

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 8-K

PIONEER NATURAL RESOURCES CO
Form 8-K
March 02, 2007

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 26, 2007

PIONEER NATURAL RESOURCES COMPANY
(Exact name of registrant as specified in its charter)

| Delaware (State or other jurisdiction of incorporation) | 1-13245 (Commission File Number) | 75-2702753 (I.R.S. Employer Identification Number) |
|--|--|--|
| 5205 N. O'Connor Blvd Suite 200 Irving, Texas (Address of principal executive offices) | | 75039 (Zip code) |

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

Not applicable
(Former name or former address, if changed since last report)

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

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

PIONEER NATURAL RESOURCES COMPANY

TABLE OF CONTENTS

| | Page |
|--|------|
| | ---- |
| Item 5.02. Departure of Directors or Principal Officers; Election of | |

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 8-K

Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers..... 3

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics..... 4

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits..... 4

Signature..... 5

Exhibit Index..... 6

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

1. On February 26, 2007, the Compensation and Management Development Committee (the "Committee") of the Board of Directors of Pioneer Natural Resources Company (the "Company") established targets for the Company's named executive officers for 2007 bonuses payable in 2008 under the Company's Annual Incentive Bonus Plan (the "Plan"), as described below. The "named executive officers" are the executive officers of the Company for whom disclosure was required in the Company's proxy statement for its 2006 Annual Meeting of Stockholders. The 2007 bonus target is shown as a percentage of 2007 base salary, and the actual amount paid may be at, above or below the target level:

| Named Executive Officer | 2007 Bonus Target |
|-------------------------|-------------------|
| ----- | ----- |
| Scott D. Sheffield | 100% |
| Timothy L. Dove | 85 |
| A.R. Alameddine | 65 |
| Chris J. Cheatwood | 65 |
| Danny L. Kellum | 65 |

Base salaries for the named executive officers payable during 2007 are unchanged from 2006 levels.

The award of 2007 bonuses under the Plan will be based on the Committee's judgment regarding the Company's and the executive officer's performance in 2007, considering, among other things, the objectives established by the Committee. The corporate objectives include both financial and non-financial objectives. Financial objectives for 2007 include oil and gas production, operating expense levels, general and administrative expense levels, year-end indebtedness, finding costs, reserve replacement, return on equity and net asset value per share. Another corporate objective is based on the Company's performance in the areas of safety and environmental. Certain non-financial objectives vary by executive officer depending on his area of responsibility.

2. On February 26, 2007, the Committee also made awards of restricted stock and performance units to the named executive officers, as follows.

| Named Executive Officer | Number of Restricted Shares Awarded | Number of Performance Units Awarded |
|-------------------------|-------------------------------------|-------------------------------------|
|-------------------------|-------------------------------------|-------------------------------------|

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 8-K

| | | |
|--------------------|--------|--------|
| Scott D. Sheffield | 34,997 | 34,998 |
| Timothy L. Dove | 15,165 | 15,166 |
| A.R. Alameddine | 5,833 | 5,833 |
| Chris J. Cheatwood | 8,166 | 8,166 |
| Danny L. Kellum | 8,166 | 8,166 |

The equity awards were made under the Company's 2006 Long-Term Incentive Plan pursuant to the forms of Restricted Stock Award Agreement and Performance Unit Award Agreement filed as exhibits to this report and incorporated herein by reference.

3. On February 26, 2007, the Committee also amended the agreements pursuant to which restricted stock was granted to the named executive officers of the Company on February 14, 2006. As a result of the amendment, the terms governing the effect of various termination events on the vesting of

3

such restricted stock will be identical to the terms governing the effect of such events that are set forth in the Restricted Stock Award Agreement filed as an exhibit to this report.

4. On February 26, 2007, the Committee also determined the amount of cash bonuses payable to the named executive officers, based on the Committee's assessment of 2006 performance. The bonuses were paid on March 2, 2007, as follows:

| Named Executive Officer | Amount of 2006 Cash Bonus |
|-------------------------|---------------------------|
| Scott D. Sheffield | \$ 850,000 |
| Timothy L. Dove | 446,250 |
| A.R. Alameddine | 243,100 |
| Chris J. Cheatwood | 243,100 |
| Danny L. Kellum | 276,250 |

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On February 27, 2006, the Board of Directors of the Company adopted a new Code of Business Conduct and Ethics (the "Code"), which applies to the Company's directors, employees and officers, including its principal executive officer, principal financial officer and principal accounting officer. In order to permit the Company to develop training and communications materials and otherwise prepare for the introduction of the Code to the Company's employees, the adoption of the Code will be effective June 1, 2007.

The Code is filed as an exhibit to this report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 -- Form of Restricted Stock Award Agreement between the Company and each of Scott D. Sheffield and Timothy L. Dove, together with a schedule identifying other substantially identical agreements between the Company and each of its other executive

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 8-K

officers and identifying the material differences between each of those agreements and the filed Restricted Stock Award Agreement.

10.2 -- Form of Performance Unit Award Agreement between the Company and each of Scott D. Sheffield and Timothy L. Dove, together with a schedule identifying other substantially identical agreements between the Company and each of its other executive officers and identifying the material differences between each of those agreements and the filed Performance Unit Award Agreement.

14.1 -- Code of Business Conduct and Ethics, effective June 1, 2007.

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 hereunto duly authorized.

PIONEER NATURAL RESOURCES COMPANY

/s/ Darin G. Holderness

Darin G. Holderness
Vice President and Chief
Accounting Officer

Dated: March 2, 2007

EXHIBIT INDEX

| Exhibit Number ----- | Exhibit Title ----- |
|----------------------------|---|
| 10.1(a) | Form of Restricted Stock Award Agreement between the Company and each of Scott D. Sheffield and Timothy L. Dove, together with a schedule identifying other substantially identical agreements between the Company and each of its other executive officers and identifying the material differences between each of those agreements and the filed Restricted Stock Award Agreement. |
| 10.2(a) | Form of Performance Unit Award Agreement between the Company and each of Scott D. Sheffield and Timothy L. Dove, together with a schedule identifying other substantially identical |

Edgar Filing: PIONEER NATURAL RESOURCES CO - Form 8-K

agreements between the Company and each of its other executive officers and identifying the material differences between each of those agreements and the filed Performance Unit Award Agreement.

14.1(a) Code of Business Conduct and Ethics, effective June 1, 2007.

(a) Filed herewith.