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PIONEER NATURAL RESOURCES CO

Form 8-K

February 21, 2006

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 14, 2005

Pioneer Natural Resources Company

(Exact name of Registrant as specified in its charter)

Delaware

1-13245

75-2702753

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

5205 N. O'Connor Blvd., Suite 900, Irving, Texas

75039

(Address of principal executive offices)

(Zip Code)

(972) 444-9001

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- | Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- | Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- | Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- | Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

PIONEER NATURAL RESOURCES COMPANY

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PIONEER NATURAL RESOURCES COMPANY

Item 1.01. Entry into a Material Definitive Agreement

1. On February 14, 2006, the Compensation and Management Development Committee (the "Committee") of the Board of Directors of Pioneer Natural Resources Company (the "Company") established objectives for 2006 bonuses payable in 2007 to the executive officers of the Company under the Company's Annual Incentive Bonus Plan (the "Plan"). 2006 bonus awards under the Plan will be based on the Committee's judgment regarding the Corporation's and the executive officer's performance in 2006, considering, among other things, the objectives. The corporate objectives include both financial and non-financial objectives. Financial objectives for 2006 include oil and gas production, operating expense levels, general and administrative expense levels, year-end indebtedness, finding costs, reserve replacement, return on equity, net asset value per share and total stockholder return. Another corporate objective is based on the Company's performance in the areas of safety and environmental. Other non-financial objectives for 2006 include various qualitative and quantitative measures that are intended to further align compensation with achieving the Company's corporate goals. Certain non-financial objectives vary by executive officer depending on his area of responsibility.

2. On February 14, 2006, the Committee also determined the amount of cash bonuses payable to the Company's Chief Executive Officer and four most highly compensated executive officers other than its Chief Executive Officer, based on the Committee's assessment of 2005 performance. Determination of the most highly compensated executive officers is made by reference to total annual salary and bonus for 2005. The bonuses are payable in February 2006 and are described below:

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Named Executive Officer -----	Amount of 2005 Cash Bonus -----
Scott D. Sheffield	\$ 948,750
Timothy L. Dove	464,000
A.R. Alameddine	247,000
Chris J. Cheatwood	247,000
Danny L. Kellum	247,000

3. On February 14, 2006, the Board of Directors of the Company approved adjustments to the compensation paid to non-employee directors of the Company. Commencing with the board year beginning at the Company's 2006 Annual Meeting of Stockholders, the annual retainer will increase from \$40,000 to \$50,000; the value of the annual equity award in will increase from \$60,000 to \$80,000; and the value of the initial equity award to new directors will increase from \$125,000 to \$150,000.

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PIONEER NATURAL RESOURCES COMPANY

S I G N A T U R E

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIONEER NATURAL RESOURCES COMPANY

Date: February 21, 2006

By: /s/ Darin G. Holderness

Darin G. Holderness
Vice President and Chief Accounting Officer

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