

PIONEER NATURAL RESOURCES COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(Unaudited)

	September 30, <u>2001</u>	December 31, <u>2000</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 20,737	\$ 26,159
Accounts receivable	93,623	125,654
Inventories	17,863	14,842
Deferred income taxes	5,600	4,800
Other current assets	<u>123,258</u>	<u>19,936</u>
Total current assets	<u>261,081</u>	<u>191,391</u>
Property, plant and equipment, at cost:		
Oil and gas properties, using the successful efforts method of accounting	3,704,867	3,417,094
Accumulated depletion, depreciation and amortization	<u>(1,057,758)</u>	<u>(902,139)</u>
	<u>2,647,109</u>	<u>2,514,955</u>
Deferred income taxes	83,611	84,400
Other assets, net	<u>187,986</u>	<u>163,689</u>
	<u>\$ 3,179,787</u>	<u>\$ 2,954,435</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 120,599	\$ 102,275
Interest payable	38,430	38,142
Other current liabilities	<u>87,793</u>	<u>76,097</u>
Total current liabilities	<u>246,822</u>	<u>216,514</u>
Long-term debt	1,554,552	1,578,776
Other noncurrent liabilities	169,310	225,740
Deferred income taxes	24,973	28,500
Stockholders' equity	<u>1,184,130</u>	<u>904,905</u>
	<u>\$ 3,179,787</u>	<u>\$ 2,954,435</u>

PIONEER NATURAL RESOURCES COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except for per share data)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Oil and gas	\$ 198,088	\$ 228,587	\$ 674,685	\$ 600,909
Interest and other	6,471	5,200	22,593	14,141
Gain (loss) on disposition of assets, net	<u>(88)</u>	<u>24,158</u>	<u>8,677</u>	<u>27,751</u>
	<u>204,471</u>	<u>257,945</u>	<u>705,955</u>	<u>642,801</u>
Costs and expenses:				
Oil and gas production	51,713	49,728	159,489	135,990
Depletion, depreciation and amortization - oil and gas	56,857	52,675	158,927	150,286
Depletion, depreciation and amortization - other	3,208	3,897	10,695	11,743
Exploration and abandonments	24,666	23,431	94,132	64,202
General and administrative	8,153	6,537	26,606	23,259
Interest	32,261	40,794	102,137	122,412
Other	<u>2,006</u>	<u>15,495</u>	<u>29,097</u>	<u>60,394</u>
	<u>178,864</u>	<u>192,557</u>	<u>581,083</u>	<u>568,286</u>
Income before income taxes and extraordinary item	25,607	65,388	124,872	74,515
Income tax benefit (provision)	<u>(2,379)</u>	<u>3,900</u>	<u>(5,387)</u>	<u>5,800</u>
Income before extraordinary item	23,228	69,288	119,485	80,315
Extraordinary item - gain (loss) on early extinguishment of debt, net of tax	<u>1,374</u>	<u>-</u>	<u>1,374</u>	<u>(12,318)</u>
Net income	<u>\$ 24,602</u>	<u>\$ 69,288</u>	<u>\$ 120,859</u>	<u>\$ 67,997</u>
Net income per share:				
Basic:				
Income before extraordinary item	\$.24	\$.70	\$ 1.22	\$.80
Extraordinary item	<u>.01</u>	<u>-</u>	<u>.01</u>	<u>(.12)</u>
Net income	<u>\$.25</u>	<u>\$.70</u>	<u>\$ 1.23</u>	<u>\$.68</u>
Diluted:				
Income before extraordinary item	\$.24	\$.69	\$ 1.20	\$.80
Extraordinary item	<u>.01</u>	<u>-</u>	<u>.01</u>	<u>(.12)</u>
Net income	<u>\$.25</u>	<u>\$.69</u>	<u>\$ 1.21</u>	<u>\$.68</u>
Weighted average basic shares outstanding:				
Basic	<u>98,468</u>	<u>99,312</u>	<u>98,395</u>	<u>99,718</u>
Diluted	<u>99,523</u>	<u>99,804</u>	<u>99,646</u>	<u>100,052</u>

PIONEER NATURAL RESOURCES COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Cash flows from operations:				
Net income	\$ 24,602	\$ 69,288	\$ 120,859	\$ 67,997
Depletion, depreciation and amortization	60,065	56,572	169,622	162,029
Exploration expenses, including dry holes	17,250	16,221	80,082	46,273
Deferred income taxes	567	(5,700)	(4,095)	(9,600)
(Gain) loss on disposition of assets, net	88	(24,158)	(8,677)	(27,751)
Interest related amortization	2,559	2,791	8,446	9,179
Derivative mark-to-market	(373)	13,539	(898)	55,497
Extraordinary item - gain (loss) on early extinguishment of debt	(1,374)	-	(1,374)	12,318
Other noncash items	2,898	1,584	6,650	3,514
Changes in operating assets and liabilities:				
Accounts receivable	8,862	(12,620)	36,916	(11,713)
Inventories	(3,489)	2,145	(4,401)	(175)
Other current assets	(763)	(2)	(5,795)	1,993
Accounts payable	11,431	16,964	(7,426)	2,504
Interest payable	(626)	(430)	288	1,782
Other current liabilities	<u>1,203</u>	<u>(20,466)</u>	<u>(233)</u>	<u>(28,753)</u>
Net cash provided by operating activities	122,900	115,728	389,964	285,094
Net cash used in investing activities	(74,422)	(3,071)	(301,912)	(85,926)
Net cash used in financing activities	<u>(45,823)</u>	<u>(112,977)</u>	<u>(93,187)</u>	<u>(195,913)</u>
Net increase (decrease) in cash and cash equivalents	2,655	(320)	(5,135)	3,255
Effect of exchange rate changes on cash and cash equivalents	(145)	(51)	(287)	(145)
Cash and cash equivalents, beginning of period	<u>18,227</u>	<u>38,269</u>	<u>26,159</u>	<u>34,788</u>
Cash and cash equivalents, end of period	<u>\$ 20,737</u>	<u>\$ 37,898</u>	<u>\$ 20,737</u>	<u>\$ 37,898</u>

PIONEER NATURAL RESOURCES COMPANY

SUMMARY PRODUCTION AND PRICE DATA

		Three months ended September 30,		Nine months ended September 30,	
		2001	2000	2001	2000
Average Daily Production:					
Oil (Bbls) -	U.S.	22,442	24,283	23,659	24,793
	Argentina	9,689	9,211	9,688	8,553
	Canada	<u>789</u>	<u>813</u>	<u>825</u>	<u>811</u>
	Total	32,920	34,307	34,172	34,157
Natural gas liquids (Bbls) -	U.S.	20,493	22,233	19,800	21,888
	Argentina	591	534	559	513
	Canada	<u>1,074</u>	<u>798</u>	<u>1,024</u>	<u>851</u>
	Total	22,158	23,565	21,383	23,252
Gas (Mcf) -	U.S.	213,778	234,913	212,287	232,844
	Argentina	107,087	111,897	95,451	100,486
	Canada	<u>53,611</u>	<u>45,009</u>	<u>50,174</u>	<u>44,228</u>
	Total	374,476	391,819	357,912	377,558
Total Production:					
Oil (MBbls)		3,029	3,156	9,329	9,359
Natural gas liquids (MBbls)		2,039	2,168	5,838	6,371
Gas (MMcf)		34,452	36,047	97,710	103,451
Equivalent barrels (MBOE)		10,809	11,332	31,452	32,972
Average Price*:					
Oil (per Bbl) -	U.S.	\$ 25.15	\$ 23.31	\$ 24.93	\$ 21.37
	Argentina	\$ 24.99	\$ 30.95	\$ 25.09	\$ 29.32
	Canada	\$ 23.70	\$ 28.58	\$ 23.80	\$ 27.72
	Average	\$ 25.06	\$ 25.48	\$ 24.95	\$ 23.52
Natural gas liquids (per Bbl) -	U.S.	\$ 14.77	\$ 20.52	\$ 18.56	\$ 19.18
	Argentina	\$ 16.93	\$ 22.46	\$ 21.93	\$ 21.98
	Canada	\$ 18.66	\$ 25.42	\$ 23.31	\$ 22.85
	Average	\$ 15.01	\$ 20.73	\$ 18.87	\$ 19.37
Gas (per Mcf) -	U.S.	\$ 3.54	\$ 3.65	\$ 4.34	\$ 3.06
	Argentina	\$ 1.39	\$ 1.28	\$ 1.33	\$ 1.21
	Canada	\$ 1.69	\$ 2.71	\$ 3.35	\$ 2.41
	Average	\$ 2.66	\$ 2.87	\$ 3.40	\$ 2.49

* Average prices include the effects of commodity hedges.

PIONEER NATURAL RESOURCES COMPANY

SUPPLEMENTAL INFORMATION

(in thousands)

(Unaudited)

Discretionary cash flow and EBITDAX (as defined below) are presented herein because of their wide acceptance as financial indicators of a company's ability to internally fund exploration and development activities and to service or incur debt. Discretionary cash flow and EBITDAX should not be considered as alternatives to net cash provided by operating activities, net income (loss) or income (loss) from continuing operations, as defined by generally accepted accounting principles. Discretionary cash flow and EBITDAX should also not be considered as indicators of the Company's financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies.

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Discretionary cash flows*:				
Net income	\$ 24,602	\$ 69,288	\$ 120,859	\$ 67,997
Depletion, depreciation and amortization	60,065	56,572	169,622	162,029
Exploration and abandonments	24,666	23,431	94,132	64,202
Deferred income taxes	567	(5,700)	(4,095)	(9,600)
(Gain) loss on disposition of assets, net	88	(24,158)	(8,677)	(27,751)
Interest related amortization	2,559	2,791	8,446	9,179
Derivative mark-to-market	(373)	13,539	(898)	55,497
Extraordinary item, net of tax	(1,374)	-	(1,374)	12,318
Other noncash items	<u>2,898</u>	<u>1,584</u>	<u>6,650</u>	<u>3,514</u>
Discretionary cash flow	<u>\$ 113,698</u>	<u>\$ 137,347</u>	<u>\$ 384,665</u>	<u>\$ 337,385</u>

* Discretionary cash flows equal cash flows from operations before working capital changes and exploration and abandonments.

EBITDAX:**

Net income	\$ 24,602	\$ 69,288	\$ 120,859	\$ 67,997
Depletion, depreciation and amortization	60,065	56,572	169,622	162,029
Exploration and abandonments	24,666	23,431	94,132	64,202
Consolidated interest expense	32,261	40,794	102,137	122,412
Consolidated income taxes	2,379	(3,900)	5,387	(5,800)
(Gain) loss on disposition of assets, net	88	(24,158)	(8,677)	(27,751)
Extraordinary item, net of tax	(1,374)	-	(1,374)	12,318
Derivative mark-to-market	(373)	13,539	(898)	55,497
Other noncash expenses	<u>489</u>	<u>1,586</u>	<u>2,008</u>	<u>3,710</u>
	<u>\$ 142,803</u>	<u>\$ 177,152</u>	<u>\$ 483,196</u>	<u>\$ 454,614</u>

** "EBITDAX" represents earnings before depletion, depreciation and amortization expense; impairment of oil and gas properties; exploration and abandonments; consolidated interest expense; consolidated income taxes; gain or loss on the disposition of assets; extraordinary items; derivative mark-to-market adjustments; and, other noncash expenses.

PIONEER NATURAL RESOURCES COMPANY
SUPPLEMENTAL INFORMATION

Hedge Positions – Oil*

		2002					2003
	2001 Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First & Second Quarters	
Daily oil production:							
Swaps:							
Volume (Bbl)	24,348	18,000	8,000	7,000	4,000	6,000	
NYMEX price	\$ 27.98	\$ 27.40	\$ 26.35	\$ 25.23	\$ 25.19	\$ 24.02	
Collars:							
Volume (Bbl)	2,000	10,000	10,000	-	-	-	
NYMEX price	\$ 25.00-\$31.43	\$ 25.00-\$28.56	\$ 25.00-\$28.56	\$ -	\$ -	\$ -	
Wordwide Oil - % Hedged.....	82%	83%	54%	21%	13%	13%	

Hedge Positions – Gas*

		2002				2003	2004	2005
	2001 Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter			
Daily gas production:								
Swaps:								
Volume (Mcf)	120,908	140,000	140,000	170,000	170,000	100,000	225,000	25,000
NYMEX Price** (MMBtu)	\$ 4.35	\$ 4.35	\$ 4.35	\$ 4.35	\$ 4.35	\$ 3.90	\$ 4.00	\$ 3.45
Collars:								
Volume (Mcf)	54,482	20,000	20,000	20,000	20,000	-	-	-
NYMEX Price** (MMBtu)	\$ 2.25-\$2.90	\$ 4.50-\$6.00	\$ 4.50-\$6.00	\$ 4.50-\$6.00	\$ 4.50-\$6.00	\$ -	\$ -	\$ -
N. Amer. Gas - % Hedged	67%	58%	58%	50%	50%	22%	na	na

* Hedge positions are as of October 19, 2001 and exclude hedges that have been liquidated.

**Approximate, based on historical differentials to index prices.