average prices received for gas of \$56,970. The increase in production costs was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher ad valorem taxes. The decrease in G&A was due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from disposition of assets of \$73 and \$2,385 recognized during the nine months ended September 30, 2001 and 2000, respectively, were due to equipment credits received on active properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$531,093, of which \$5,311 was distributed to the managing general partner and \$525,782 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$592,158, of which \$5,922 was distributed to the managing general partner and \$586,236 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into

9

Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 90 SPRABERRY
PRIVATE DEVELOPMENT, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 90 Spraberry Private Development, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

September 30, 2001 and December 31, 2000

(Unaudited)

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.

(A Delaware Limited Partnership)

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 150,132	\$ 47,337
Accounts receivable - oil and gas sales	53,324	91,915
	-----	-----
Total current assets	203,456	139,252
	-----	-----
Oil and gas properties - at cost, based on the successful efforts accounting method	3,666,171	3,666,171
Accumulated depletion	(3,071,589)	(3,046,352)
	-----	-----
Net oil and gas properties	594,582	619,819
	-----	-----
	\$ 798,038	\$ 759,071
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 25,337	\$ 12,584
Partners' capital:		
Managing general partner	8,999	8,737
Limited partners (130 interests)	763,702	737,750
	-----	-----
	772,701	746,487
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

\$ 798,038 \$ 759,071
 =====

The financial information included as of September 30, 2001 has been prepared by management without audit by independent public accountants.

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

2

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.
 (A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$121,881	\$171,691	\$ 456,163	\$ 445,577
Interest	1,005	973	3,346	3,469
	122,886	172,664	459,509	449,046
Costs and expenses:				
Oil and gas production	62,899	65,983	168,515	179,437
General and administrative	3,656	5,588	14,551	14,309
Depletion	8,783	9,652	25,237	32,048
	75,338	81,223	208,303	225,794
Net income	\$ 47,548	\$ 91,441	\$ 251,206	\$ 223,252
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 475	\$ 915	\$ 2,512	\$ 2,233
	=====	=====	=====	=====
Limited partners	\$ 47,073	\$ 90,526	\$ 248,694	\$ 221,019
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 362.10	\$ 696.36	\$1,913.03	\$1,700.15
	=====	=====	=====	=====

The financial information included herein has been prepared by management

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

without audit by independent public accountants.

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

3

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 8,737	\$ 737,750	\$ 746,487
Distributions	(2,250)	(222,742)	(224,992)
Net income	2,512	248,694	251,206
	-----	-----	-----
Balance at September 30, 2001	\$ 8,999 =====	\$ 763,702 =====	\$ 772,701 =====

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

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 251,206	\$ 223,252
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	25,237	32,048

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Changes in assets and liabilities:		
Accounts receivable	38,591	(19,194)
Accounts payable	12,753	9,016
	-----	-----
Net cash provided by operating activities	327,787	245,122
	-----	-----
Cash flows used in investing activities:		
Additions to oil and gas properties	--	(5,738)
Cash flows used in financing activities:		
Cash distributions to partners	(224,992)	(234,563)
	-----	-----
Net increase in cash	102,795	4,821
Cash at beginning of period	47,337	84,843
	-----	-----
Cash at end of period	\$ 150,132	\$ 89,664
	=====	=====

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.

5

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEVELOPMENT, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 90 Spraberry Private Development, L.P. (the "Partnership") was organized in 1990 as a general partnership under the laws of the State of Texas and was converted to a Delaware limited partnership in 1991.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosure normally included in financial

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in these interim financial statements. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's report for the year ended December 31, 2000, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$1,633,026 of which \$1,616,696 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If a majority of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues increased 2% to \$456,163 for the nine months ended September 30, 2001 as compared to \$445,577 for the same period in 2000. The increase in revenues resulted from higher average prices received for gas, offset by a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"). For the nine months ended September 30, 2001, 11,767 barrels of oil, 3,817 barrels of NGLs and 20,556 mcf of gas were sold, or 19,010 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 11,950 barrels of oil, 4,565 barrels of NGLs and 16,276 mcf of gas were sold, or 19,228 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.50, or 5%, from \$28.28 for the nine months ended September 30, 2000 to \$26.78 for the same period in 2001. The average price received per barrel of NGLs decreased slightly from \$14.60 during the nine months ended September 30, 2000 to \$14.58 for the same period in 2001. The average price received per mcf of gas increased 65% from \$2.52 during the nine months ended September 30, 2000 to \$4.16 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses decreased to \$208,303 for the nine months ended

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 30, 2001 as compared to \$225,794 for the same period in 2000, a decrease of \$17,491, or 8%. This decrease was attributable to declines in production costs and depletion, offset by an increase in general and administrative expenses ("G&A").

Production costs were \$168,515 for the nine months ended September 30, 2001 and \$179,437 for the same period in 2000, a \$10,922 decrease, or 6%. This decrease was primarily due to lower well maintenance costs, offset by an increase in ad valorem taxes.

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased 2% from \$14,309 for the nine months ended September 30, 2000 to \$14,551 for the same period in 2001, primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

7

Depletion was \$25,237 for the nine months ended September 30, 2001 as compared to \$32,048 for the same period in 2000, a decrease of \$6,811, or 21%. This decrease was primarily the result of an increase in proved reserves on a significant well during the period ended September 30, 2001.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 29% to \$121,881 for the three months ended September 30, 2001 as compared to \$171,691 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 3,629 barrels of oil, 1,446 barrels of NGLs and 5,635 mcf of gas were sold, or 6,014 BOEs. For the three months ended September 30, 2000, 4,001 barrels of oil, 1,798 barrels of NGLs and 6,292 mcf of gas were sold, or 6,848 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.45, or 15%, from \$30.44 for the three months ended September 30, 2000 to \$25.99 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.69, or 34%, from \$16.73 during the three months ended September 30, 2000 to \$11.04 for the same period in 2001. The average price received per mcf of gas decreased 35% to \$2.06 during the three months ended September 30, 2001 from \$3.15 during the same period in 2000.

Costs and Expenses:

Total costs and expenses decreased to \$75,338 for the three months ended September 30, 2001 as compared to \$81,223 for the same period in 2000, a decrease of \$5,885, or 7%. This decrease was due to lower production costs, G&A and depletion.

Production costs were \$62,899 for the three months ended September 30, 2001 and \$65,983 for the same period in 2000 resulting in a \$3,084 decrease, or 5%. The decrease was primarily due to lower well maintenance costs, offset by higher ad valorem taxes.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

During this period, G&A decreased 35% from \$5,588 for the three months ended September 30, 2000 to \$3,656 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$8,783 for the three months ended September 30, 2001 as compared to \$9,652 for the same period in 2000, a decrease of \$869, or 9%. This decrease was primarily the result of an increase in proved reserves on a significant well during the period ended September 30, 2001.

8

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$82,665 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was due to an increase in oil and gas sales receipts of \$10,463 and reductions in working capital of \$61,522 and production costs of \$10,922, offset by an increase in G&A expenses of \$242. The increase in oil and gas receipts resulted from the increase in gas prices of \$26,631 during 2001 and an increase in production of \$1,980, offset by a \$18,148 decline in oil and NGL prices as compared to the same period in 2000. The decrease in production costs was primarily due to lower well maintenance costs, offset by an increase in ad valorem taxes. The increase in G&A was primarily due to a higher percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of increased oil and gas revenues.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$224,992, of which \$2,250 was distributed to the managing general partner and \$222,742 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$234,563, of which \$2,346 was distributed to the managing general partner and \$232,217 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

9

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the majority approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

10

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 91-A, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 91-A, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-38582-01

PARKER & PARSLEY 91-A, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE	75-2387572
----- (State or other jurisdiction of incorporation or organization)	----- (I.R.S. Employer Identification Number)
5205 N. O'CONNOR BLVD., SUITE 1400, 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

PARKER & PARSLEY 91-A, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Statements of Operations for the three and nine
months ended September 30, 2001 and 2000.....

Statement of Partners' Capital for the nine months
ended September 30, 2001.....

Statements of Cash Flows for the nine months ended
September 30, 2001 and 2000.....

Notes to Financial Statements.....

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....

Signatures.....

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash	\$ 485,377	\$ 219,827
Accounts receivable - oil and gas sales	159,572	255,270
	-----	-----
Total current assets	644,949	475,097
	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Oil and gas properties - at cost, based on the successful efforts accounting method	9,717,616	9,710,132
Accumulated depletion	(7,827,996)	(7,727,573)
	-----	-----
Net oil and gas properties	1,889,620	1,982,559
	-----	-----
	\$ 2,534,569	\$ 2,457,656
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	\$ 82,277	\$ 32,513
Partners' capital:		
Managing general partner	24,567	24,295
Limited partners (11,620 interests)	2,427,725	2,400,848
	-----	-----
	2,452,292	2,425,143
	-----	-----
	\$ 2,534,569	\$ 2,457,656
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 365,972	\$ 511,495	\$1,250,138	\$1,389,696
Interest	2,856	5,114	9,910	12,766
	-----	-----	-----	-----
	368,828	516,609	1,260,048	1,402,462
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	143,757	145,610	457,405	454,327
General and administrative	12,580	21,669	44,745	53,767
Depletion	37,575	31,705	100,423	110,745
	-----	-----	-----	-----
	193,912	198,984	602,573	618,839
	-----	-----	-----	-----

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Net income	\$ 174,916 =====	\$ 317,625 =====	\$ 657,475 =====	\$ 783,623 =====
Allocation of net income:				
Managing general partner	\$ 1,749 =====	\$ 3,176 =====	\$ 6,575 =====	\$ 7,836 =====
Limited partners	\$ 173,167 =====	\$ 314,449 =====	\$ 650,900 =====	\$ 775,787 =====
Net income per limited partnership interest	\$ 14.91 =====	\$ 27.06 =====	\$ 56.02 =====	\$ 66.76 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 24,295	\$ 2,400,848	\$ 2,425,143
Distributions	(6,303)	(624,023)	(630,326)
Net income	6,575	650,900	657,475
Balance at September 30, 2001	\$ 24,567 =====	\$ 2,427,725 =====	\$ 2,452,292 =====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Nine months ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income	\$ 657,475	\$ 783,623
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion	100,423	110,745
Changes in assets and liabilities:		
Accounts receivable	95,698	(81,168)
Accounts payable	49,764	16,414
Net cash provided by operating activities	903,360	829,614
Cash flows from investing activities:		
Additions to oil and gas properties	(7,484)	(22,353)
Proceeds from asset dispositions	--	8,812
Net cash used in investing activities	(7,484)	(13,541)
Cash flows used in financing activities:		
Cash distributions to partners	(630,326)	(821,399)
Net increase (decrease) in cash	265,550	(5,326)
Cash at beginning of period	219,827	226,846
Cash at end of period	\$ 485,377	\$ 221,520

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF ORGANIZATION

Parker & Parsley 91-A, L.P. (the "Partnership") is a limited partnership organized in 1991 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a full year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$4,730,736 of which \$4,665,291 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If two-thirds of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 10% to \$1,250,138 for the nine months ended September 30, 2001 as compared to \$1,389,696 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by higher average prices received for gas. For the nine months ended September 30, 2001, 30,122 barrels of oil, 8,255 barrels of NGLs and 78,636 mcf of gas were sold, or 51,483 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 33,643 barrels of oil, 15,741 barrels of NGLs and 72,334 mcf of gas were sold, or 61,440 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$1.95, or 7%, from \$28.90 for the nine months ended September 30, 2000 to \$26.95 for the same period in 2001. The average price received per barrel of NGLs decreased \$3.57, or 25%,

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

from \$14.33 during the nine months ended September 30, 2000 to \$10.76 for the same period in 2001. The average price received per mcf of gas increased 68% from \$2.65 during the nine months ended September 30, 2000 to \$4.45 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Costs and Expenses:

Total costs and expenses decreased to \$602,573 for the nine months ended September 30, 2001 as compared to \$618,839 for the same period in 2000, a decrease of \$16,266, or 3%. This decrease was due to declines in depletion and general and administrative expenses ("G&A"), offset by an increase in production costs.

Production costs were \$457,405 for the nine months ended September 30, 2001 and \$454,327 for the same period in 2000, resulting in a \$3,078 increase, or 1%. This increase was primarily due to higher ad valorem taxes, offset by a decline in production taxes.

G&A components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 17% from \$53,767 for the nine months ended September 30, 2000 to \$44,745 for the same period in 2001 primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

8

Depletion was \$100,423 for the nine months ended September 30, 2001 as compared to \$110,745 for the same period in 2000, representing a decrease of \$10,322, or 9%. This decrease was primarily due to a reduction in the Partnership's net depletable basis from charges taken in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121") during the fourth quarter of 2000 and a decline in oil production of 3,521 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 28% to \$365,972 for the three months ended September 30, 2001 as compared to \$511,495 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 10,359 barrels of oil, 3,069 barrels of NGLs and 26,409 mcf of gas were sold, or 17,830 BOEs. For the three months ended September 30, 2000, 11,160 barrels of oil, 5,343 barrels of NGLs and 25,051 mcf of gas were sold, or 20,678 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$4.95, or 16%, from \$31.00 for the three months ended September 30, 2000 to \$26.05 for the same period in 2001. The average price received per barrel of NGLs decreased \$6.59, or 44%, from \$15.09 during the three months ended September 30, 2000 to \$8.50 in 2001. The average price received per mcf of gas decreased 22% from \$3.39 during

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

the three months ended September 30, 2000 to \$2.65 for the same period in 2001.

Costs and Expenses:

Total costs and expenses decreased to \$193,912 for the three months ended September 30, 2001 as compared to \$198,984 for the same period in 2000, a decrease of \$5,072, or 3%. This decrease was due to declines in G&A and production costs, offset by an increase in depletion.

Production costs were \$143,757 for the three months ended September 30, 2001 and \$145,610 for the same period in 2000, resulting in a \$1,853 decrease, or 1%. This decrease was primarily due to lower well maintenance costs and production taxes, offset by higher ad valorem taxes.

During this period, G&A decreased 42% from \$21,669 for the three months ended September 30, 2000 to \$12,580 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$37,575 for the three months ended September 30, 2001 as compared to \$31,705 for the same period in 2000, representing an increase of \$5,870, or 19%. This increase was attributable to a decrease in proved reserves during the period ended September 30, 2001 as a result of lower

9

commodity prices as compared to the same period in 2000, offset by a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 2000 and a decrease in oil production of 801 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$73,746 during the nine months ended September 30, 2001 from the same period ended September 30, 2000. This increase was the result of a reduction in working capital of \$210,216 and a decrease of \$9,022 in G&A costs, offset by a decrease in oil and gas sales receipts of \$142,414 and an increase in production costs of \$3,078. The decrease in oil and gas receipts resulted from the decrease in production of \$147,382 during 2001 as compared to the same period in 2000 and a decrease in oil and NGL prices of \$124,676, offset by an increase in gas prices of \$129,644. The increase in production costs was primarily due to increased ad valorem taxes, offset by lower production taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenue.

Net Cash Used in Investing Activities

The Partnership's investing activities during the nine months ended September 30, 2001 and 2000 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of \$8,812 were from the disposition of oil and gas equipment during the nine months ended September 30, 2000.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

were \$630,326, of which \$6,303 was distributed to the managing general partner and \$624,023 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$821,399, of which \$8,214 was distributed to the managing general partner and \$813,185 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc. ("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special

10

meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the two-thirds approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

(b) Reports on Form 8-K - none

11

PARKER & PARSLEY 91-A, L.P.
(A Delaware Limited Partnership)

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 thereunto duly authorized.

PARKER & PARSLEY 91-A, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.
5205 NORTH O'CONNOR BLVD., SUITE 1400
IRVING, TEXAS 75039

SUPPLEMENT TO SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 91-B, L.P.,
A DELAWARE LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED OCTOBER 12, 2001

THE DATE OF THIS SUPPLEMENT TO SUPPLEMENTAL INFORMATION IS NOVEMBER 15, 2001

This document contains important information specific to Parker & Parsley 91-B, L.P. and supplements the supplemental information to the proxy statement/prospectus dated October 12, 2001, of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer Parent, and Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, by which Pioneer USA is soliciting proxies to be voted at a special meeting of the limited partners of the partnership. The purpose of the special meeting is for you to vote upon the merger of the partnership with and into Pioneer USA that, if completed, will result in your receiving common stock of Pioneer Parent for your partnership interests.

This document contains the partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the nine months ended September 30, 2001.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 SEPTEMBER 30, 2001

COMMISSION FILE NO. 33-38582-02

PARKER & PARSLEY 91-B, L.P.

(Exact name of Registrant as specified in its charter)

DELAWARE

75-2397335

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5205 N. O'CONNOR BLVD., SUITE 1400, 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 [X] NO []

PARKER & PARSLEY 91-B, L.P.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Balance Sheets as of September 30, 2001 and
December 31, 2000.....

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

	Statements of Operations for the three and nine months ended September 30, 2001 and 2000.....	
	Statement of Partners' Capital for the nine months ended September 30, 2001.....	
	Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	
	Notes to Financial Statements.....	
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	

PART II. OTHER INFORMATION

Item 6.	Exhibits and Reports on Form 8-K.....	
	Signatures.....	

2

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	September 30, 2001	December 31, 2000
ASSETS	(Unaudited)	-----
Current assets:		
Cash	\$ 365,152	\$ 185,644
Accounts receivable - oil and gas sales	204,644	281,416
Total current assets	569,796	467,060
Oil and gas properties - at cost, based on the successful efforts accounting method	9,754,730	9,761,207
Accumulated depletion	(8,465,484)	(8,398,807)
Net oil and gas properties	1,289,246	1,362,400
	\$ 1,859,042	\$ 1,829,460
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	\$ 82,396	\$ 6,714

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Partners' capital:		
Managing general partner	14,734	15,195
Limited partners (11,249 interests)	1,761,912	1,807,551
	-----	-----
	1,776,646	1,822,746
	-----	-----
	\$ 1,859,042	\$ 1,829,460
	=====	=====

The financial information included as of September 30, 2001 has been prepared by the managing general partner without audit by independent public accountants.

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

3

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	-----	-----	-----	-----
Revenues:				
Oil and gas	\$ 323,917	\$ 560,600	\$1,056,644	\$1,514,944
Interest	2,577	5,907	9,419	13,377
Gain on disposition of assets	--	--	--	2,277
	-----	-----	-----	-----
	326,494	566,507	1,066,063	1,530,598
	-----	-----	-----	-----
Costs and expenses:				
Oil and gas production	160,626	144,855	437,953	424,877
General and administrative	11,411	17,415	38,359	54,877
Depletion	26,159	18,260	66,677	60,277
	-----	-----	-----	-----
	198,196	180,530	542,989	540,031
	-----	-----	-----	-----
Net income	\$ 128,298	\$ 385,977	\$ 523,074	\$ 990,567
	=====	=====	=====	=====
Allocation of net income:				
Managing general partner	\$ 1,283	\$ 3,860	\$ 5,231	\$ 9,907
	=====	=====	=====	=====
Limited partners	\$ 127,015	\$ 382,117	\$ 517,843	\$ 980,660
	=====	=====	=====	=====
Net income per limited partnership interest	\$ 11.29	\$ 33.97	\$ 46.03	\$ 87.11

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

4

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

	Managing general partner -----	Limited partners -----	Total -----
Balance at January 1, 2001	\$ 15,195	\$ 1,807,551	\$ 1,822,746
Distributions	(5,692)	(563,482)	(569,174)
Net income	5,231	517,843	523,074
	-----	-----	-----
Balance at September 30, 2001	\$ 14,734	\$ 1,761,912	\$ 1,776,646
	=====	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

5

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, -----	
	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 523,074	\$ 990,569
Adjustments to reconcile net income to net cash provided by operating activities:		

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Depletion	66,677	60,270
Gain on disposition of assets	--	(2,273)
Changes in assets and liabilities:		
Accounts receivable	76,772	(85,801)
Accounts payable	75,682	21,431
	-----	-----
Net cash provided by operating activities	742,205	984,196
	-----	-----
Cash flows from investing activities:		
Additions to oil and gas properties	(8,694)	(8,113)
Proceeds from asset dispositions	15,171	2,372
	-----	-----
Net cash provided by (used in) investing activities	6,477	(5,741)
	-----	-----
Cash flows used in financing activities:		
Cash distributions to partners	(569,174)	(939,493)
	-----	-----
Net increase in cash	179,508	38,962
Cash at beginning of period	185,644	213,165
	-----	-----
Cash at end of period	\$ 365,152	\$ 252,127
	=====	=====

The financial information included herein has been prepared by the managing general partner without audit by independent public accountants.

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

6

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
September 30, 2001
(Unaudited)

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 91-B, L.P. (the "Partnership") is a limited partnership organized in 1991 under the laws of the State of Delaware.

The Partnership engages in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

NOTE 2. BASIS OF PRESENTATION

In the opinion of management, the unaudited financial statements of the Partnership as of September 30, 2001 and for the three and nine months ended September 30, 2001 and 2000 include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. These interim results are not necessarily indicative of results for a year. Certain reclassifications may have been made to the September 30, 2000 financial statements to conform to the September 30, 2001 financial statement presentations.

Certain information and footnote disclosures normally included in financial

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Rich Dealy, Vice President and Chief Accounting Officer, 5205 North O'Connor Boulevard, Suite 1400, Irving, Texas 75039-3746.

NOTE 3. PROPOSAL TO ACQUIRE PARTNERSHIP

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed materials to the limited partners of the Partnership soliciting their approval of an agreement and plan of merger among Pioneer, Pioneer Natural Resources USA, Inc. ("Pioneer USA"), a wholly-owned subsidiary of Pioneer, and the Partnership. Pioneer has valued the Partnership interest at \$5,057,542 of which \$5,002,516 is attributable to the limited partners, excluding Pioneer USA in its capacity as a general partner or a limited partner. If two-thirds of the limited partners approve the transaction, each limited partner will receive their proportionate share of the value in the form of Pioneer common stock.

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS(1)

RESULTS OF OPERATIONS

Nine months ended September 30, 2001 compared with nine months ended September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 30% to \$1,056,644 for the nine months ended September 30, 2001 as compared to \$1,514,941 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received for oil and natural gas liquids ("NGLs"), offset by a higher average price received for gas. For the nine months ended September 30, 2001, 27,163 barrels of oil, 10,118 barrels of NGLs and 43,800 mcf of gas were sold, or 44,581 barrel of oil equivalents ("BOEs"). For the nine months ended September 30, 2000, 36,648 barrels of oil, 16,876 barrels of NGLs and 66,057 mcf of gas were sold, or 64,534 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$2.14, or 7%, from \$29.55 for the nine months ended September 30, 2000 to \$27.41 for the same period in 2001. The average price received per barrel of NGLs decreased \$1.17 or 7%, from \$15.68 during the nine months ended September 30, 2000 to \$14.51 for the same period in 2001. The average price received per mcf of gas increased 48% from \$2.54 during the nine months ended September 30, 2000 to \$3.77 for the same period in 2001. The market price for oil and gas has been extremely volatile in the past decade and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the nine months ended September 30, 2001.

Gain on disposition of assets of \$2,273 was recognized during the nine months ended September 30, 2000 from equipment credits received on one well.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Costs and Expenses:

Total costs and expenses increased to \$542,989 for the nine months ended September 30, 2001 as compared to \$540,022 for the same period in 2000, an increase of \$2,967. This increase was due to increases in production costs and depletion, offset by a decline in general and administrative expenses ("G&A").

Production costs were \$437,953 for the nine months ended September 30, 2001 and \$424,874 for the same period in 2000, resulting in a \$13,079 increase, or 3%. The increase was primarily due to higher ad valorem taxes and additional well maintenance costs incurred to stimulate well production, offset by lower production taxes.

8

G&A's components are independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A decreased 30% from \$54,878 for the nine months ended September 30, 2000 to \$38,359 for the same period in 2001, primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) as a result of decreased oil and gas revenues.

Depletion was \$66,677 for the nine months ended September 30, 2001 as compared to \$60,270 for the same period in 2000, representing an increase of \$6,407, or 11%. This increase was primarily due to a reduction in proved reserves for the period ended September 30, 2001 due to lower commodity prices as compared to the same period ended 2000, offset by a decline in oil production of 9,485 barrels for the nine months ended September 30, 2001 as compared to the same period in 2000.

Three months ended September 30, 2001 compared with three months ended
September 30, 2000

Revenues:

The Partnership's oil and gas revenues decreased 42% to \$323,917 for the three months ended September 30, 2001 as compared to \$560,600 for the same period in 2000. The decrease in revenues resulted from a decline in production and lower average prices received. For the three months ended September 30, 2001, 9,262 barrels of oil, 3,867 barrels of NGLs and 15,656 mcf of gas were sold, or 15,738 BOEs. For the three months ended September 30, 2000, 12,181 barrels of oil, 5,860 barrels of NGLs and 23,229 mcf of gas were sold, or 21,913 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil decreased \$5.08, or 16%, from \$31.49 for the three months ended September 30, 2000 to \$26.41 for the same period in 2001. The average price received per barrel of NGLs decreased \$5.25, or 30%, from \$17.25 during the three months ended September 30, 2000 to \$12.00 for the same period in 2001. The average price received per mcf of gas decreased 36% from \$3.27 during the three months ended September 30, 2000 to \$2.10 for the same period in 2001.

Costs and Expenses:

Total costs and expenses increased to \$198,196 for the three months ended September 30, 2001 as compared to \$180,530 for the same period in 2000, an increase of \$17,666, or 10%. This increase was due to increases in production costs and depletion, offset by a decrease in G&A.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

Production costs were \$160,626 for the three months ended September 30, 2001 and \$144,855 for the same period in 2000, resulting in a \$15,771 increase, or 11%. This increase was primarily due to higher ad valorem taxes, offset by lower production taxes.

9

During this period, G&A decreased 34% from \$17,415 for the three months ended September 30, 2000 to \$11,411 for the same period in 2001. The decline was due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues.

Depletion was \$26,159 for the three months ended September 30, 2001 as compared to \$18,260 for the same period in 2000, representing an increase of \$7,899, or 43%. This increase was primarily due to a reduction in proved reserves for the period ended September 30, 2001 due to lower commodity prices as compared to the same period ended 2000, offset by a decline in oil production of 2,919 barrels for the three months ended September 30, 2001 as compared to the same period in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased \$241,991 during the nine months ended September 30, 2001 from the same period ended September 30 2000. The decrease was due to a decline in oil and gas sales receipts of \$462,255 and an increase in production costs of \$13,079, offset by decreases in G&A expenses of \$16,519 and working capital of \$216,824. The decrease in oil and gas receipts resulted from a decline of \$442,030 in production during 2001 as compared to the same period in 2000 and a decline in oil and NGL prices of \$101,813, offset by an increase in gas prices of \$81,588 during 2001. The increase in production costs was primarily due to higher ad valorem taxes and an increase in well maintenance costs incurred to stimulate well production, offset by lower production taxes. The decrease in G&A was primarily due to a lower percentage of the managing general partner's G&A being allocated (limited to 3% of oil and gas revenues) due to decreased oil and gas revenues.

Net Cash Provided by (Used in) Investing Activities

The Partnership's principal investing activities during the nine months ended September 30, 2001 and 2000 were related to the upgrades of oil and gas equipment on active properties.

Proceeds from asset dispositions of \$15,171 and \$2,372 recognized during the nine months ended September 30, 2001 and 2000, respectively, were related to equipment credits on active wells.

Net Cash Used in Financing Activities

For the nine months ended September 30, 2001, cash distributions to the partners were \$569,174 of which \$5,692 was distributed to the managing general partner and \$563,482 to the limited partners. For the same period ended September 30, 2000, cash distributions to the partners were \$939,493, of which \$9,395 was distributed to the managing general partner and \$930,098 to the limited partners.

During 2001, the Partnership made distributions in March and July but no distributions were made by the Partnership during September pending the vote of the proposed merger of the Partnership into Pioneer Natural Resources USA, Inc.

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

("Pioneer USA"). For further information, see "Proposal to acquire partnerships" below.

10

PROPOSAL TO ACQUIRE PARTNERSHIPS

On October 22, 2001, Pioneer Natural Resources Company ("Pioneer") mailed definitive materials (the "proxy statement/prospectus") to solicit the approval of limited partners of 46 Parker & Parsley limited partnerships, including the Partnership, of an agreement and plan of merger among Pioneer, Pioneer USA, a wholly-owned subsidiary of Pioneer, and those limited partnerships. The special meetings of the limited partners to consider and vote on the merger proposal are scheduled for December 20, 2001. The record date to identify the limited partners who are entitled to notice of and to vote at the special meetings was September 21, 2001. Each partnership that approves the agreement and plan of merger and the other related merger proposals will merge with and into Pioneer USA. As a result, the partnership interests of those partnerships will be converted into the right to receive Pioneer common stock.

The proxy statement/prospectus is non-binding and is subject to, among other things, consideration of offers from third parties to purchase any partnership or its assets and the two-thirds approval of the limited partnership interests in each partnership.

A copy of the proxy statement/prospectus may be obtained without charge upon request from Pioneer Natural Resources Company, 5205 North O'Connor Blvd., Suite 1400, Irving, Texas 75039, Attention: Investor Relations.

The limited partners are urged to read the proxy statement/prospectus of Pioneer filed with the Securities and Exchange Commission because it contains important information about the proposed mergers, including information about the direct and indirect interests of Pioneer USA and Pioneer in the mergers. The limited partners may also obtain the final proxy statement/prospectus and other relevant documents relating to the proposed mergers free through the internet web site that the Securities and Exchange Commission maintains at www.sec.gov.

- (1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. 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.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
- (b) Reports on Form 8-K - none

11

PARKER & PARSLEY 91-B, L.P.
(A Delaware Limited Partnership)

SIGNATURES

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 424B3

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 thereunto duly authorized.

PARKER & PARSLEY 91-B, L.P.

By: Pioneer Natural Resources USA, Inc.,
Managing General Partner

Dated: November 7, 2001

By: /s/ Rich Dealy

Rich Dealy, Vice President and
Chief Accounting Officer

12