PIONEER NATURAL RESOURCES CO
Form S-4
April 17, 2001

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 17, 2001.
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PIONEER NATURAL RESOURCES COMPANY
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	1311	75-2702753
(State or Other Jurisdiction of Incorporation or Organization)	(Primary standard industrial classification code number)	(I.R.S. Employer Identification No.)

1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 77039
(972) 444-9001
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

SCOTT D. SHEFFIELD
PIONEER NATURAL RESOURCES COMPANY
1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 77039
(972) 444-9001
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

ROBERT L. KIMBALL	BRIAN M. LIDJI
VINSON & ELKINS L.L.P.	SAYLES, LIDJI & WERBNER, A PROFESSIONAL CORPORATION
3700 TRAMMELL CROW CENTER	4400 RENAISSANCE TOWER
2001 ROSS AVENUE	1201 ELM STREET
DALLAS, TEXAS 75201	DALLAS, TEXAS 75270
(214) 220-7700	

(214) 939-8700

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this registration statement which relates to the merger of limited partnerships with and into Pioneer Natural Resources USA, Inc. pursuant to the merger agreement described in the enclosed proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIM AGGREGATE OFFERING PRICE
Common Stock, $0.01 par value	5,122,138	$6.09	$31,200,000

(1) Based upon the registrant's estimate of the maximum number of shares that might be issued in connection with the proposed merger transaction.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f), based on the book value of the unaffiliated partnership interests to be cancelled in the transaction, computed as of the latest practicable date, less the amount of cash to be paid by the registrant in the transaction. A filing fee of $20,500 is being paid pursuant to the filing on the date hereof by the registrant and Pioneer Natural Resources USA, Inc. of a preliminary Schedule 13e-3. Pursuant to Rule 240.0-11(a)(2) of the Securities Exchange Act of 1934, this amount has been credited against the amount that would otherwise be payable in connection with this filing, resulting in no additional payment herewith.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

PIONEER NATURAL RESOURCES USA, INC.
1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 75039

NOTICE OF SPECIAL MEETINGS OF LIMITED PARTNERS
TO BE HELD ON , 2001

To the Limited Partners of 46
Parker & Parsley Limited Partnerships:

This is a notice that a special meeting of the limited partners of each of the following 46 limited partnerships will be held on , 2001, at 10:00 a.m., at the Dallas Marriott Las Colinas Hotel, Irving, Texas 75039:

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

Parker & Parsley Petroleum USA, Inc. and other predecessors of Pioneer Natural Resources USA, Inc., a Delaware corporation that we call Pioneer USA, sponsored each of the partnerships. Pioneer USA is the managing or sole general partner of each of the partnerships. Pioneer USA is a direct 100% owned subsidiary of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer.

The purpose of the special meeting for each partnership in which you own an interest is for you to consider and vote on the following matters:

1. A proposal to approve an Agreement and Plan of Merger dated as of , 2001, among Pioneer, Pioneer USA and each of the partnerships. Each partnership that approves this proposal, which we call a participating partnership, will merge with and into Pioneer USA, with Pioneer USA surviving the merger. Each partnership interest of a participating partnership, other than Pioneer USA's partnership interests, will be converted into shares of common stock, par value $.01 per share, of Pioneer and an amount of cash. The number of shares of common stock Pioneer will offer and the amount of cash to be paid for all partnership

interests of a participating partnership will be based on the participating partnership's merger value. The merger value for a participating partnership is equal to the sum of the present value of estimated future net revenues from the partnership's oil and gas reserves and its net working capital, in each case as of March 31, 2001. The amount of cash to be paid will equal 25% of the merger value for a participating partnership. The remaining 75% of the merger value for a participating partnership will be paid in shares of Pioneer common stock based on the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for the partnership. For purposes of illustration in this document, we have calculated the merger value based on each partnership's working capital as of December 31, 2000, and the number of shares to be issued based on an assumed average closing price of $18.00 per share of Pioneer common stock. We will update the calculation of the merger value using the March 31, 2001 working capital of each partnership before mailing this document to the limited partners, and prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer common stock for the ten trading days ending three business days before the date of the special meeting. The Pioneer common stock and the cash payment will be allocated among the partners based on the liquidation provisions of each partnership agreement. Pioneer will not issue fractional shares to any limited partner upon completion of the merger of any partnership. Instead, Pioneer will round any fractional shares of Pioneer common stock up to the nearest whole share and will reduce the cash payment to a limited partner of a participating partnership by the amount rounded up based on the average closing price per share used in determining the number of shares of Pioneer common stock to be offered. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in the participating partnerships.

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2. A proposal to amend the partnership agreement of each partnership to permit the partnership's merger with Pioneer USA. If the amendment is not approved, that partnership cannot merge into Pioneer USA even if the partners of that partnership approve the merger agreement.

3. A proposal (A) to approve the opinion issued to Pioneer USA by on behalf of the limited partners of each partnership that neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners (1) will result in the loss of any limited partner's limited liability or (2) will adversely affect the federal income tax classification of the partnership or any of its limited partners and (B) to approve the selection of as special legal counsel for the limited partners of each partnership to render the legal opinion.

4. Other business that properly comes before the special meeting or any adjournments or postponements of the special meeting. We are not aware of any other business for the special meeting.

The accompanying proxy statement/prospectus contains information about each merger, including the amount of Pioneer common stock that will be offered and amount of cash that will be paid to limited partners per $1,000 initial investment in each partnership, and descriptions of the merger agreement, the merger amendment and the legal opinion of the special legal counsel for the limited partners. The proxy statement/prospectus also contains a copy of the merger agreement, the merger amendment and the legal opinion.

Pioneer USA set the close of business on , 2001, as the record date to identify the limited partners who are entitled to notice of and to vote at each special meeting or any adjournments or postponements of the special meeting. During the ten business days before the special meeting, you may examine lists of the limited partners of each partnership in which you own an interest at the offices of Pioneer USA during normal business hours for any purpose relevant to the special meeting for each partnership in which you own an interest.

ON , 2001, PIONEER USA'S BOARD OF DIRECTORS UNANIMOUSLY DETERMINED THAT THE MERGER OF EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST IS ADVISABLE, FAIR TO YOU AS AN UNAFFILIATED LIMITED PARTNER, AND IN YOUR BEST INTERESTS. THE BOARD RECOMMENDS THAT YOU, AS AN UNAFFILIATED LIMITED PARTNER, VOTE FOR THE MERGER AGREEMENT, THE MERGER AMENDMENT, THE SELECTION OF SPECIAL LEGAL COUNSEL FOR THE LIMITED PARTNERS AND THAT COUNSEL'S LEGAL OPINION FOR EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST. ALTHOUGH PIONEER USA'S BOARD OF DIRECTORS HAS ATTEMPTED TO FULFILL ITS FIDUCIARY DUTIES TO YOU, PIONEER USA'S BOARD OF DIRECTORS HAD CONFLICTING INTERESTS IN EVALUATING EACH MERGER BECAUSE EACH MEMBER OF ITS BOARD OF DIRECTORS IS ALSO AN OFFICER OF PIONEER. Each partnership requires a favorable vote of the holders of a majority of its limited partnership interests to approve the merger agreement, the merger amendment, the selection of special legal counsel for the limited partners and that counsel's legal opinion, except that Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. each require the favorable vote of the holders, other than Pioneer USA, of 66 2/3% of its limited partnership interests to approve those merger proposals.

IF YOU DO NOT SEND IN YOUR PROXY CARD OR VOTE AT THE SPECIAL MEETING FOR A PARTNERSHIP IN WHICH YOU OWN AN INTEREST, IT WILL HAVE THE SAME EFFECT AS IF YOU VOTED AGAINST THE MERGER OF THAT PARTNERSHIP.

You are requested to sign, vote and date the enclosed proxy card and return it promptly in the enclosed envelope, even if you expect to be present at each special meeting for the partnerships in which you own an interest. If you give a proxy, you can revoke it at any time before the special meeting for the partnership as to which you are revoking your proxy. If you are present at the special meeting for a partnership in which you own an interest, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,

, 2001

Mark L. Withrow
Director, Executive Vice President, General Counsel and Secretary

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

[PIONEER NATURAL RESOURCES LOGO]

PRELIMINARY PROXY STATEMENT/PROSPECTUS, SUBJECT TO COMPLETION, DATED APRIL 17, 2001

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

, 2001

Dear Limited Partners:

We at Pioneer Natural Resources USA, Inc. invite you to attend the special meeting of limited partners for each partnership described below in which you own an interest. Each special meeting will be held on , 2001, at 10:00 a.m., at the Dallas Marriott Las Colinas Hotel, Irving, Texas 75039. The purpose of each special meeting is for you to vote on the merger of each partnership in which you own partnership interests that, if completed, will result in your receiving common stock of Pioneer Natural Resources Company, a Delaware corporation that we call Pioneer, and cash for your partnership interests. If you and the other limited partners of a partnership approve the merger of the partnership, the partnership will be merged with and into Pioneer Natural Resources USA, Inc., a Delaware corporation and 100% owned subsidiary of Pioneer that we call Pioneer USA, with Pioneer USA surviving the merger.

Pioneer and Pioneer USA desire to acquire 46 limited partnerships. We are a direct 100% owned subsidiary of Pioneer and we are the managing or sole general partner of each of the partnerships. Our predecessors, including Parker & Parsley Petroleum USA, Inc., originally sponsored each of the partnerships. The partnerships are Texas and Delaware limited partnerships. They were formed from 1981 through 1991 to acquire, develop and produce oil and gas reserves.

We have retained Robert A. Stanger & Co., Inc., which we call Stanger, to issue a fairness opinion in connection with the merger of each partnership. Stanger's opinion is dated as of , 2001 and, subject to the qualifications stated in that opinion, states that the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The written opinion of Stanger is contained in this document. You should read all of it carefully.

We can complete the merger of each partnership only if the holders of a majority, or 66 2/3% for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of its limited partnership interests approve the merger agreement, the amendment to the partnership agreement to permit the merger, the selection of special legal counsel for the limited partners and that counsel's legal opinion. This document provides information about each proposed merger. It includes a copy of the merger agreement, the merger amendment and the legal opinion of the special legal counsel for the limited partners. This document also constitutes a prospectus by Pioneer for up to an aggregate of 4,268,471 shares of Pioneer common stock to be issued in the proposed merger transaction. Please give all of this information your careful attention.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting for each partnership in which you own an interest, please take the time to vote by completing and mailing to us the enclosed proxy card. This will not prevent you from revoking your proxy at any time prior to the special meeting for each partnership in which you own an interest or from voting your partnership interests in person if you later choose to attend the special meeting for each partnership in which you own an interest.

We intend to mail certificates representing shares of Pioneer common stock and checks to the partners of each partnership that approves the merger transaction promptly after completing the merger of the partnership. Certificates representing partnership interests will be automatically cancelled, and you will not have to surrender your certificates to receive the Pioneer common stock and the cash payment.

YOUR CERTIFICATE THAT YOU ARE NOT A FOREIGN PERSON, WHICH WE CALL A CERTIFICATION OF NON-FOREIGN STATUS, IS IMPORTANT. Whether or not you plan to vote on the merger of each partnership in which you own an interest, please take the time to complete and return to us the enclosed certification of non-foreign status. If we receive a properly completed certification of non-foreign status from you, we will not withhold federal income taxes on the Pioneer common stock and cash to be paid to you upon the merger of each partnership in which you own an interest.

Sincerely,

Mark L. Withrow
Director, Executive Vice President, General
Counsel and Secretary

YOU SHOULD CAREFULLY CONSIDER THE RISKS RELATING TO THE MERGER OF EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST DESCRIBED IN "RISK FACTORS" BEGINNING ON PAGE 17. THESE INCLUDE:

- THE MERGER VALUE FOR THE PARTNERSHIP DETERMINES THE AMOUNT OF PIONEER COMMON STOCK AND CASH YOU WILL RECEIVE IN THE MERGER OF THE PARTNERSHIP. PIONEER AND PIONEER USA DETERMINED EACH MERGER VALUE AND WILL NOT ADJUST IT FOR CHANGES IN PARTNERSHIP VALUE BEFORE THE MERGER IS COMPLETED.

- YOU WERE NOT INDEPENDENTLY REPRESENTED IN ESTABLISHING THE TERMS OF ANY MERGER.

- OUR BOARD OF DIRECTORS HAD CONFLICTING INTERESTS IN EVALUATING EACH MERGER BECAUSE EACH MEMBER OF OUR BOARD OF DIRECTORS IS ALSO AN OFFICER OF PIONEER.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED ANY OF THE MERGERS, THE PIONEER COMMON STOCK TO BE ISSUED IN EACH MERGER OR THE FAIRNESS OR THE MERITS OF EACH MERGER OR HAVE DETERMINED WHETHER THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus is dated , 2001. It is first being mailed to the limited partners on or about , 2001.

PIONEER NATURAL RESOURCES COMPANY

- PROVED RESERVE BASE: 3.8 TRILLION CUBIC FEET EQUIVALENT OR 628 MILLION BARRELS OF OIL EQUIVALENT

- RESERVE BALANCE: 50% GAS, 50% LIQUIDS (OIL AND NATURAL GAS LIQUIDS)

- RESERVES/PRODUCTION RATIO: 14 YRS

- DRILLING INVENTORY: 1,700+ LOCATIONS

- EXPLORATION PROGRAM EXPECTED TO ADD NEW RESERVES AND PRODUCTION:
  - DEEPWATER GULF OF MEXICO
  - SOUTH AFRICA

[MAP]

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Form of Fairness Opinion of Robert A. Stanger & Co., Inc.................................

The Merger Proposals...

Form of Agreement and Plan of Merger...

WE HAVE PREPARED A SEPARATE SUPPLEMENT TO THIS DOCUMENT FOR EACH PARTNERSHIP. EACH SUPPLEMENT INCLUDES:

- A TABLE CONTAINING:

  - THE AGGREGATE INITIAL INVESTMENT BY THE LIMITED PARTNERS

  - THE AGGREGATE HISTORICAL LIMITED PARTNER DISTRIBUTIONS THROUGH MARCH 31, 2001

  - THE AGGREGATE MERGER VALUE ATTRIBUTABLE TO PARTNERSHIP INTERESTS OF LIMITED PARTNERS, EXCLUDING PIONEER USA

  - THE MERGER VALUE PER $1,000 LIMITED PARTNER INVESTMENT AS OF MARCH 31, 2001

  - THE MERGER VALUE PER $1,000 LIMITED PARTNER INVESTMENT AS A MULTIPLE OF DISTRIBUTIONS FOR THE 12 MONTHS ENDED MARCH 31, 2001

  - THE BOOK VALUE PER $1,000 LIMITED PARTNER INVESTMENT AS OF MARCH 31, 2001 AND AS OF DECEMBER 31, 2000

  - THE GOING CONCERN VALUE PER $1,000 LIMITED PARTNER INVESTMENT AS OF MARCH 31, 2001

  - THE LIQUIDATION VALUE PER $1,000 LIMITED PARTNER INVESTMENT AS OF MARCH 31, 2001

  - THE ORDINARY TAX LOSS PER $1,000 LIMITED PARTNER INVESTMENT IN YEAR OF INITIAL INVESTMENT

- INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

- FOR EACH PARTNERSHIP THAT IS SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES AND EXCHANGE COMMISSION, WHICH WE CALL A 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 THREE MONTHS ENDED MARCH 31, 2001

- FOR EACH REPORTING PARTNERSHIP, THE PARTNERSHIP'S ANNUAL REPORT ON

FORM 10-K, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE YEAR ENDED DECEMBER 31, 2000

- FOR EACH PARTNERSHIP THAT IS NOT SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES AND EXCHANGE COMMISSION, WHICH WE CALL A NONREPORTING PARTNERSHIP, THE PARTNERSHIP'S FINANCIAL STATEMENTS, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE THREE MONTHS ENDED MARCH 31, 2001

- FOR EACH NONREPORTING PARTNERSHIP, THE PARTNERSHIP'S FINANCIAL STATEMENTS, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FOR THE YEAR ENDED DECEMBER 31, 2000

- SELECTED HISTORICAL FINANCIAL DATA FOR THE PARTNERSHIP FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000 AND THE FIVE YEARS ENDED DECEMBER 31, 2000

THE SUPPLEMENT CONSTITUTES AN INTEGRAL PART OF THIS DOCUMENT FOR EACH PARTNERSHIP. PLEASE CAREFULLY READ ALL OF THE SUPPLEMENTS FOR THE PARTNERSHIPS IN WHICH YOU ARE A LIMITED PARTNER.

QUESTIONS AND ANSWERS ABOUT THE MERGER OF EACH PARTNERSHIP

Q: HOW DO I VOTE?

A: After reading this document, please fill out and sign your proxy card. Then mail your signed proxy card in the enclosed return envelope as soon as possible so that your partnership interests will be represented at the special meeting for each partnership in which you own an interest.

Q: WHAT HAPPENS IF I DO NOT RETURN A PROXY CARD?

A: The failure to return your proxy card will have the same effect as voting against the merger for each partnership in which you own an interest.

Q: MAY I VOTE IN PERSON?

A: Yes. You may attend the special meeting for each partnership in which you own an interest and vote your partnership interests in person, rather than signing and mailing your proxy card.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. You may revoke your vote at any time before your proxy is voted at the special meeting for each partnership in which you own an interest by following the instructions beginning on page 55. You then may either change your vote by sending in a new proxy card or by attending the special meeting for each partnership in which you own an interest and voting in person.

Q: IF MY PARTNERSHIP INTERESTS ARE HELD IN A RETIREMENT ACCOUNT BY A CUSTODIAN, WILL MY CUSTODIAN VOTE MY PARTNERSHIP INTERESTS FOR ME?

A: Your custodian will not be able to vote your partnership interests. You should refer to the instructions included on your proxy card to vote your partnership interests.

Q: SHOULD I SEND IN MY CERTIFICATES FOR MY PARTNERSHIP INTERESTS NOW?

A: No. If the merger of a partnership in which you own an interest is completed, your certificates representing your partnership interests in that partnership will be automatically cancelled. We will automatically mail checks and certificates representing Pioneer common stock issued to you on completion of the merger of that partnership.

Q: AM I ENTITLED TO APPRAISAL OR DISSENTERS' RIGHTS?

A: No. You will not have any appraisal or dissenters' rights in connection with the merger of any partnership in which you own an interest.

Q: WHAT HAPPENS TO MY FUTURE CASH DISTRIBUTIONS?

A: Since your partnership interests in participating partnerships will be cancelled upon completion of the merger of each such partnership, you will not receive any future distributions on those interests. Pioneer's board of directors did not declare dividends to the holders of Pioneer common stock during 1999, 2000 or the three months ended March 31, 2001. The amount of dividends, if any, paid by Pioneer in the future will depend on business conditions, its financial condition and earnings, and other factors.

Q: WHO CAN HELP ANSWER MY QUESTIONS?

A: If you have any questions about the merger of any of the partnerships in which you own an interest, please call Pioneer's information agent, , at ( ) - .

SUMMARY

This summary and the preceding questions and answers highlight some of the information from this document and may not contain all of the information that is important to you. To understand the merger of each partnership in which you own an interest and to obtain a more detailed description of the legal terms of each such merger, you should carefully read this entire document, the related partnership supplements, and the documents described in "Where You Can Find More Information" on page 74 . For definitions of oil and gas terms used in this document, see "Commonly Used Oil and Gas Terms" on page 76.

When we use the terms "Pioneer USA," "we," "us" or "our," we are referring to your sole or managing general partner, Pioneer Natural Resources USA, Inc., including its consolidated subsidiaries and predecessors, unless the context otherwise requires. When we use the term "Pioneer," we are referring to Pioneer Natural Resources Company. When we use the term "merger proposals," we are referring to the proposals to approve the merger agreement, the merger amendment, the selection of special legal counsel for the limited partners and the legal opinion of that counsel. When we use the term "participating partnership," we are referring to each partnership the limited partners of which approve the merger proposals.

THE MERGERS

Pioneer proposes to acquire each partnership by merging each partnership into us. We will be the survivor of each merger. The partnership interests of each participating partnership, other than our interests, will be converted into Pioneer common stock and cash.

The number of shares of common stock Pioneer will offer and the amount of cash to be paid for all partnership interests of a participating partnership will be based on the merger value for the partnership as described below. The amount of cash to be paid will equal 25% of the merger value for a participating partnership. The remaining 75% of the merger value for a participating partnership will be paid in shares of Pioneer common stock based on the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for the partnership. Pioneer and Pioneer USA determined the merger value for each partnership primarily based on the present value of estimated future net revenues from the partnership's oil and gas reserves at March 31,2001. In determining the present value, Pioneer and Pioneer USA used (1) a five-year New York Mercantile Exchange, or NYMEX, futures price for oil and gas as of March 30, 2001 with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a 13.5% discount rate. For 2001, the oil and gas prices were based on the average NYMEX futures price for the nine-month period beginning on April 1, 2001 and ending December 31, 2001. See the table on page 6 for the NYMEX futures prices. See "Method of Determining Merger Value For Each Partnership and Amount of Pioneer Common Stock and Cash Offered -- Components of Merger Value For Each Partnership" on page 39 of this document for information on the basis of pricing. In addition, each partnership's merger value includes its net working capital as of March 31, 2001. The Pioneer common stock and the cash payment will be allocated among the partners of a participating partnership based on the liquidation provisions of the partnership agreement of the partnership.

On pages 4 and 5 of this document is a table that shows important information about each partnership, including the amount of Pioneer common stock that will be offered and cash that will be paid in the merger for each $1,000 of initial investment for that partnership. For purposes of illustration in this document, we have calculated the merger value based on each partnership's working capital as of December 31, 2000, and the number of shares to be issued based on an assumed average closing price of $18.00 per share of Pioneer common stock. We will update the calculation of the merger value using the March 31, 2001 working capital of each partnership before mailing this document to the limited partners, and prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer common stock for the ten trading days ending three business days before the date of the special meeting.

Pioneer and Pioneer USA agreed to structure the transaction as a merger of each partnership instead of as a property sale followed by liquidation of each partnership because the merger will:

- require fewer legal documents;
- reduce filing fees and other costs; and
- result in the same amount of Pioneer common stock and cash to the limited partners as would a property sale and liquidation using the same commodity prices.

Pioneer and Pioneer USA expect to sign the merger agreement as soon as the Securities and Exchange Commission clears this document for mailing to the limited partners. However, if the oil and gas commodity prices materially increase or decrease from the prices used in calculating the merger value for any partnership, Pioneer or Pioneer USA might abandon the proposed merger of the partnership before submitting the merger proposals to the limited partners for approval. In addition, Pioneer may abandon the proposed merger of any or all of the partnerships if an event occurs that causes or results in a material adverse effect, among other things, on the price of Pioneer common stock, on the market prices for oil and gas generally or on the oil and gas industry generally.

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THE COMPANIES

PIONEER NATURAL RESOURCES COMPANY
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

Pioneer is a large, independent exploration and production company with total proved reserves equivalent to 3.8 trillion cubic feet of natural gas, or 628 million barrels of oil. Pioneer's proved reserves are balanced equally between natural gas and oil, and Pioneer has a reserves-to-production ratio of 14 years. Sixty-seven percent of Pioneer's proved reserves are in three U.S. areas: the Hugoton gas field, the West Panhandle gas field, and the Spraberry oil and natural gas field. Pioneer also has properties in East Texas, the Gulf Coast, and the offshore Gulf of Mexico as well as in Argentina, Canada, South Africa, and Gabon. Pioneer seeks to increase net asset value and production by combining lower risk development drilling with higher-risk exploration activity.

Pioneer's common stock is traded on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "PXD." Pioneer prepared this document to offer its common stock and cash to you. See "Pioneer" on page 65 of this document for more information about Pioneer.

Pioneer files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Those SEC filings are available to you in the same manner as each reporting partnership's information. See "Where You Can Find More Information" on page 74 of this document.

PIONEER NATURAL RESOURCES USA, INC.
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

We prepared this document to solicit your proxy. We are a 100% owned subsidiary of Pioneer. We directly own almost all of Pioneer's United States oil and gas properties.

THE PARTNERSHIPS
c/o Pioneer Natural Resources USA, Inc.
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039
(972) 444-9001

The name of each partnership is found in the table beginning on page 4. Each partnership produces and sells oil and gas. Each partnership was formed to provide the general and limited partners cash flow from operations and, in some cases, tax incentives. See the supplement to this document for each of your partnerships for specific information about the partnership, including the merger value as a multiple of distributions for the 12 months ended March 31, 2001. As a result of each partnership's oil and gas operations, each partnership distributes cash to the limited and general partners from the partnership's net cash flows. These distributions are made quarterly, unless sufficient cash is not available.

The partnerships' properties consist of interests in approximately 1,100 oil and gas wells that are located primarily in the Spraberry field of the Permian Basin of West Texas. We operate most of the partnerships' wells. At December 31, 2000, the partnerships' combined total proved reserves were 33.6 million barrels of oil equivalent, or MMBOE, consisting of 27.3 million barrels, or MMBbls, of oil and natural gas liquids and 37.6 billion cubic feet, or Bcf, of natural gas. Approximately 93% of the reserves are attributable to the limited partners' partnership interests, excluding partnership interests we directly own. Approximately 81% of the total proved reserves attributable to the properties are oil and liquids, and 19% are natural gas, based on six Mcf of gas being equivalent to one Bbl of oil. See "The Partnerships" on page 66 of this document for more information about the partnerships.

SUMMARY TABLE -- MERGER VALUE AND AMOUNT OF INITIAL LIMITED PARTNER INVESTMENT REPAID

The table on pages 4 and 5 contains the following summary information for each partnership:

- the aggregate merger value attributable to:
  - Pioneer USA's partnership interests, whether general or limited;
  - the partnership interests of the unaffiliated limited partners of the nonmanaging general partner, if any, of each partnership;
  - the limited partners' partnership interests, including the number of shares of Pioneer common stock and the amount of cash offered to the limited partners other than Pioneer USA;
- for each $1,000 initial limited partner investment in the partnership:
  - the number of shares of Pioneer common stock offered;
  - the amount of cash that will be paid;
  - the merger value;
  - the total historical cash distributions through March 31, 2001; and
  - the total amount of initial investment by the limited partners that has been repaid, after giving effect to the merger of the partnership, stated in dollars and as a percentage; and
- the aggregate reserve value attributable to the limited partners other than Pioneer USA per barrel of oil equivalent, or BOE.

This information is based on assumptions. You should read the following table together with the detailed information in Table 2 and Table 3 of Appendix A to this document. For purposes of illustration in this document, we have calculated the merger value based on each partnership's working capital as of December 31, 2000, and the number of shares to be issued based on an assumed average closing price of $18.00 per share of Pioneer common stock. We will update the calculation of the merger value using the March 31, 2001 working capital of each partnership before mailing this document to the limited partners, and prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer common stock for the ten trading days ending three business days before the date of the special meeting.

Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment. See Table 1 of Appendix A to this document for the initial subscription price for each unit.

SUMMARY TABLE -- MERGER VALUE AND AMOUNT OF INITIAL LIMITED PARTNER INVESTMENT REPAID

	AGGREGATE MERGER VALUE			
	PIONEER USA	NONMANAGING GENERAL PARTNERS	LIMITED PARTNERS	
PARTNERSHIP NAME	AGGREGATE MERGER VALUE	AGGREGATE MERGER VALUE	NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED(a)	CASH PAYMENT
Parker & Parsley 81-I, Ltd.	$ 224,965	$ 16,195	26,023	$ 156,126
Parker & Parsley 81-II, Ltd.	145,382	5,948	19,939	119,617
Parker & Parsley 82-I, Ltd.	394,878	13,776	35,945	215,657
Parker & Parsley 82-II, Ltd.	404,903	12,591	48,327	289,956
Parker & Parsley 82-III, Ltd.	302,259	9,856	32,361	194,158
Parker & Parsley 83-A, Ltd.	922,900	36,351	108,794	652,761
Parker & Parsley 83-B, Ltd.	1,201,169	46,876	141,017	846,098
Parker & Parsley 84-A, Ltd.	1,236,369	54,433	153,519	921,093
Parker & Parsley 85-A, Ltd.	40,356	--	55,790	334,727
Parker & Parsley 85-B, Ltd.	19,800	--	47,173	283,024
Parker & Parsley Private Investment 85-A, Ltd.	47,205	--	56,294	337,744
Parker & Parsley Selected 85 Private Investment, Ltd.	24,312	--	36,664	219,965
Parker & Parsley 86-A, Ltd.	23,089	--	70,725	424,332
Parker & Parsley 86-B, Ltd.	65,880	--	155,342	932,030
Parker & Parsley 86-C, Ltd.	41,460	--	130,394	782,358
Parker & Parsley Private				

Investment 86, Ltd.	12,414	--	51,210	307,247
Parker & Parsley 87-A Conv., Ltd.	13,894	--	29,913	179,465
Parker & Parsley 87-A, Ltd.	87,422	--	223,829	1,342,966
Parker & Parsley 87-B Conv., Ltd.	11,819	--	40,504	243,016
Parker & Parsley 87-B, Ltd.	49,125	--	165,489	992,930
Parker & Parsley Producing Properties 87-A, Ltd.	35,767	--	109,019	654,091
Parker & Parsley Producing Properties 87-B, Ltd.	58,764	--	92,028	552,162
Parker & Parsley Private Investment 87, Ltd.	27,958	--	115,326	691,941
Parker & Parsley 88-A Conv., L.P.	21,067	--	37,204	223,208
Parker & Parsley 88-A, L.P.	72,602	--	127,139	762,810
Parker & Parsley 88-B Conv., L.P.	17,558	--	46,635	279,800
Parker & Parsley 88-B, L.P.	57,127	--	114,341	686,040
Parker & Parsley 88-C Conv., L.P.	11,866	--	37,825	226,943

	PER $1,000 INITIAL LIMITED PARTNER INVESTMENT			
				AMOUNT OF INVESTMENT
PARTNERSHIP NAME	CASH PAYMENT	MERGER VALUE	DISTRIBUTIONS FROM INCEPTION THROUGH 3/31/01	$
Parker & Parsley 81-I, Ltd.	$ 22.38	$ 89.51	$ 642.79	$ 732.30
Parker & Parsley 81-II, Ltd.	18.68	74.71	828.66	903.37
Parker & Parsley 82-I, Ltd.	20.47	81.87	970.46	1,052.33
Parker & Parsley 82-II, Ltd.	24.57	98.29	1,128.93	1,227.22
Parker & Parsley 82-III, Ltd.	30.00	120.01	967.35	1,087.36
Parker & Parsley 83-A, Ltd.	34.67	138.67	1,307.66	1,446.33
Parker & Parsley 83-B, Ltd.	37.62	150.46	1,512.86	1,663.32
Parker & Parsley 84-A, Ltd.	48.44	193.75	1,444.57	1,638.32
Parker & Parsley 85-A, Ltd.	35.51	142.05	734.28	876.33
Parker & Parsley 85-B, Ltd.	35.69	142.77	929.52	1,072.29
Parker & Parsley Private Investment 85-A, Ltd.	69.21	276.85	1,096.30	1,373.15
Parker & Parsley Selected 85 Private Investment, Ltd.	47.72	190.87	931.67	1,122.54
Parker & Parsley 86-A, Ltd.	42.03	168.12	1,340.81	1,508.93
Parker & Parsley 86-B, Ltd.	54.57	218.28	1,544.15	1,762.43
Parker & Parsley 86-C, Ltd.	40.63	162.51	1,456.59	1,619.10
Parker & Parsley Private Investment 86, Ltd.	62.45	249.80	1,594.84	1,844.64
Parker & Parsley 87-A Conv., Ltd.	46.97	187.88	1,300.14	1,488.02
Parker & Parsley 87-A, Ltd.	46.90	187.59	1,300.21	1,487.80

Parker & Parsley 87-B Conv., Ltd.	49.51	198.02	1,221.48	1,419.50
Parker & Parsley 87-B, Ltd.	49.54	198.15	1,221.55	1,419.70
Parker & Parsley Producing Properties 87-A, Ltd.	53.75	214.99	958.64	1,173.63
Parker & Parsley Producing Properties 87-B, Ltd.	92.07	368.26	1,080.14	1,448.40
Parker & Parsley Private Investment 87, Ltd.	66.03	264.10	1,537.63	1,801.73
Parker & Parsley 88-A Conv., L.P.	59.64	238.55	1,079.24	1,317.79
Parker & Parsley 88-A, L.P.	59.77	239.09	1,079.34	1,318.43
Parker & Parsley 88-B Conv., L.P.	77.38	309.52	1,082.16	1,391.68
Parker & Parsley 88-B, L.P.	77.43	309.73	1,082.20	1,391.93
Parker & Parsley 88-C Conv., L.P.	66.73	266.92	1,010.63	1,277.55

	AGGREGATE MERGER VALUE			
	PIONEER USA	NONMANAGING GENERAL PARTNERS	LIMITED PARTNERS	
PARTNERSHIP NAME	AGGREGATE MERGER VALUE	AGGREGATE MERGER VALUE	NUMBER OF SHARES OF PIONEER COMMON STOCK OFFERED(a)	CASH PAYMENT
Parker & Parsley 88-C, L.P.	7,833	--	26,792	160,732
Parker & Parsley Producing Properties 88-A, L.P.	33,093	--	80,303	481,810
Parker & Parsley Private Investment 88, L.P.	32,842	--	135,475	812,830
Parker & Parsley 89-A Conv., L.P.	8,987	--	37,070	222,410
Parker & Parsley 89-A, L.P.	60,264	--	109,097	654,580
Parker & Parsley 89-B Conv., L.P.	23,144	--	72,427	434,559
Parker & Parsley 89-B, L.P.	39,272	--	79,140	474,830
Parker & Parsley Private Investment 89, L.P.	28,935	--	76,034	456,191
Parker & Parsley 90-A Conv., L.P.	8,862	--	22,890	137,329
Parker & Parsley 90-A, L.P.	50,684	--	65,215	391,285
Parker & Parsley 90-B Conv., L.P.	51,712	--	127,199	763,173

Parker & Parsley 90-B, L.P.	105,775	--	346,860	2,081,160
Parker & Parsley 90-C Conv., L.P.	25,338	--	74,661	447,944
Parker & Parsley 90-C, L.P.	35,557	--	119,880	719,265
Parker & Parsley Private Investment 90, L.P.	51,077	--	135,935	815,593
Parker & Parsley 90 Spraberry Private Development, L.P.	14,400	--	59,399	356,386
Parker & Parsley 91-A, L.P.	62,309	--	185,073	1,110,427
Parker & Parsley 91-B, L.P.	52,293	--	198,084	1,188,501
TOTAL	$ 6,264,687	$ 196,026	4,260,303	$ 25,561,270

	PER $1,000 INITIAL LIMITED PARTNER INVESTMENT			
				AMOUNT OF INVESTMENT
PARTNERSHIP NAME	CASH PAYMENT	MERGER VALUE	DISTRIBUTIONS FROM INCEPTION THROUGH 3/31/01	$
Parker & Parsley 88-C, L.P.	66.26	265.04	1,010.22	1,275.26
Parker & Parsley Producing Properties 88-A, L.P.	86.47	345.88	1,186.76	1,532.64
Parker & Parsley Private Investment 88, L.P.	81.61	326.44	1,141.98	1,468.42
Parker & Parsley 89-A Conv., L.P.	79.52	318.08	1,019.82	1,337.90
Parker & Parsley 89-A, L.P.	79.71	318.84	1,019.88	1,338.72
Parker & Parsley 89-B Conv., L.P.	69.12	276.48	885.85	1,162.33
Parker & Parsley 89-B, L.P.	69.05	276.19	885.86	1,162.05
Parker & Parsley Private Investment 89, L.P.	64.99	259.94	769.01	1,028.95
Parker & Parsley 90-A Conv., L.P.	58.57	234.26	871.10	1,105.36
Parker & Parsley 90-A, L.P.	58.72	234.87	871.16	1,106.03
Parker & Parsley 90-B Conv., L.P.	64.58	258.34	692.65	950.99
Parker & Parsley 90-B, L.P.	64.67	258.68	692.73	951.41
Parker & Parsley 90-C Conv., L.P.	59.72	238.88	620.92	859.80
Parker & Parsley 90-C, L.P.	59.54	238.17	620.93	859.10
Parker & Parsley Private Investment 90, L.P.	74.76	299.03	775.28	1,074.31
Parker & Parsley 90 Spraberry Private Development, L.P.	68.54	274.15	717.51	991.66
Parker & Parsley 91-A, L.P.	95.93	383.74	800.73	1,184.47
Parker & Parsley 91-B, L.P.	105.75	422.99	687.51	1,110.50
TOTAL	$ 2,677.87	$ 10,711.32	$ 47,654.70	$ 58,366.02

(a) For this preliminary document, the number of shares of Pioneer common stock offered is based upon an assumed average closing price of $18.00 per share of Pioneer common stock.

NYMEX FUTURES PRICES

The following table shows the NYMEX futures price for oil and gas as of March 30, 2001, which Pioneer and Pioneer USA used in the calculation of the reserve value portion of the merger value for each partnership:

DATE	OILS ($/Bbl)	GAS ($/Mcf)(1)
Apr - Dec 2001	26.17	5.18
2002	24.36	4.61
2003	22.83	4.16
2004	22.31	4.09
2005	21.97	4.12
Thereafter	21.97	4.12

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(1) 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.

The reserve value portion of the merger value for each partnership was calculated using a 13.5% discount rate.

EXAMPLE CALCULATION OF MERGER VALUE FOR PARKER & PARSLEY 81-I, LTD.

Aggregate merger value for limited partners as set forth in Table 2 of Appendix A to this document:		
Reserve value	(1)	$ 552,609
Plus working capital value	(2)	71,931
Merger value	(3)	$ 624,540
Initial investment as set forth in Table 1 and Table 6 of Appendix A to this document:		
Initial investment by limited partners		$7,410,000
Less initial investment by Pioneer USA		433,000
Initial investment without Pioneer USA		$6,977,000
Number of per $1,000 limited partner investments:	(4)	6,977

Per $1,000 limited partner investment as set forth in Table 3 of Appendix A to this document:			
Reserve value		$ 79.20	(1) div
Working capital value		10.31	(2) div
Merger value		$ 89.51	(3) div
Allocation between cash and Pioneer common stock before adjustment for fractional shares:			
Aggregate cash payment to limited partners	(5)	$ 156,135	(3) mul
Aggregate value of Pioneer common stock to limited partners	(6)	468,405	(3) mul
		$ 624,540	
Aggregate number of shares of Pioneer common stock offered to limited partners of the partnership		26,022.5	(6) div
Aggregate number of shares of Pioneer common stock offered to limited partners of the partnership rounded up to the nearest whole share	(7)	26,023	
Adjustment to cash for rounding up of fractional shares:			
Merger value		$ 624,540	
Less: Aggregate value of Pioneer common stock to limited partners		468,414	(7) mul
Aggregate cash payment to limited partners		$ 156,126	
Number of shares of Pioneer common stock offered per $1,000 limited partner investment		3.73	(7) div

BENEFITS TO THE LIMITED PARTNERS

We believe the merger of each partnership provides the following benefits to the limited partners of the partnership:

Liquidity. None of the partnership interests of any of the partnerships are traded on a national stock exchange or in any other significant market. No liquid market exists for interests in any of the partnerships. Although some partnership interests are occasionally sold in private or an informal secondary market for limited partner securities, we believe the potential buyers in such transactions are few and the prices generally reflect a significant discount for illiquidity. See Table 15 of Appendix A for historical information about recent trades of partnership interests in each partnership. Repurchase obligations exist in only a few of the partnerships and are limited in both amount and price by formula in the partnership agreements. See Table 8 of Appendix A for repurchase information.

The merger of each partnership provides liquidity to the limited partners of that partnership at a price based on oil and gas reserve values, not on limited market demand for illiquid partnership interests. All limited partners of a participating partnership will receive Pioneer common stock and cash in exchange for their partnership interests shortly after completion of the merger of the partnership. Shares of Pioneer common stock are freely transferable and listed on the New York Stock Exchange and the Toronto Stock Exchange. On April 16, 2001, the last full trading day prior to the announcement of the proposed merger of each partnership, the last reported sales price of Pioneer common stock, as reported by the New York Stock Exchange, was $17.27.

Superior Oil and Gas Investment Vehicle. Pioneer's common stock provides an oil and gas investment vehicle that is superior to the partnership interests in each partnership because:

- Expansion and Balancing of Reserves. The limited partners will have the opportunity to benefit from Pioneer's efforts (1) to expand its reserve base through acquisitions and development or exploratory drilling, and (2) to maintain a strategic balance between oil and natural gas reserves. At December 31, 2000, Pioneer's reserve mix was 50% oil and NGLs and 50% natural gas compared to the combined partnerships' reserve mix of 81% oil and NGLs and 19% natural gas at such date.

- Geographic Diversification and Larger Oil and Gas Reserve Base. By combining each participating partnership into a single ownership entity, the merger of the partnership provides the limited partners of the partnership with an investment portfolio substantially larger and more geographically diversified than the portfolio of the partnership individually. This increased size and the resulting consolidation of operations spread the risk of an investment in Pioneer over a broader group of assets and reduces the dependence of the investment upon the performance of any particular asset or group of assets, such as assets in the same geographical area.

Liquidation Value. The merger value for each partnership is based on the value of the underlying properties, which we believe is essentially the same value or a higher value than that could be achieved by selling the partnership's property interests and liquidating the partnership at that time. In addition, we believe that the value of Pioneer common stock and cash distributed to each limited partner in the merger of each partnership is higher than what the limited partners would otherwise receive over the life of the partnership, assuming the same oil and gas commodity prices and operating costs as used to determine the reserve value for each partnership and giving effect to the time value of money, for the following reasons:

- The partnership agreement for each partnership requires cash distributions to be reduced by general and administrative expenses allocable to the partnership. The merger value for each partnership reflects a liquidation value based on a reserve value that has not been reduced for general and administrative expenses.

- The merger value for each partnership is based primarily upon the reserve value for the partnership, which was determined using recent NYMEX futures oil and gas prices that are, on average, higher than historical oil and gas prices. It is likely that actual oil and gas prices will vary often and possibly widely, as has been demonstrated historically, from the prices used to prepare these estimates. In that way, the merger value for each partnership eliminates the potential loss in value that could occur if oil and gas prices decline.

Acceleration of Realization of Value. Pioneer's common stock and the cash payment provide the limited partners of each participating partnership with liquidity earlier than if the limited partners remain in the partnership and receive the expected ordinary cash distributions from oil and gas production. Because each partnership's properties are mature producing properties, we believe that production from those properties will continue to decline at the rate predicted in the partnership's oil and gas engineering reserve reports. Accordingly, cash distributions from each partnership are also expected to decline, subject to variation for changes in oil and gas prices.

Elimination of Partnership Tax Reports. The merger of each participating partnership will eliminate the limited partners' Schedule K-1 tax reports for the partnership for tax years after the merger occurs. This is expected to simplify the limited partners' individual tax return preparation and reduce preparation costs.

FRACTIONAL SHARES

Pioneer will not issue fractional shares to any limited partner upon completion of the merger of any partnership. Instead, Pioneer will round any fractional shares of Pioneer common stock up to the nearest whole share and will reduce the cash payment to a

limited partner of a participating partnership by the amount rounded up based on the average closing price per share used in determining the number of shares of Pioneer common stock to be offered.

RISKS FACTORS

You should carefully consider the risks relating to the merger of each partnership in which you own an interest described in "Risk Factors" on page 17 of this document. These include:

- The merger value for the partnership determines the amount of Pioneer common stock and cash you will receive in the merger of the partnership. Pioneer and Pioneer USA determined each merger value and will not adjust it for changes in partnership value before the merger is completed.

- You were not independently represented in establishing the terms of any merger.

- Our board of directors had conflicting interests in evaluating each merger because each member of our board of directors is also an officer of Pioneer.

RECOMMENDATION TO LIMITED PARTNERS
(SEE PAGE 28)

On   , 2001, our board of directors unanimously determined that the merger of each partnership in which you own an interest is advisable, fair to you, as an unaffiliated limited partner, and in your best interests. Our board recommends that you, as an unaffiliated limited partner, vote for the merger proposals for each partnership in which you own an interest. Although our board of directors has attempted to fulfill its fiduciary duties to you, our board of directors had conflicting interests in evaluating each merger because each member of our board of directors is also an officer of Pioneer.

FAIRNESS

In deciding to approve the merger of each partnership on   , 2001, our board of directors decided that each merger of a partnership in which you own an interest is advisable, fair to you, as an unaffiliated limited partner, and in your best interests based on a variety of factors. These factors include:

- the form and amount of consideration offered to you;
- the comparison of the amount of Pioneer common stock offered and cash that will be paid in each merger to the future cash distributions otherwise expected as oil and gas production continues to decline and general and administrative expenses continue to be incurred;
- the elimination after the merger of each participating partnership of its limited partners' tax preparation costs relating to partnership tax information;
- the belief that the price offered by Pioneer is a competitive price because of:
  - the commodity pricing used in determining the merger value for each partnership;
  - Pioneer USA's position as operator of most of each partnership's wells; and
  - Pioneer USA's significant ownership of nearby properties; and
- the fairness opinion from Stanger.

FAIRNESS OPINION OF FINANCIAL ADVISOR
(SEE PAGE 29)

Stanger has issued a fairness opinion dated , 2001, that, subject to the qualifications expressed in the opinion, the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The full text of the form of written opinion of Stanger is attached to this document as Appendix C. You should read all of it carefully. THE OPINION OF STANGER IS DIRECTED TO OUR BOARD OF DIRECTORS. IT IS NOT A RECOMMENDATION TO YOU ABOUT HOW YOU SHOULD VOTE ON MATTERS RELATING TO THE PROPOSED MERGER OF ANY PARTNERSHIP IN WHICH YOU OWN AN INTEREST.

MATERIAL U.S. FEDERAL INCOME
TAX CONSEQUENCES
(SEE PAGE 44)

You will generally recognize gain or loss equal to the difference between (1) the sum of the amount of cash and the value of the Pioneer common stock you receive in the merger of each partnership in which you own interests and (2) your adjusted tax basis in your partnership interests in that participating partnership. Your gain or loss will be capital or ordinary depending on the nature of the assets held by each participating partnership in which you own an interest and the amount of depletion and intangible drilling and development costs that must be recaptured. You must calculate your ordinary and capital gain or loss separately for each partnership in which you own an interest.

TAX MATTERS ARE VERY COMPLICATED. THE TAX CONSEQUENCES OF EACH MERGER OF A PARTNERSHIP IN WHICH YOU OWN AN INTEREST TO YOU WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD SEEK TAX ADVICE FOR A FULL UNDERSTANDING OF THE PARTICULAR TAX CONSEQUENCES OF EACH SUCH MERGER TO YOU.

CERTIFICATION OF NON-FOREIGN STATUS

YOUR CERTIFICATE THAT YOU ARE NOT A FOREIGN PERSON, WHICH WE CALL A CERTIFICATION OF NON-FOREIGN

STATUS, IS IMPORTANT. Whether or not you plan to vote on the merger of each partnership in which you own an interest, please take the time to complete and return to us the enclosed certification of non-foreign status. If we receive a properly completed certification of non-foreign status from you, we will not withhold federal income taxes on the Pioneer common stock and cash to be paid to you upon the merger of each partnership in which you own an interest.

RECORD DATE; VOTING POWER

You may vote at the special meeting for each partnership in which you own an interest if you owned partnership interests as of the close of business on , 2001. We call this date the record date. For each partnership in which you own a partnership interest, you may cast one vote representing your percentage of partnership interests in that partnership. The percentage of partnership interests that you own is determined by comparing the amount of:

- your, or your predecessor's, initial investment, including any additional assessments, in the partnership; to

- the total investment of all partners, including any additional assessments, in the partnership.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting for each partnership in which you own an interest, please take the time to vote by completing and mailing to us the enclosed proxy card. This will not prevent you from revoking your proxy at any time prior to the special meeting for each partnership in which you own an interest or from voting your partnership interests in person if you later choose to attend the special meeting for each partnership in which you own an interest.

PARTNER VOTE REQUIRED TO APPROVE THE MERGERS

The favorable vote of the holders of a majority of the limited partnership interests in a partnership is required to approve the merger proposals for that partnership, except that Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. each require the favorable vote of the holders, other than Pioneer USA, of 66 2/3% of its limited partnership interests to approve the merger proposals.

We are generally entitled under the partnership agreements to vote partnership interests we hold as limited partners at the special meeting for each partnership in which we hold an interest. See "The Special Meetings -- Record Date; Voting Rights and Proxies" on page 55 of this document. We plan to vote all our partnership interests for the merger proposals. The voting interest that we hold in each partnership is found in Table 6 of Appendix A.

Except as set forth above and in "Ownership of Partnership Interests" on page 61 of this document, none of Pioneer, Pioneer USA, or, to the knowledge of

Pioneer USA, any of their directors or executive officers, or any associate or subsidiary of Pioneer, Pioneer USA or any such director or officer beneficially owns any partnership interests of any partnership or is otherwise entitled to vote any partnership interests.

If limited partners of a partnership approve the merger agreement, but do not approve the merger amendment, or vice versa, the partnership will not be able to merge. LIMITED PARTNERS WHO WANT THEIR PARTNERSHIP TO PARTICIPATE IN THE MERGER SHOULD VOTE FOR EACH OF THE MERGER PROPOSALS.

CONDITIONS TO EACH MERGER
(SEE PAGE 52)

We will complete the merger of each partnership only if the conditions of the merger agreement are satisfied or, if permitted, waived. These conditions include:

- the limited partners' adoption and approval of the merger proposals;
- the absence of any law or court order that prohibits the merger; and
- the absence of any lawsuit challenging the legality or any aspect of the merger.

So long as the law allows us to do so, Pioneer and we may choose to complete a merger of any partnership even though a condition has not been satisfied if the limited partners have approved the merger proposals. Pioneer and we may complete the merger of any one or some of the partnerships, even if limited partners in other partnerships do not approve the merger proposals.

TERMINATION OF THE MERGER OF A PARTNERSHIP
(SEE PAGE 53)

Pioneer and Pioneer USA may jointly terminate the merger agreement, for any or all of the partnerships, at any time, even after limited partner approval. Either Pioneer or Pioneer USA may terminate the merger agreement for any or all of the partnerships in some circumstances, including the following:

- the limited partners of a partnership fail to approve that partnership's merger; or
- if any of the other parties is in material breach of the merger agreement.

In addition, (1) Pioneer USA may terminate the merger agreement for any partnership, if Pioneer USA determines that termination of the merger agreement is required for its board of directors to comply with its fiduciary duties and (2) Pioneer may abandon the proposed merger of any or all of the partnerships if an event occurs that causes or results in a material adverse effect, among other things, on the price of Pioneer common stock, on the market prices for oil and gas generally or on the oil and gas industry generally.

EFFECTS OF THE MERGER OF A PARTNERSHIP
ON ITS LIMITED PARTNERS WHO DO NOT VOTE
IN FAVOR OF THE MERGER

You will be bound by the merger of a partnership in which you own interests if the limited partners in your partnership vote a majority, or 66 2/3% for

Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of their partnership interests in favor of the merger, even if you vote against the merger. If the merger of your partnership occurs, you will be entitled to receive only an amount of Pioneer common stock and cash based on the merger value for your partnership interests. You will not have appraisal, dissenters' or similar rights in connection with the merger, even if you vote against the merger.

FUTURE OF A PARTNERSHIP THAT DOES NOT PARTICIPATE IN THE MERGER

(SEE PAGE 47)

If your partnership does not participate in the merger of that partnership for any reason, that partnership will remain in existence. Some reasons your partnership might not participate in the merger are (1) that the limited partners vote against the merger, (2) that a condition in the merger agreement is not satisfied, or (3) that Pioneer or we exercise a termination right with respect to the merger for that partnership.

At about the same time that we mail certificates representing shares of Pioneer common stock and checks to the partners of each participating partnership in payment of the merger value for that partnership, we will mail any cash distributions that were delayed for administrative purposes prior to the completion of the merger of each participating partnership to the partners of each nonparticipating partnership.

We have not formulated an alternative business plan for any nonparticipating partnership. The business objectives of each nonparticipating partnership will continue as they are. We plan to continue to manage each nonparticipating partnership and operate it in accordance with the terms of its current partnership agreement. Each nonparticipating partnership will continue to operate as a separate legal entity with its own assets and liabilities. Distributions from any nonparticipating partnership are expected to continue to decline since its production revenues are expected to continue to decline more quickly than its production costs. Regardless of whether any nonparticipating partnership distributes cash, limited partners must continue to include their share of partnership income and loss in their individual tax returns.

The board of directors of each of Pioneer and Pioneer USA will decide what, if any, actions Pioneer or Pioneer USA, respectively, will take regarding any nonparticipating partnership. Potential activities might include a tender offer for partnership interests of limited partners or a proposal to acquire the assets of, or merge with, one or more of the nonparticipating partnerships. The proposal may be on terms similar to or different from those of the mergers described in this document.

EXPENSES AND FEES

The expenses and fees that we will incur in connection with the merger of each partnership are expected to be approximately $1.9 million in total. Pioneer has agreed to pay all expenses and fees of each partnership in connection with the merger of that partnership, whether or not the merger is completed.

REGULATORY APPROVAL

No federal or state regulatory requirements must be satisfied or approvals obtained in connection with the merger of any of the partnerships as described in this document, except (1) filing and clearing this document with the Securities and Exchange Commission and (2) filing certificates of merger with the Secretary of State of the State of Delaware and the Secretary of the State of the State of Texas.

SIMILAR TRANSACTIONS

During March 2001, Pioneer offered to acquire all of the direct oil and gas interests owned by some former officers and employees of Pioneer and Pioneer USA in properties in which Pioneer and Pioneer USA own interests. The terms of those purchases and the method of establishing the purchase price payable to such individuals are the same as those used to determine the reserve value portion of the merger value for each partnership described in this document, except that the NYMEX futures prices were as of a different date in March 2001, and the consideration to be paid in the purchases of the direct oil and gas interests is all cash since offering and registering Pioneer common stock in those purchases is cost-prohibitive due to the small size of such transactions. Similarly, during 2000, Pioneer purchased all of the direct oil and gas interests held by Scott D. Sheffield, its chairman of the board of directors and chief executive officer, for $0.2 million.

Additionally, in December 2000, Pioneer received the approval of the partners of 13 employee limited partnerships to merge with Pioneer USA for aggregate merger consideration of $2.0 million. Of the total merger consideration, $0.3 million was paid to current Pioneer employees. The terms of those mergers and the method of establishing the merger values for those partnerships were the same as those used to determine the merger value for each partnership described in this document, except that the NYMEX futures prices were as of August 25, 2000, and the consideration paid in those mergers was all cash. As with the purchases of the direct oil and gas interests described above, offering and registering Pioneer common stock in those mergers was cost-prohibitive due to the small size of such transactions.

THIRD PARTY OFFERS
(SEE PAGE 48)

We will consider any offers from third parties to purchase any partnership or its assets. Those who wish to make an offer for any partnership or its assets must demonstrate to our reasonable satisfaction their financial ability and willingness to complete such a

transaction. Before reviewing non-public information about a partnership, a third party will need to enter into a customary confidentiality agreement. Offers should be at prices and on terms that are fair to the partners of the partnership and more favorable to the unaffiliated limited partners than the prices and terms proposed in the merger for that partnership described in this document. Pioneer has the right to match or top any such offer. Since first announcing our willingness to consider third party offers in September 1999, we have not received any third party offer for any partnership or its assets.

COMPARATIVE PER SHARE MARKET PRICE
INFORMATION (SEE PAGE 59)

On April 16, 2001, the last full trading day before the public announcement of the proposed merger of each partnership, Pioneer common stock closed at $17.27 per share. On   , 2001, Pioneer common stock closed at $ per share.

No liquid market exists for interests in any of the partnerships. See Table 15 of Appendix A for historical information about recent trades per $1,000 initial limited partner investment in each partnership and Table 7 of Appendix A for the average historical quarterly cash distributions per $1,000 initial limited partner investment for each partnership.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF PIONEER

The following table sets forth summary financial information of Pioneer for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000. This financial information was derived from the consolidated financial statements of Pioneer. This data should be read in conjunction with the consolidated financial statements of Pioneer and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the reports incorporated by reference in this document.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED D		
	2001	2000	2000	1999	19
	(UNAUDITED)		(IN MILLIONS EXCEPT PER SHARE		
STATEMENT OF OPERATIONS DATA:					
Revenues:					
Oil and gas	$	$ 174.4	$ 852.7	$ 644.6	$
Natural gas processing		--	--	--	
Interest and other(b)		3.7	25.8	89.7	
Gain (loss) on disposition of assets, net		8.4	34.2	(24.2)	
		186.5	912.7	710.1	
Costs and expenses:					
Oil and gas production		43.1	189.3	159.5	
Natural gas processing		--	--	--	
Depletion, depreciation and amortization		51.9	214.9	236.1	
Impairment of properties and facilities		--	--	17.9	
Exploration and abandonments		13.1	87.5	66.0	
General and administrative		9.7	33.3	40.2	
Reorganization		--	--	8.5	
Interest		39.8	162.0	170.3	
Other(c)		14.4	67.2	34.7	
		172.0	754.2	733.2	1,
Income (loss) before income taxes and extraordinary item		14.5	158.5	(23.1)	(
Income tax benefit (provision)		.3	6.0	.6	
Income (loss) before extraordinary item		14.8	164.5	(22.5)	(
Extraordinary item		--	(12.3)	--	
Net income (loss)	$	$ 14.8	$ 152.2	$ (22.5)	$ (

Income (loss) before extraordinary item per share:					
Basic	$	$ .15	$ 1.65	$ (.22)	$
Diluted	$	$ .15	$ 1.65	$ (.22)	$
Net income (loss) per share:					
Basic	$	$ .15	$ 1.53	$ (.22)	$
Diluted	$	$ .15	$ 1.53	$ (.22)	$
Dividends per share	$	$ --	$ --	$ --	$
Weighted average basic shares outstanding		100.2	99.4	100.3	
STATEMENT OF CASH FLOWS DATA:					
Cash flows from operating activities	$	$ 47.2	$ 430.1	$ 255.2	$
Cash flows from (used in) investing activities	$	$ (39.9)	$ (194.5)	$ 199.0	$ (
Cash flows from (used in) financing activities	$	$ (8.9)	$ (244.1)	$ (479.1)	$
BALANCE SHEET DATA (AS OF DECEMBER 31):					
Working capital (deficit)(d)	$	$ 3.1	$ (25.1)	$ (13.7)	$ (
Property, plant and equipment, net	$	$ 2,511.3	$ 2,515.0	$ 2,503.0	$ 3,
Total assets	$	$ 2,969.9	$ 2,954.4	$ 2,929.5	$ 3,
Long-term obligations	$	$ 1,913.8	$ 1,804.5	$ 1,914.5	$ 2,
Preferred stock of subsidiary	$	$ --	$ --	$ --	$
Total stockholders' equity	$	$ 816.6	$ 904.9	$ 774.6	$

(a) Includes amounts relating to the acquisition of MESA Inc. and Chauvco Resources Ltd. in August and December 1997, respectively.

(b) 1999 includes $41.8 million of option fees and liquidated damages related to an unsuccessful asset sale and $30.2 million of income associated with an excise tax refund.

(c) The three month periods ended March 31, 2001 and 2000 and the years ended December 31, 2000, 1999, 1998 and 1997 include non-cash mark-to-market charges for changes in the fair values of non-hedge financial instruments of $ million, $13.5 million, $58.5 million, $27.0 million, $21.2 million and $5.2 million, respectively.

(d) The 1998 working capital deficit includes $306.5 million of current maturities of long-term debt.

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL DATA OF PIONEER

The following table sets forth summary unaudited pro forma combined financial data of Pioneer that is presented to give effect to the merger of each of the partnerships. The information was prepared based on the following assumptions:

- The merger of each partnership will be accounted for as a purchase business combination under generally accepted accounting principles.
- The income statement data is presented as if the merger of each partnership had been consummated on January 1, 2000.
- The balance sheet data is presented as if the merger of each partnership had been consummated on December 31, 2000.

You should consider the following:

- The unaudited pro forma combined financial data are not necessarily indicative of the results of operations or the financial position of Pioneer that would have occurred had the merger of each partnership in which you own an interest been consummated on January 1, 2000, nor are they necessarily indicative of future results of operations or financial position of Pioneer.
- The unaudited pro forma combined revenue and expense data exclude the cost savings expected to be realized through the consolidation of operations of Pioneer and each partnership and the elimination of duplicate expenses.

The unaudited pro forma combined financial statements should be read together with (1) the historical consolidated financial statements of Pioneer incorporated by reference in this document, (2) the historical financial statements of each partnership contained in the supplement to this document for the partnership, and (3) the unaudited pro forma combined financial statements contained elsewhere in this document. With respect to future cash distributions, see "Questions and Answers About the Merger of Each Partnership -- What Happens to My Future Cash Distributions?" See also "Where You Can Find More Information" on page 74.

	PRO FORMA YEAR ENDED DECEMBER 31,
	(IN THOUSANDS E PER SHARE DA
STATEMENTS OF OPERATIONS:	
Revenues:	
Oil and gas	$ 901,382
Interest and other	26,231
Gain on disposition of assets, net	34,425
	962,038
Costs and Expenses:	
Oil and gas production	202,176
Depletion, depreciation and amortization	221,942
Exploration and abandonments	87,619
General and administrative	40,406
Interest	163,781

Other	67,231
	783,155
Income from continuing operations before income taxes	178,883
Income tax benefit	6,000
Income from continuing operations	$ 184,883
Income from continuing operations per common share, basic and diluted	$ 1.78
Weighted average number of shares outstanding	103,646
BALANCE SHEET DATA (AT PERIOD END)	
Property, plant and equipment, net	$ 2,606,671
Total assets	$ 3,058,810
Long-term debt	$ 1,606,319
Stockholders' equity	$ 981,737

SUMMARY OIL AND GAS RESERVE INFORMATION

The following table sets forth summary information on Pioneer's and the combined partnerships' proved oil and gas reserves at December 31, 2000, and the summary pro forma combined information of Pioneer on proved oil and gas reserves assuming the merger of each partnership had taken place on December 31, 2000. Pioneer's and the combined partnerships' historical and Pioneer's pro forma combined proved oil and gas reserve information set forth below and incorporated by reference in this document are only estimates based primarily on reports prepared by Pioneer's engineers for Pioneer's proved reserves and independent petroleum engineers for the combined partnerships' proved reserves as of December 31, 2000. The reserve information as of December 31, 2000 is based on the prices of oil and gas as of that time. The discounted future net cash flows set forth or incorporated by reference in this document should not be considered as the current market value of the estimated oil and gas reserves attributable to Pioneer's, the combined partnerships' or any partnership's properties. Under the applicable requirements of the Securities and Exchange Commission, the estimated discounted future net cash flows from proved reserves are based on prices and costs as of the date of the estimate, while actual future prices and costs may be materially higher or lower. In addition, the 10% discount factor, which is required by the Securities and Exchange Commission to be used to calculate discounted future net cash flows for reporting purposes, is not necessarily the most appropriate discount factor based on interest rates periodically in effect and risks associated with Pioneer, any partnership or the oil and gas industry in general.

SUMMARY HISTORICAL AND PRO FORMA OIL AND GAS RESERVE INFORMATION AT DECEMBER 31, 2000

	OIL AND NGLS (MMBBLS)	NATURAL GAS (BCF)
NET PROVED RESERVES (HISTORICAL):		
PIONEER:		
Developed	232.5	1,50
Undeveloped	79.8	38

Total	312.3	1,89
COMBINED PARTNERSHIPS:		
Developed	27.3	3
NET PROVED RESERVES (PRO FORMA COMBINED):		
Developed	261.8	1,54
Undeveloped	79.8	38
Total	341.6	1,93
RESERVE VALUATION INFORMATION (IN MILLIONS):		
PIONEER:		
Estimated future net cash flows		
Standardized measure of discounted future net cash flows		
COMBINED PARTNERSHIPS:		
Estimated future net cash flows		
Standardized measure of discounted future net cash flows(1)		
PRO FORMA COMBINED:		
Estimated future net cash flows		
Standardized measure of discounted future net cash flows		

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(1) The combined partnerships do not reflect a federal income tax provision since the partners of each partnership include the income of the partnership in their respective individual federal income tax returns.

COMPARATIVE PER SHARE DATA

The following table summarizes the per share information for Pioneer and the per $1,000 limited partner investment for the combined partnerships on a historical, equivalent pro forma combined and pro forma combined basis. The pro forma information gives effect to the merger of each partnership accounted for by Pioneer as a purchase business combination. You should read this information together with the historical financial statements (1) included in the annual reports on Form 10-K and other information that Pioneer has filed with the Securities and Exchange Commission and (2) included in the supplement to this document for each partnership. See "Where You Can Find More Information" on page 74. With respect to future cash distributions, see "Questions and Answers About the Merger of Each Partnership -- What Happens to My Future Cash Distributions?" and "Risk Factors -- Pioneer Might Not Declare Dividends." You should not rely on the pro forma combined information as being indicative of the results that would have occurred had the merger of each partnership been completed on January 1, 2000, or the future results that Pioneer will experience after the merger of each partnership. In addition, because Pioneer has both a different legal structure and purpose from each partnership, the information about Pioneer and the information about the combined partnerships are not necessarily comparable.

YEAR

	DECEMBER
HISTORICAL -- PIONEER:	
Income from continuing operations per share, basic and diluted	$
Book value per share	
Cash dividends per common share	
HISTORICAL -- COMBINED PARTNERSHIPS:	
Income per $1,000 limited partner investment	$
Book value per $1,000 limited partner investment	1
Cash distributions per $1,000 limited partner investment	
EQUIVALENT PRO FORMA COMBINED PARTNERSHIPS PER $1,000 LIMITED PARTNER INVESTMENT ON AN EQUIVALENT PER SHARE BASIS(1):	
Income per $1,000 limited partner investment	$
Book value per $1,000 limited partner investment	
Cash distributions per $1,000 limited partner investment	
PRO FORMA COMBINED -- PIONEER:	
Income from continuing operations per share, basic and diluted	$
Book value per share	
Cash dividends per common share(2)	

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(1) Represents the "Historical -- Combined Partnerships" amounts divided by 9.26, which represents the weighted average number shares of Pioneer common stock to be received per $1000 limited partner investment. This information does not reflect the benefit to any limited partner of the cash portion of the merger value to be paid.

(2) Pioneer's board of directors did not declare dividends to the holders of Pioneer common stock during 2000. The amount of dividends, if any, paid by Pioneer in the future will depend on business conditions, its financial condition and earnings, and other factors.

RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN DETERMINING WHETHER TO VOTE TO APPROVE THE MERGER PROPOSALS FOR EACH PARTNERSHIP IN WHICH YOU OWN INTERESTS.

RISK FACTORS RELATING TO THE MERGER OF EACH PARTNERSHIP

THE MERGER VALUES INVOLVE ESTIMATES THAT WILL NOT BE ADJUSTED

Proved Reserves and Future Net Revenues Are Estimates. The calculations of each partnership's proved reserves of crude oil, natural gas liquids and natural gas and future net revenues from those reserves included in this document are only estimates. Actual prices, production, operating expenses and quantities of recoverable oil and natural gas reserves may vary from those assumed in the estimates. Any significant variance from the assumptions used could result in the actual quantity of each partnership's reserves and future net revenues being materially different from the estimates used in the calculation of the merger value for that partnership.

The Merger Value for a Partnership Will Not Be Adjusted For Changes Before the Completion of Its Merger. The merger value for each partnership in which you own an interest determines the amount of Pioneer common stock and cash you will receive in the merger of that partnership. The merger value for each partnership is equal to the sum of the present value of estimated future net revenues from the partnership's oil and gas reserves and its net working capital, in each case as of March 31, 2001. Although oil and gas prices have fluctuated greatly in the recent past and may continue to do so, the merger value for a partnership will not be adjusted as of the closing date of the merger of that partnership to reflect any general changes in oil or gas prices, or any other matter generally affecting the oil and gas industry, occurring after March 31, 2001 and prior to the closing date of the merger.

THE NUMBER OF SHARES OF PIONEER COMMON STOCK THE LIMITED PARTNERS OF EACH PARTNERSHIP WILL RECEIVE MAY DECREASE BETWEEN NOW AND THE COMPLETION OF THE MERGER OF THE PARTNERSHIP

The number of shares of Pioneer common stock to be issued to the limited partners of each partnership upon the merger of the partnership will be determined by dividing 75% of the merger value assigned to the partnership by the value of one share of Pioneer common stock determined as described below. As discussed above, the merger value for each partnership will not be changed between now and the completion of the merger for the partnership. In addition, for purposes of example in this document, a share of Pioneer common stock has been valued at an assumed average closing price of $18.00. However, the value of a share of Pioneer common stock will be recalculated by computing the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for each partnership. This recalculated value, and not the assumed closing average closing price of $18.00 per share of Pioneer common stock used for illustration purposes in this document and on each limited partner's voting form, will be used to determine the actual number of shares of Pioneer common stock to be issued in the merger of each partnership. The recalculated value may be more or less than the assumed average closing price of $18.00 per share of Pioneer common stock. If it is more than $18.00, you will receive fewer shares of Pioneer common stock than the illustrations in this document show. For historical and current market prices of Pioneer common stock, see "Comparative Per Share Market Price and Dividend Information" on page 59.

CURRENT MARKET PRICES FOR OIL AND GAS MAY BE HIGHER THAN THE MERGER VALUE FOR A PARTNERSHIP, WHICH MAY AFFECT DELIVERABILITY OF THE FAIRNESS OPINION

Oil and gas prices have fluctuated greatly in the recent past and may continue to do so in the future. Pioneer calculated each merger value based on oil and gas prices that it believes to be fair and that are supported by current market prices. Changes in current oil and gas prices may affect the ability of Pioneer to obtain an opinion at the time this document is mailed to the limited partners of each partnership as to the fairness of the consideration to be received by limited partners. If the prices used in the calculation of each merger value significantly differ from current prices and if Pioneer does not modify its offer, the fairness opinion provider may be unable to render its opinion.

YOU WERE NOT INDEPENDENTLY REPRESENTED IN ESTABLISHING THE TERMS OF THE MERGER OF EACH PARTNERSHIP

Pioneer and Pioneer USA determined the terms of the merger of each partnership, including the method for determining the merger value for that partnership, and the type and allocation among the partners of the consideration to be given in exchange for partnership interests. We did not seek recommendations about the type of transaction or the terms or prices from any independent underwriter, financial advisor or other securities professional prior to accepting the consideration Pioneer offered. The only independent representatives in the mergers were Sayles, Lidji & Werbner, A Professional

Corporation, which provided legal services to Pioneer USA's board of directors, Robert A. Stanger & Co., Inc., which will render its fairness opinion to Pioneer USA's board of directors, and , which will render the legal opinion required under the partnership agreement for each partnership, other than Parker & Parsley Producing Properties 88-A, L.P. No representative group of limited partners

and no outside experts or consultants, such as investment bankers, legal counsel, accountants or financial experts, were engaged solely to represent the independent interests of the limited partners of any partnership in structuring and negotiating the terms of the merger for the partnership. If you had been separately represented, the terms of the merger for a partnership in which you own interests might have been different and possibly more favorable to you.

THE INTERESTS OF PIONEER, PIONEER USA AND THEIR DIRECTORS AND OFFICERS MAY DIFFER FROM YOUR INTERESTS

The interests of Pioneer, Pioneer USA, and their directors and officers may differ from your interests as a result of the relationships among them. For example, Pioneer USA, as general or managing partner of each partnership, has a duty to manage the partnership in the best interests of the limited partners. Additionally, Pioneer USA has a duty to operate its business for the benefit of its sole stockholder, Pioneer. Also, the members of Pioneer USA's board of directors have duties to both the limited partners of each partnership and to Pioneer. All of the members of Pioneer USA's board of directors are officers of Pioneer and have duties to Pioneer's stockholders. Pioneer USA's board of directors was aware of these interests and considered them in approving the merger proposals for each partnership. See "Interests of Pioneer, Pioneer USA and Their Directors and Officers" on page 60 of this document.

PIONEER USA HAS PREVIOUSLY OFFERED EACH PARTNERSHIP FOR SALE TO OTHERS, BUT IT DID NOT RECEIVE ANY FORMAL BIDS

In September 1999, we first announced our willingness to consider third party offers to purchase any partnership or its assets at prices that are higher than the 1999 merger value for the partnership, but subject to our right to continue operation of the properties. We believe this limited form of auction would result in a better price to the limited partners of each partnership than if we merely offered the partnership or its assets for sale at any price. Since that time, we have not received any third party offer for any partnership or its assets. As a result, we cannot be sure what the market demand is for any partnership or its assets, individually or as a whole with the other partnerships, or what a third party would offer for any partnership. Also, although we do not have any plans to sell or relinquish our operating rights in any third party sale, we cannot be sure what the market demand is for any partnership or its assets if we also sold or relinquished our operating rights. No assurance may be given that the terms of the merger of each partnership are as favorable as could be obtained from a sale of any partnership or its assets, individually or as a whole with the other partnerships, to an unrelated party.

POTENTIAL LITIGATION CHALLENGING THE MERGER OF A PARTNERSHIP MAY DELAY OR BLOCK THE MERGER

One or more of the partners opposed to the merger of a partnership in which such partner or partners own an interest may initiate legal action to stop the merger of the partnership or to seek damages for alleged violations of federal and state laws. Litigation challenging the merger of any partnership may delay or block the closing of the merger for one or more of the partnerships. In addition, if any lawsuits are filed, Pioneer or Pioneer USA may decide to terminate one or more of the mergers.

REPURCHASE RIGHTS TERMINATE ON COMPLETION OF THE MERGERS

The limited partners of each of the partnerships listed below may require us to repurchase their partnership interests for cash at the times and under the conditions described in the partnership agreements for the partnership:

Parker & Parsley 82-I, Ltd.
Parker & Parsley 82-II, Ltd.
Parker & Parsley 82-III, Ltd.
Parker & Parsley 83-A, Ltd.
Parker & Parsley 83-B, Ltd.
Parker & Parsley 84-A, Ltd.

The repurchase rights may be exercised only once a year. A limited partner may exercise its repurchase right by delivering a written request to us no later than March 31 of each year. On or before May 31 of each year, we must notify each limited partner who has exercised its repurchase right of the amount of limited partnership interests to be repurchased and the method of calculating the repurchase price. The aggregate amount of limited partnership interests required to be repurchased in any one year is limited to $100,000 per partnership. A repurchase price is calculated by multiplying:

- the present value of the estimated future net revenues, calculated using a discount rate equal to prime plus 1% as of December 31 of each year, from a partnership's proved reserves, as determined by independent petroleum consultants; by

- 66 2/3%.

Each limited partner who has exercised its repurchase right has 60 days to accept our repurchase offer. We must pay the repurchase price to each limited partner who accepts the repurchase offer within 30 days after acceptance.

If the limited partners of a partnership with repurchase rights vote a majority of their partnership interests in favor of the merger of the partnership, those repurchase rights will terminate on completion of the merger. As a result, if the oil and gas prices used in calculating the repurchase prices in the future were high enough to offset the additional 33 1/3% discount factor used in the repurchase calculation, the limited partners would not have the opportunity to require Pioneer USA to repurchase the limited partners' partnership interests for a price higher than the merger value for the partnership.

The 2001 repurchase offers will be commenced and completed before the date of this document. In each of the partnerships with a repurchase obligation, the repurchase price in 2001 is higher than the price being offered in the merger of the partnership. For a list of the repurchase prices in 2001 and the prior two years, see Table 8 of Appendix A.

YOU COULD BE BOUND BY THE MERGER OF EACH PARTNERSHIP IN WHICH YOU OWN AN INTEREST EVEN IF YOU DO NOT VOTE IN FAVOR OF THE MERGER.

You will be bound by the merger of each partnership in which you own an interest if the limited partners in the partnership vote a majority, or 66 2/3% for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of their partnership interests in favor of the merger, even if you vote against the merger or do not vote. If the merger of the partnership occurs, you will be entitled to receive only an amount of cash and Pioneer common stock based on the merger value of your partnership interests in the partnership. Under the laws of the State of Delaware and the State of Texas, which are the states of formation of the partnerships, you are not entitled to appraisal or dissenters' rights with respect to the merger of any partnership.

RISKS ASSOCIATED WITH AN INVESTMENT IN PIONEER

LIMITED PARTNERS WHO BECOME PIONEER STOCKHOLDERS WILL FUNDAMENTALLY CHANGE THE NATURE OF THEIR INVESTMENT

Limited partners of a participating partnership will become stockholders of Pioneer and will fundamentally change the nature of their investment. Each partnership was generally formed as finite-life investment, with partners to receive regular cash distributions out of the partnership's net operating income and special distributions upon liquidation of the partnership's oil and gas assets. In contrast, Pioneer intends to operate for an indefinite period of time and has no specific plans for the sale of its investments. Because Pioneer will spend a portion of its cash flow on acquisitions, drilling and other activities, the activities of Pioneer may involve higher levels of risk than those associated with the present or future operations of each partnership. Instead of having their investments liquidated through the liquidation of Pioneer's assets, stockholders should expect to be able to liquidate their investment in Pioneer only through the sale of their investments in the market. The amount realized through the sale of shares of Pioneer common stock may not be equal to the amount that would have been realized by stockholders through the sale of Pioneer's assets. Stockholders will thus be subject to the market risks of all public companies, particularly in that the value of their equity securities may fluctuate from time to time depending upon general market conditions, conditions in the oil and gas industry, and Pioneer's future performance.

PIONEER MIGHT NOT DECLARE DIVIDENDS

Limited partners of a participating partnership will become stockholders of Pioneer and will not receive cash distributions or will receive distributions much smaller than the distributions received from the partnership. Pioneer's board of directors did not declare dividends to its stockholders during 1999 and 2000. The determination of the amount of future cash dividends, if any, to be declared and paid is in the sole discretion of Pioneer's board of directors and will depend on the following factors:

- Pioneer's financial condition;
- earnings and funds from operations;
- the level of Pioneer's capital and exploration expenditures;
- dividend restrictions in Pioneer's financing agreements;
- Pioneer's future business prospects; and
- other matters that Pioneer's board of directors deems relevant.

LIMITED PARTNERS WHO BECOME PIONEER STOCKHOLDERS MAY BE DILUTED

If all partnerships participate in the mergers, the shares of Pioneer common stock to be issued will represent approximately 4.3% of the shares of Pioneer common stock outstanding on the date of this document. Because of the increased liquidity afforded to the limited partners of each partnership after the merger of the partnership, all of those shares of Pioneer common stock may be offered for sale in a relatively short period of time, which could result in the price at which shares of Pioneer common stock trade after completion of the merger of each partnership being less than the price at which such shares traded immediately prior to the completion of the merger of each partnership. In addition, limited partners of a partnership who become Pioneer stockholders will be subject to the risk that their equity interests in Pioneer may be diluted through the issuance of additional equity securities. Pioneer has the right to issue, at the discretion of its board of directors, shares other than those to be issued in the merger of each partnership, upon such terms and conditions and at such prices as its board of directors may establish. In addition, Pioneer may in the future issue preferred stock that might have priority over the Pioneer common stock as to distributions and liquidation proceeds.

DIVIDENDS PAID TO PIONEER STOCKHOLDERS ARE TAXED AT TWO LEVELS

Pioneer is taxed on its income, after deduction of expenses, at both the federal and state levels. Pioneer stockholders, including limited partners who become Pioneer stockholders, are separately taxed on the receipt, if any, of dividends.

PIONEER'S BUSINESS ACTIVITIES INVOLVE RISKS

The nature of the business activities conducted by Pioneer subjects it to hazards and risks. In evaluating an investment in shares of Pioneer common stock, prospective investors should consider carefully, among other things, the risk factors set forth in "Item 1. Business -- Risks Associated with Business Activities" contained in Pioneer's annual report on Form 10-K for the year ended December 31, 2000 (File No. 1-13245) that Pioneer filed with the SEC on February 27, 2001.

SPECIAL FACTORS

BACKGROUND OF THE MERGER OF EACH PARTNERSHIP

The partnerships were formed from 1981 through 1991 under the sponsorship of various affiliated companies collectively known as Parker & Parsley. On February 19, 1991, Parker & Parsley's principal company converted from limited partnership form to corporate form and acquired most of the assets of five oil and gas limited partnerships. The new corporation was called Parker & Parsley Petroleum Company, and it owned the sole or managing general partners of the partnerships.

In early 1992, Parker & Parsley Petroleum Company decided that it could not fully realize the benefits of the properties it had acquired while continuing to devote substantial resources to the sponsorship of and drilling for each partnership. It stopped sponsoring oil and gas development drilling and income partnerships and focused on its corporate development. In 1997, Parker & Parsley Petroleum Company and MESA Inc. combined their businesses in a merger that created Pioneer Natural Resources Company. That same year, Pioneer combined many of its U.S. subsidiaries, including the managing or sole general partner of each of the partnerships, into its main subsidiary, Pioneer USA.

From time to time since 1992, Pioneer and its predecessors have had general, internal discussions about whether to consolidate each partnership pursuant to a transaction such as the merger of each partnership. On several occasions, Pioneer or its predecessors engaged outside legal counsel and had discussions with investment banks about a possible combination with each of the partnerships. Some of those discussions were with Stanger. The contemplated structure of the combination has varied significantly during these internal discussions and has included issuances of common stock, combinations of common stock and cash, and cash-only transactions through asset sales, mergers, tender offers, and combinations of those types of transactions. In general, the contemplated transactions would have been taxable to the limited partners of each partnership because of the difficulties involved in structuring a tax-free transaction for the partnership. Until 1999, every time Pioneer or its predecessors considered such a transaction, it decided not to complete the transaction. The reasons Pioneer and its predecessors did not previously complete a transaction varied. In some early cases, they wanted to collect and fully distribute proceeds to the limited partners of each partnership from litigation against an oilfield services company before trying to value any partnership. In other cases, they wanted to avoid periods of volatility in oil and gas prices or in Pioneer's stock price. On several occasions, Pioneer was involved in other corporate transactions that could not be completed timely if a transaction with each partnership was also pending.

In early 1998, Pioneer was formulating a strategic plan to focus on its 25 core area oil and gas fields and to eliminate ancillary operations. Pioneer began discussions internally to consider a transaction involving each partnership, including the basis for valuing each partnership and whether the consideration should be Pioneer common stock, cash or some combination of both.

During the second quarter of 1998, Pioneer and Pioneer USA began to discuss the methods for valuing each partnership. At that time, the board of directors of Pioneer USA engaged Sayles, Lidji & Werbner, A Professional Corporation (then known as Sayles & Lidji, A Professional Corporation) based in Dallas, Texas, as its independent legal counsel to assist the board in evaluating a potential transaction with Pioneer. Pioneer USA's board also engaged Stanger as its financial advisor to review any proposed transaction and to render an opinion as to the fairness of the offer price, from a financial point of view, to the unaffiliated limited partners of each partnership. In May 1998, Pioneer submitted an offer to merge each partnership into Pioneer USA using Pioneer common stock or a combination of Pioneer common stock and cash. The pricing for that offer was primarily based on oil and gas prices and the present value of estimated future net revenues from each partnership's oil and gas reserves, in each case as of December 31, 1997. The present value of estimated future net revenues was determined in accordance with the SEC's reporting convention that provides a common basis for comparing oil and gas companies and requires the use of oil and gas prices as of the date of computation, but using a 15% discount rate. After some negotiation with Pioneer USA, Pioneer withdrew the May 1998 offer due to the decline in oil prices. In July 1998, Pioneer submitted a second offer using Pioneer common stock, or at its option upon the occurrence of specified events, a combination of Pioneer common stock and cash. The oil and gas pricing for the second offer was lower than the pricing in the May 1998 offer due to the continued decline in oil prices, but the discount rate for the second offer was the same as the May 1998 offer. Pioneer and Pioneer USA decided to discontinue further discussions and not to submit the proposed transaction to the limited partners of any partnership because of:

- the continued decline in oil prices, which in turn would reduce any merger value to be paid to the limited partners of each partnership;

- the decline in Pioneer's stock price; and

- the tight lending environment for many oil and gas companies, including Pioneer.

As oil and gas prices improved, in June 1999, Pioneer and Pioneer USA again began discussions internally to consider a transaction involving each partnership. At that time, Scott Sheffield, the President and Chief Executive Officer of Pioneer, contacted members of Pioneer USA's board regarding consideration of a potential transaction involving each partnership. Pioneer did not submit a written offer to Pioneer USA at that time.

During the second quarter of 1999, Pioneer and Pioneer USA attempted to formally address the conflicting interests inherent in the relationships among Pioneer, Pioneer USA, each partnership and the officers and directors of Pioneer and Pioneer USA. Pioneer USA caused Scott D. Sheffield to resign from Pioneer USA's board of directors because he is also a member of Pioneer's board of directors. He was not replaced. Pioneer USA did not consider replacing Mr. Sheffield with an unaffiliated director because Pioneer USA is a 100% subsidiary of Pioneer and typically such wholly-owned subsidiaries do not have unaffiliated directors. Because all of the board members of Pioneer USA are also employees of Pioneer, an inherent conflict exists with respect to their duties to the limited partners of each partnership in their capacity as directors of Pioneer USA, on the one hand, and their duties to Pioneer as employees, on the other hand. This separation of board processes may lessen, but does not eliminate, the inherent conflicting interests of the Pioneer USA directors in this transaction. We believe, however, that this separation enables our directors to consider and focus on the interests of each partnership more effectively.

Shortly thereafter, Pioneer USA's board again engaged Sayles, Lidji & Werbner to advise the board in connection with a proposed transaction with Pioneer and any other alternative transaction that the board determined was worth consideration.

Pioneer USA's board also engaged, on behalf of each partnership, Stanger, as its financial advisor to advise the board on the fairness from a financial point of view of the merger value for each partnership to be paid to the unaffiliated limited partners in the partnership for the limited partnership interests in the partnership and to assist in Pioneer USA's evaluation of the merger transaction and other strategic alternatives. Stanger was familiar with the circumstances from its 1998 engagement.

On July 14, 1999, Pioneer USA's board met with its counsel and Stanger to discuss the proposed merger of each partnership. Stanger presented an overview of the analysis it planned to perform in evaluating the fairness of the proposed transaction. Stanger advised Pioneer USA's board that Stanger would review the following for each partnership:

- the reserve report to be prepared by Williamson Petroleum Consultants, Inc. as of September 30, 1999;

- the most recent quarterly financial statements;

- the estimated cash distributions;

- the estimated net asset value, going concern value and liquidation value;

- secondary market prices;
- tender offers; and
- repurchase offers.

Sayles, Lidji & Werbner then reviewed and discussed with the board the procedures that would be involved in completing the proposed transaction with Pioneer. The discussion topics included:

- the process in which Pioneer USA's board of directors would approve the proposed transaction;
- the submission of the proposed merger of each partnership to the limited partners of the partnership for approval;
- the evaluation of offers from third parties;
- the application of and compliance with the requirements of the federal securities laws; and
- the timing of the proposed transaction.

Members of the Pioneer USA board met informally on several occasions during July and early August to discuss among each other the proposed terms of the merger transaction and other potential alternative transactions, including the formation of a royalty trust or a master limited partnership.

On August 16, 1999, at a special meeting of the Pioneer USA board, the board met with representatives of Sayles, Lidji & Werbner and Stanger to discuss the proposed merger of each partnership into Pioneer USA. Pioneer USA's board discussed with the representatives of Stanger and Sayles, Lidji & Werbner the proposed terms of the offer expected from Pioneer, including the expected pricing parameters of $18 per Bbl of oil and $2.40 per Mcf of gas and the expected timing of receipt of Pioneer's formal written offer. Stanger discussed the progress it was making on its financial analysis of each partnership and its determination of the fairness from a financial point of view of the merger value for each partnership to be paid in cash for the limited partners' interests in the partnership. Stanger's discussion centered on (1) the price to be paid for the oil and gas reserves, (2) the discount rate, (3) the application of overhead charges and administrative charges, and (4) the responsibility for any transaction expenses. Following this discussion, the board and its counsel discussed the board's fiduciary duties in evaluating the proposed transaction with Pioneer and the making of a recommendation to the unaffiliated limited partners. Finally, the board decided to request that Pioneer make a formal written offer outlining the terms of the proposed merger transaction.

On August 17, 1999, in response to Pioneer USA's request for a written offer, Pioneer delivered to Pioneer USA's board a written proposal which outlined the terms of the proposed merger transaction. The written offer specified that the pricing for the oil and gas reserves would be based on 95% of the arithmetic average of a four-year or five-year NYMEX futures price. The future cash flows generated by this pricing structure would then be discounted using a 15% discount rate. At a special meeting that day of Pioneer USA's board, the board, its counsel and Stanger met to discuss the specifics of Pioneer's offer, including oil and gas pricing, the present value discount rate, the right to allow others to bid on the property, and the costs of the merger of each partnership. Following the board meeting, Pioneer USA's directors determined that it would be advantageous to each partnership to seek more favorable pricing terms and a lower discount rate. Thus, the board decided to continue discussions of the written offer.

On August 23, 1999, at a special meeting of Pioneer USA's board, the board updated its counsel and Stanger on the status of its discussions with Pioneer. As a result of continued discussions, Pioneer and Pioneer USA agreed, in response to requests by Stanger, (1) to reduce the discount rate from 15% to 12.5%, (2) to increase the pricing of the oil reserves from 95% of the arithmetic average of a four-year or five-year NYMEX futures price to 100% of the arithmetic average of the five-year NYMEX futures price, (3) to a fixed price of $2.40 per Mcf of gas instead of a floating NYMEX futures price and (4) to allocate the merger expenses and fees to each participating partnership.

On September 2, 1999, at a special meeting of Pioneer USA's board, the board and representatives of Stanger and Sayles, Lidji & Werbner reviewed the terms of a revised proposal submitted by Pioneer which incorporated these changes. The parties discussed the revised terms of the merger of each partnership and the strategic rationale for and benefits of the merger of each partnership. At this meeting, Stanger reviewed with the board its financial analysis and its evaluation of the merger consideration and the feasibility of other strategic alternatives. Stanger also orally presented to the board the status of its findings and its preliminary evaluation of the proposed transaction.

After considering Stanger's evaluation of the proposed merger transaction, Pioneer USA's board, together with representatives of Stanger, engaged in a general discussion of other possible transactions it had considered over the last six to eight months. This discussion included anticipated ongoing operations of each partnership under its current structure and the operation of each partnership through a master limited partnership structure, as well as through a royalty trust. The board discussed selling the oil and gas properties of each partnership at auction and potentially soliciting other buyers or merger partners. The board also considered the fact that other potential buyers of each partnership would have an opportunity to make an offer for each partnership before the board submitted the merger transaction to the limited partners of each partnership for their consideration and approval.

At a special meeting held on September 8, 1999, Pioneer USA's board continued discussions with Sayles, Lidji & Werbner and Stanger regarding the merger proposals for each partnership. After considering the alternatives discussed in the preceding paragraph, including the advantages and disadvantages of each, the board concluded that none of the alternatives was more advantageous to the limited partners of any partnership than the terms of the proposed merger of the partnership. The board then unanimously approved proceeding with the merger of each partnership, subject to determination of September 30, 1999 pricing, its receipt of Stanger's fairness opinion, and the board's determination that the merger consideration of each partnership is fair to the unaffiliated limited partners of that partnership based on all circumstances as of September 30, 1999, including without limitation, the then current market conditions and the existence, if any, of any other proposal for the partnership on terms more favorable to the limited partners.

On September 8, 1999, in connection with the proposed merger transaction, Pioneer and Pioneer USA filed a preliminary proxy statement and preliminary Schedule 13e-3s with the Securities and Exchange Commission. In addition, Pioneer and Pioneer USA publicly announced the proposed merger of each partnership. In that announcement, Pioneer USA also announced that it would consider proposals from other potential buyers of one or more of the partnerships.

On or about October 19, 1999, Pioneer submitted a verbal offer to Pioneer USA to revise the oil reserve component of the pricing used in the preliminary proxy statement to $18.35 per Bbl of oil. On or about November 3, 1999, Pioneer submitted a second verbal offer to Pioneer USA to further revise the oil reserve pricing to $18.40 per Bbl of oil. Later that month, due to the increase in oil and gas prices over the previous several months and in response to a request from Pioneer USA, Pioneer proposed to Pioneer USA that the merger value calculation for each partnership be further modified (1) to increase the pricing to $18.90 per Bbl for oil and $2.55 per Mcf of gas and (2) to increase the discount rate to 15%.

On November 17, 1999, in connection with the approval of Pioneer's capital budget for 2000, Pioneer's board of directors met and voted to approve the merger of each partnership and to proceed with the completion of each merger, subject to the pricing information and other relevant conditions at the time.

At a special board meeting held on November 22, 1999, Pioneer USA's board of directors met with representatives from Stanger and Sayles, Lidji & Werbner to discuss Pioneer's proposed pricing. Pioneer USA's

board agreed that an increase in the merger value for each partnership based on Pioneer's proposed pricing was warranted to more closely reflect the current oil and gas prices. Similarly, in view of increases in interest rates during the months since the original proposal was made and in view of the volatility of oil and gas prices over the previous year, Pioneer USA's board agreed to increase the discount rate used to determine the merger value for each partnership from 12.5% to 15%. Pioneer USA's board reported that management had worked to reduce the expected merger expenses and fees from an estimated $4.6 million to an estimated $1.8 million, thereby increasing the merger value for each partnership to be received by the limited partners of the partnership. The board also received a status report on whether or not any third party offers had been received since September 8, 1999, the date on which Pioneer and Pioneer USA announced that it would consider such offers. In that regard, Pioneer and Pioneer USA had not received any formal offers, but did receive a few inquiries from third parties expressing an interest in possibly making a bid on one or more of the partnerships or the assets of one or more of the partnerships. None of the third parties who made inquiries have pursued the matter further. The board then voted to extend the period it would be willing to consider third party offers from November 1, 1999 to December 31, 1999. Stanger then reviewed for the board Stanger's analysis of the fairness of the merger transaction using the new terms agreed to by Pioneer and Pioneer USA. Stanger expressed its preliminary view that the revised merger value for each partnership to be paid in cash for the limited partnership interests in each partnership would be fair from a financial point of view to the unaffiliated limited partners of the partnership under recent market conditions, but stated that whether or not the transaction would be considered fair by Stanger at the time its fairness opinion was sought would depend on market conditions at that time. Following this discussion, the board approved proceeding with the merger of each partnership on the new terms, subject to (1) its receipt of a fairness opinion from Stanger, and (2) its determination that the merger value to be paid in cash for the limited partnership interests in each partnership is fair to the unaffiliated limited partners of the partnership based on all circumstances, including without limitation, the then current market conditions and the existence, if any, of any other proposal for such partnership or its assets on terms more favorable to the unaffiliated limited partners than the proposed merger transaction.

In December 1999, Pioneer became involved in another corporate transaction which could not be completed timely without its management's dedicated time and attention. Meanwhile, during December 1999 and the first quarter of 2000, oil and gas prices continued to increase. As a result, during the first quarter of 2000, Pioneer and Pioneer USA began to discuss revising the pricing terms of the proposed merger transaction to (1) an arithmetic average of the five-year NYMEX futures price for oil and for gas and (2) a 15% discount rate. Pioneer also proposed to offer Pioneer common stock instead of cash to the limited partners of each participating partnership. In April 2000, Pioneer and Pioneer USA discontinued these discussions and did not submit the proposed merger transaction to the limited partners of any partnership because of:

- the decline in Pioneer's stock price;
- the increase in interest rates; and
- Pioneer's involvement in replacing existing debt with new publicly-held debt and a new credit facility.

In September 2000, Pioneer and Pioneer USA began internal discussions to consider a merger transaction involving 13 privately-held employee limited partnerships. Pioneer offered to pay an amount of cash to the limited partners of each participating partnership equal to the sum of the present value of estimated future net revenues from the partnership's oil and gas reserves and its net working capital, in each case as of September 30, 2000, less the cash distributions on October 15, 2000 and November 15, 2000, by the partnership to its partners. Pioneer and Pioneer USA calculated the present value of the estimated future net revenues from each partnership's oil and gas reserves using (1) a five-year NYMEX futures price for oil and gas as of August 25, 2000, with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a 13.5% discount rate. Pioneer also agreed to bear the merger expenses and fees. In December 2000, Pioneer and Pioneer USA completed the merger of each of the 13 privately-held employee limited partnerships with and into Pioneer USA.

In October 2000, Pioneer terminated the preliminary proxy statement and preliminary Schedule 13e-3s filed with the Securities and Exchange Commission on September 8, 1999 in connection with the proposed merger transaction.

As oil and gas prices continued to improve, in January 2001, Pioneer and Pioneer USA renewed their internal discussions to consider a transaction involving each of the partnerships described in this document. Pioneer offered a combination of its common stock and cash. Pioneer and Pioneer USA agreed on a merger value for each participating partnership equal to the sum of the present value of estimated future net revenues from the partnership's oil and gas reserves and its net working capital, in each case as of March 31, 2001. Pioneer and Pioneer USA agreed to calculate the present value of the estimated future net revenues from each partnership's oil and gas reserves using (1) a five-year NYMEX futures price for oil and gas as of March 30, 2001, with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a 13.5% discount rate. For 2001, the oil and gas prices would be based on the average NYMEX futures price for the nine-

month period beginning on April 1, 2001 and ending December 31, 2001. Pioneer also agreed to bear the merger expenses and fees.

On February 15, 2001, Pioneer's board of directors met and voted to approve the merger of each partnership, the issuance of Pioneer common stock and the payment of cash upon each such merger, and to otherwise proceed with the completion of each merger, subject to the pricing information and other relevant conditions at the time.

During March 2001, Pioneer offered to acquire all of the direct oil and gas interests owned by some former officers and employees of Pioneer and Pioneer USA in properties in which Pioneer and Pioneer USA own interests. The terms of those purchases and the method of establishing the purchase price payable to such individuals are the same as those used to determine the reserve value portion of the merger value for each partnership described in this document, except that the NYMEX futures prices were as of a different date in March 2001, and the consideration to be paid in the purchases of the direct oil and gas interests is all cash since offering and registering Pioneer common stock in those purchases is cost-prohibitive due to the small size of such transactions. Similarly, during 2000, Pioneer purchased all of the direct oil and gas interests held by Scott D. Sheffield, its chairman of the board of directors and chief executive officer, for $0.2 million.

In April 2001, Pioneer USA contacted Sayles, Lidji & Werbner and Stanger to advise them of the proposed merger transaction, pricing terms and merger consideration.

On April 9, 2001, Pioneer USA's board met with Sayles, Lidji & Werbner to discuss the proposed merger of each partnership into Pioneer USA. The board members reviewed the terms of the merger transaction, including the pricing terms, the merger consideration and the terms and conditions of the proposed merger agreement. The board members also discussed the engagement of special legal counsel to render the legal opinion required by each partnership's partnership agreement. Finally, Pioneer USA's board discussed the fairness opinion to be delivered by Stanger and decided to hold another board meeting at which Stanger would present in detail its methodology in determining that the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The board decided to proceed with the merger transaction, but would withhold recommending the merger transaction to the limited partners or executing the merger agreement until it received the fairness opinion from Stanger and determined that the merger of each partnership is advisable, fair to the unaffiliated limited partners and in the unaffiliated limited partners' best interests

On April , 2001, in connection with the proposed merger transaction, Pioneer and Pioneer USA filed a registration statement on Form S-4 and preliminary Schedule 13e-3s with the Securities and Exchange Commission. In addition, Pioneer and Pioneer USA publicly announced the proposed merger of each partnership. In that announcement, Pioneer USA also announced that it would continue to consider proposals from other potential buyers of any partnership or its assets.

At a special meeting held on April , 2001, Pioneer USA's board continued discussions with Sayles, Lidji & Werbner and Stanger regarding the merger proposals for each partnership. Stanger also orally presented to the board the status of its findings and its preliminary evaluation of the proposed transaction. The board then unanimously approved proceeding with the merger of each partnership, subject to (1) the execution of a definitive merger agreement, (2) its receipt of Stanger's fairness opinion, and (3) clearing this document with the Securities and Exchange Commission for mailing to the limited partners of each partnership.

In a special meeting of the board of Pioneer USA held on , 2001, Stanger presented its opinion dated , 2001, that the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The board of Pioneer USA then unanimously determined that the merger proposals for each partnership are advisable, fair to the unaffiliated limited partners and in the unaffiliated limited partners' best interests. Accordingly, the board recommended that the unaffiliated limited partners of each partnership vote for the merger proposals. References to Pioneer USA's board's recommendation of the merger of each partnership and its finding that the merger consideration is fair from a financial point of view are stated in this preliminary document conditioned on (1) the execution of a definitive merger agreement, (2) its receipt of Stanger's fairness opinion, and (3) clearing this document with the Securities and Exchange Commission for mailing to the limited partners of each partnership.

REASONS FOR THE MERGER OF EACH PARTNERSHIP

General. For all of the reasons listed below, Pioneer believes that it is the party in the position to pay the highest price for the limited partnership interests of each partnership. Pioneer USA also believes that Pioneer is the most likely buyer for each partnership's properties in light of:

- Pioneer USA's operation of most of the properties;
- Pioneer USA's extensive property holdings in the same fields; and
- Pioneer's ability to achieve efficiencies by consolidating operations with its existing operations in the same areas.

Pioneer's Reasons. Pioneer believes that completion of the merger of each partnership is advantageous to it for the following reasons:

- Consolidate Core Area of Operations. The Spraberry field of the Permian Basin is one of Pioneer's 25 fields of focus in its strategic plan. Acquisition of each partnership's properties would help consolidate Pioneer's operations in the Spraberry field and achieve operating efficiencies. Pioneer USA operates most of each partnership's wells, and Pioneer has extensive properties around each partnership's properties, including interests in most of each partnership's wells.
- Achieve Operating Efficiencies. Pioneer expects to improve operating efficiencies with respect to the properties acquired in the merger of each partnership because it will be able to co-mingle production of

oil from each participating partnership's properties with production of oil from other Pioneer properties for storage, transportation and sale. Production of oil from each partnership's properties is predominantly segregated from Pioneer's production of oil until sale. Gas production is currently, and will continue to be, metered.

- Achieve Administrative Efficiencies. Pioneer will eliminate the costs, including time spent by Pioneer employees, related to preparing and filing each partnership's separate tax returns, financial statements and, for each reporting partnership, reports with the SEC, as well as dealing with the concerns of approximately 29,000 record limited partners. The merger of each partnership will result in administrative efficiencies and cost reductions in the management and operation of the properties now owned by each partnership, particularly in the areas of audit, accounting and tax services, engineering services, bookkeeping, data processing, record maintenance and mailing information to the partners. Although Pioneer will lose the benefit of each partnership's reimbursement for general and administrative expenses, it will be able to use the additional time of its personnel to help achieve its corporate strategic goals.

Pioneer USA's Reasons. In considering the merger of each partnership, the board of directors of Pioneer USA considered the benefits to the limited partners of each partnership set forth on page 7 as well as the following factors:

- Maturity of Partnerships and Properties. Although each partnership's properties were long-lived at the formation of the partnership, Pioneer and Pioneer USA anticipated that at some point each partnership would need to be liquidated. Pioneer USA is recommending the merger transaction for each partnership at this time because:

  - Pioneer is the most likely buyer and is the only potential buyer with an offer outstanding. While third parties have made inquiries, no one except Pioneer has made an offer to Pioneer USA to acquire any of the partnerships.

  - Oil and gas prices have recovered from significant lows in 1998. As a result, Pioneer USA believes that Pioneer's pricing is higher than it would have been otherwise.

  - Administrative expenses for each partnership are increasing. Moreover, the administrative cost of continuing to produce each partnership to depletion could be significant, especially if no buyer is available at the time each partnership is shut down.

  - Each partnership's properties are mature, ranging from approximately 10 to approximately 20 years old. The benefits for which each partnership was originally formed have been realized.

- Declining Cash Flows. As each partnership's properties have matured, the net cash flows from operations for the partnership have generally declined, except in periods of substantially increasing commodity prices. See Table 7 of Appendix A for each partnership's historical cash distributions. The marginal benefit of continuing the operations of each partnership is offset by the related administrative costs. These administrative costs consume an increasing amount, and ultimately will consume the entire amount, of the cash flows of each partnership as production declines.

- Tax Incentives Have Been Realized. To the extent that each partnership was intended to provide tax incentives to its partners, those incentives have been realized, or the tax purposes for which the partnership was originally formed are no longer applicable as a result of changes in laws.

- Partnership Tax Burdens May Now Exceed Benefits. As net cash flow available for distribution of each partnership has declined or, at times, disappeared, some limited partners of the partnership may incur greater costs to include their share of the tax information of the partnership in their returns than they receive in cash distributions. In any event, all limited partners of each partnership are expected to benefit by the elimination of the obligation to include partnership information in their tax returns for the years after the merger of each partnership in which they own interests.

- Each Partnership is Unable to Access Additional Capital. Pioneer, through its subsidiary, Pioneer USA, has the ability, financial and otherwise, to take advantage of corporate opportunities to expand its reserve base through acquisitions. None of the partnerships has the ability to raise capital for reserve acquisitions. The partnership agreements of the partnerships do not authorize the partnerships to raise additional capital, whether debt or equity. Even if the partnership agreement of each partnership is amended to authorize additional capital, Pioneer does not believe that the limited partners of the partnership would desire to contribute additional capital or to apply all cash flow to debt service, while remaining taxable on the related income.

- Fairness of Procedures. Pioneer USA considered the following factors in making its recommendation that the unaffiliated limited partners vote for the merger proposals for each partnership in which they own interests:

  - None of the partnerships has any employees or directors, and all of Pioneer USA's directors are officers of Pioneer USA and of Pioneer. As a result, there has been no approval by directors who are not Pioneer employees.

  - Pioneer USA did not retain an unaffiliated representative to act solely on behalf of the unaffiliated limited partners of each partnership for purposes of negotiating the terms of the merger of the partnership or preparing a report concerning the fairness of the merger of the partnership.

  - Since Pioneer USA is entitled to vote its limited partnership interests other than as described below, the transaction is not structured so that the approval of at least a majority of unaffiliated limited partnership interests is required. Pioneer USA intends to vote in favor of the transaction for the partnership interests it holds as a limited partner of each partnership as permitted by the partnership agreement of each partnership except in the following partnerships where the partnership agreement does not allow Pioneer USA to vote on the proposed transaction:

    Parker & Parsley 85-A, Ltd.

Parker & Parsley 85-B, Ltd.
Parker & Parsley Private Investment 85-A, Ltd
Parker & Parsley Selected 85 Private Investment, Ltd
Parker & Parsley Private Investment 86, Ltd.
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

Despite the foregoing factors, Pioneer USA believes each merger is procedurally fair to the unaffiliated limited partners of each partnership because:

- Pioneer USA has been willing to consider any offer from third parties to purchase any partnership or the assets of any partnership since September 8, 1999, and will continue to do so through July 31, 2001; and

- Pioneer does not directly own any partnership interests in the partnerships. Pioneer beneficially owns all of Pioneer USA's partnership interests in the partnerships. Pioneer USA does not beneficially own more than 5% of the outstanding limited partnership interests in any partnership, except Parker & Parsley 81-I, Ltd., Parker & Parsley 82-I, Ltd. and Parker & Parsley 82-III, Ltd. In those partnerships, Pioneer USA repurchased and now owns partnership interests representing the following beneficial ownership percentages:

Parker & Parsley 81-I, Ltd.	5.84%
Parker & Parsley 82-1, Ltd.	10.73%
Parker & Parsley 82-III, Ltd.	5.97%

Except as set forth above, none of Pioneer, Pioneer USA, or, to the knowledge of Pioneer USA, any of their directors or executive officers, or any associate or subsidiary of Pioneer, Pioneer USA beneficially owns any partnership interests of any partnership. As a result, Pioneer USA believes that neither it nor its affiliates have a meaningful voting percentage for any partnership, other than Parker & Parsley 81-I, Ltd., Parker & Parsley 82-I, Ltd. and Parker & Parsley 82-III, Ltd. See "Ownership of Partnership Interests" on page 61 of this document and Table 6 of Appendix A to this document.

o Fairness of Transaction. Pioneer USA's board of directors determined that the merger of each partnership is advisable, fair to the unaffiliated limited partners of the partnership and in their best interests. In reaching this determination for each partnership, Pioneer USA's board of directors considered the following factors:

- The form and amount of consideration offered to the partners of the partnership;

- The objectives of the merger of the partnership, including providing liquidity to the partners;

- Pioneer USA's right to consider third party offers;

- The current market prices for oil and gas, including the increase in market prices, and the subsequent increase in merger value for the partnership, since the merger transaction was initially proposed in 1999;

- The historical market prices for oil and gas;

- The net book value, going concern value and liquidation value of the partnership;

- The purchase prices paid in previous repurchases by Pioneer USA;

- The trading price of limited partnership interests in secondary market transactions

- The analysis of alternative transactions to the proposed merger of each partnership; and

- The fairness opinion of Stanger, including the analyses conducted by Stanger in rendering the fairness opinion.

PIONEER'S DISCLOSURE RELATING TO THE MERGER OF EACH PARTNERSHIP

As directors of a company that is not the general partner of any of the partnerships, Pioneer's board of directors believes that neither they nor Pioneer has any fiduciary duties to the limited partners of any of the partnerships. Accordingly, Pioneer's board has not made any determination as to the fairness of the merger of each partnership to the unaffiliated limited partners of the partnership. Pioneer's board believes that such a determination is within the scope of the duties of Pioneer USA's board and not within the scope of the duties of Pioneer's board. Nevertheless, Pioneer's board did take note of the price negotiations between Pioneer and Pioneer USA on behalf of the limited partners, as well as a number of the factors considered by Pioneer USA's board, including (1) the reasons for the merger of each partnership set forth above in "Special Factors -- Reasons for the Merger of Each Partnership," such as the fairness opinion and analyses conducted by Stanger and the amount of common stock and cash offered by Pioneer, and (2) the matters described under "Risk Factors" beginning on page 17 of this document.

RECOMMENDATION OF PIONEER USA

On   , 2001, Pioneer USA's board of directors unanimously determined that the merger of each partnership is advisable, fair to the unaffiliated limited partners of the partnership, and in their best interests. PIONEER USA'S BOARD OF DIRECTORS RECOMMENDS THAT THE UNAFFILIATED LIMITED PARTNERS VOTE FOR THE MERGER PROPOSALS FOR EACH PARTNERSHIP IN WHICH THEY OWN INTERESTS.

In making this recommendation, Pioneer USA's board of directors considered a number of factors, including (1) the reasons for the merger of each partnership set forth above in "Special Factors -- Reasons for the Merger of Each Partnership," such as the fairness opinion and analyses conducted by Stanger, and (2) the matters described under "Risk Factors" beginning on page 17 of this document, such as its conflicting interests. Pioneer USA's board of directors also considered the likelihood, benefits and costs of other transactions, including possible third party offers. Pioneer USA will consider any offers from third parties to purchase any partnership or its assets. See "The Merger of Each Partnership -- Third Party Offers" on page 48 of this document for a description of the procedures for these offers. In view of the numerous factors taken into consideration, Pioneer USA's board of directors did not consider it practical to, and did not attempt to, quantify or assign relative weights to the factors considered by it in reaching its decision to recommend the merger of each partnership. Rather, the board viewed its position and recommendation as being based on the total information presented to and considered by the board.

FAIRNESS OPINION

Pioneer USA, on behalf of each partnership, engaged Robert A. Stanger & Co., Inc., an independent financial advisory firm, to conduct an independent review and deliver a written opinion in connection with the merger of each partnership that the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view. The full text of Stanger's fairness opinion, which sets forth the assumptions, limitations and qualifications applicable to the review by Stanger, is attached as Appendix C to this document and is incorporated into this document by reference. Limited partners of each partnership are urged to read the opinion in its entirety. This summary of Stanger's fairness opinion is qualified in its entirety by reference to the full text of the opinion. Stanger has advised us that arriving at a fairness opinion is a complex analytical process not necessarily susceptible to partial analysis or amenable to summary description. For a more complete description of the assumptions and qualifications to the fairness opinion see "Qualifications to Fairness Opinion" and "Assumptions" below.

Except for assumptions which Pioneer USA advised Stanger would be reasonable and appropriate in its view, neither Pioneer USA nor any partnership imposed any conditions or limitations on the scope of the investigation by Stanger or the methods and procedures to be followed by Stanger in rendering the fairness opinion. In addition, each partnership has agreed to indemnify Stanger against some liabilities arising out of Stanger's engagement to prepare and deliver its opinion upon consummation of the merger of the partnership, and such indemnification obligations will become obligations of Pioneer USA.

Experience of Stanger. Since its founding in 1978, Stanger has provided information, research, investment banking and consulting services to clients located throughout the United Sates, including major New York Stock Exchange member firms and insurance companies and over seventy companies engaged in the management and operation of partnerships. The investment banking activities of Stanger include financial advisory and fairness opinion services, asset and securities valuations, industry and company research and analysis, litigation support and expert witness services, and due diligence investigations in connection with both publicly registered and privately placed securities transactions.

Stanger was selected because of its experience in the valuation of businesses and their securities in connection with mergers, acquisitions, reorganizations and for estate, tax, corporate and other purposes, including the valuation of partnerships, partnership securities and the assets typically held through partnerships including oil and gas assets. Pioneer USA has previously engaged Stanger to provide financial advisory services in connection with proposed transactions between each partnership and Pioneer which were never consummated.

Qualifications to Fairness Opinion. In the fairness opinion, Stanger specifically states that it was not requested to, and did not:

- make any recommendations to Pioneer USA, any partnership or the limited partners of any partnership with respect to whether to approve or reject the merger of any partnership;

- determine or negotiate the amount or form of the merger value for any partnership to be paid for limited partners' interests in the merger of the partnership;

- offer the assets of any partnership for sale to any third party;

- express any opinion as to:

    - the impact on Pioneer USA or the limited partners of any partnership that does not participate in the proposed merger transaction;

    - the tax consequences of the merger of any partnership for Pioneer USA, the nonmanaging general partner, if any, of the partnership or the limited partners of the partnership;

    - Pioneer USA's or Pioneer's ability to finance their obligations under the merger agreement or the impact of a failure to obtain financing on the financial performance of Pioneer USA, Pioneer or any partnership;

    - Pioneer USA's decision to estimate the reserve value of the oil and gas reserves of each partnership based upon the continued operation of the properties by Pioneer USA and the payment of overhead charges in accordance with existing operating agreements or the impact, if any, on the estimated value of each partnership's oil and gas reserves if Pioneer and Pioneer USA determined to offer or operate the assets subject to revised operating agreements;

    - whether or not alternative methods of determining the merger value for each partnership would have also provided fair results or results substantially similar to the methodology used;

    - alternatives to the merger of each partnership, including the offering of such assets for sale to third party buyers;

    - the trading price of shares of Pioneer common stock immediately following the closing of the merger of each partnership and the distribution of shares of Pioneer common stock in connection with the merger of each partnership;

    - the fairness of the termination of the repurchase obligations of Pioneer USA with respect to some partnerships, which repurchase obligations require Pioneer USA to offer to repurchase limited partnership interests annually based upon a formula which in some circumstances, including the repurchase offers based upon December 31, 2000 oil and gas prices, result in repurchase offer prices above the market value for the reserves of any such partnership; or

- any other terms of the merger of any partnership.

Summary of Material Considered and Investigation Undertaken. Stanger's analysis of the merger of each partnership involved a review of the following information:

- a draft of this preliminary document;
- a draft of the merger agreement which Pioneer USA has indicated is substantially the form which will be executed in connection with the merger of each partnership;
- financial statements of each partnership, including, if applicable, the partnership's Form 10-K, for the years ended December 31, 2000, 1999 and 1998;
- the reserve analysis for each partnership prepared by Pioneer and Pioneer USA as of March 31, 2001;
- the summary reserve report prepared by Williamson Petroleum Consultants, Inc., as of December 31, 2000, relating to the reserves of each partnership;
- calculations prepared by Pioneer and Pioneer USA of the merger value per $1,000 of limited partner investment in each partnership;
- Pioneer USA's analysis of other alternatives to the merger of each partnership, including going concern value, liquidation value, royalty trust and production payment;
- estimates prepared by Pioneer and Pioneer USA of the merger value, going concern value and liquidation value per $1,000 of limited partner investment in each partnership;
- the financial statements of Pioneer included in its Form 10-K for the years ended December 31, 2000, 1999 and 1998;
- pro forma financial data for Pioneer assuming the completion of the proposed merger transaction; and
- recent trading activity in shares of Pioneer common stock.

In the course of its analysis, Stanger conducted interviews of senior management personnel of Pioneer USA in April 2001. During such interviews, Stanger and the senior management personnel reviewed the status of the merger of each partnership, the reserve pricing and related value estimates, the estimated timing of the merger of each partnership and other matters.

Stanger reviewed estimates of the merger value, going-concern value, and liquidation value prepared by Pioneer USA with respect to each partnership. In addition, Stanger reviewed secondary market prices, as tracked by Stanger, for limited partnership interests in each partnership along with tender offers received by limited partners as derived from data provided by Pioneer USA. Stanger's analysis is summarized below.

Review of Merger Value for Each Partnership. Stanger reviewed the calculation of the merger value for each partnership prepared by Pioneer USA. Stanger observed that such calculation includes the reserve value, as described below, and other current assets as of December 31, 2000, as reduced by other current liabilities as of December 31, 2000. Stanger reviewed the balance sheet of each partnership as of December 31, 2000 as prepared by Pioneer USA, and reconciled the current assets and current liabilities on such financial statements to the balances included in the merger value calculation for each partnership.

Stanger reviewed the summary reserve analysis for each partnership prepared by Pioneer and Pioneer USA as of March 31, 2001. Stanger noted that the summary reserve analysis was prepared based upon a pricing case of (1) a five-year NYMEX futures price for oil and gas as of March 30, 2001, with prices held constant after year five at the year five price and (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes. For 2001, the oil and gas prices were based on the average NYMEX futures price for the nine-month period beginning on April 1, 2001 and ending December 31, 2001. The standard industry adjustments reflect oil quality, BTU content, oil and gas gathering and transportation costs, and gas processing costs and shrinkage.

Stanger further observed that the reserve analysis utilized a discount rate of 13.5% and resulted in a per barrel of oil equivalent, or BOE, value of the reserves for each of the partnerships ranging from $3.07 to $4.02. Stanger observed that such BOE values are low by general industry averages. However, Stanger observed that such properties are long-lived, generally low-volume properties, not operated by any of the partnerships, and are subject to overhead charges by the operator, Pioneer USA. In the course of its engagement, Stanger reviewed selected comparable transactions in the BOE value range described above for long-lived, generally low-volume properties.

Stanger reviewed the summary reserve report prepared by Williamson Petroleum Consultants, Inc. dated as of December 31, 2000, relating to the reserves of each partnership. Such report indicated that the analysis prepared by Pioneer and Pioneer USA was prepared using industry standards and procedures, based upon the pricing case provided.

Going Concern Value. Stanger reviewed the going concern value calculation prepared for each partnership by Pioneer USA. The going concern value was based upon:

- The sum of (1) the estimated net cash flow from sale of the reserves during a 10-year operating period plus (2) the estimated residual value from the sale of the remaining reserves at the end of the operating period, in each case using the same pricing and discount rate as in the merger value calculation; less

- Partnership level general and administrative expenses, calculated as follows and, consistent with the calculation of 2000 and 1999 expenses, generally representing the maximum expense percentages permitted under the partnership agreements:

  - The partnership agreement for each of Parker & Parsley 81-I, Ltd., Parker & Parsley 81-II, Ltd., Parker & Parsley 82-I, Ltd., Parker & Parsley 82-II, Ltd. and Parker & Parsley 82-III, Ltd. permits Pioneer USA to allocate to the partnership (1) general and administrative expenses and (2) all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, including legal, auditing and engineering fees. However, for purposes of clause (1) and for administrative ease and to the benefit of each of those partnerships, Pioneer USA allocates to each of those partnerships general and administrative expenses based on 3% of the revenues of the partnership.

- The partnership agreement for each of Parker & Parsley 83-A, Ltd. and Parker & Parsley 83-B, Ltd. permits Pioneer USA to allocate to the partnership (1) general and administrative expenses in an annual amount not to exceed the sum of 2% of the initial partner capital for the partnership, plus 2.25% of the drilling and completion expenses, of which there are none, and (2) all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, including legal, auditing and engineering fees. However, for purposes of clause (1) and for administrative ease and to the benefit of each of those partnerships, Pioneer USA allocates to each of those partnerships general and administrative expenses based on 3% of the revenues of the partnership.

- The partnership agreement for Parker & Parsley 84-A, Ltd. permits Pioneer USA to allocate to the partnership (1) general and administrative expenses in an annual amount not to exceed the sum of 3.25% of the revenues of the partnership, plus 2.25% of the drilling and completion expenses, of which there are none, and (2) all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, including legal, auditing and engineering fees. However, for purposes of clause (1) and for administrative ease and to the benefit of the partnership, Pioneer USA allocates to the partnership general and administrative expenses based on 3% of the revenues of the partnership.

- The partnership agreement for each of the following partnerships permits Pioneer USA to allocate to the partnership general and administrative expenses, including all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, such as legal, auditing and engineering fees, in an annual amount not to exceed 2% of the revenues of the partnership.

  Parker & Parsley Private Investment 85-A, Ltd.
  Parker & Parsley Selected 85 Private Investment, Ltd.
  Parker & Parsley Private Investment 86, Ltd.

- The partnership agreement for each of the following partnerships permits Pioneer USA to allocate to the partnership general and administrative expenses, including all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, such as legal, auditing and engineering fees, in an annual amount not to exceed 3% of the revenues of the partnership.

  Parker & Parsley 85-A, Ltd.
  Parker & Parsley 85-B, Ltd.

Parker & Parsley 86-A, Ltd.
Parker & Parsley 86-B, Ltd.
Parker & Parsley 86-C, Ltd.
Parker & Parsley 87-A Conv., Ltd.
Parker & Parsley 87-A, Ltd.
Parker & Parsley 87-B Conv., Ltd.
Parker & Parsley 87-B, Ltd.
Parker & Parsley Producing Properties 87-A, Ltd.
Parker & Parsley Producing Properties 87-B, Ltd.
Parker & Parsley Private Investment 87, Ltd.
Parker & Parsley 88-A Conv., L.P.
Parker & Parsley 88-A, L.P.
Parker & Parsley 88-B Conv., L.P.
Parker & Parsley 88-B, L.P.
Parker & Parsley 88-C Conv., L.P.
Parker & Parsley 88-C, L.P.
Parker & Parsley Producing Properties 88-A, L.P.
Parker & Parsley Private Investment 88, L.P.

- The partnership agreement for each of the following partnerships permits Pioneer USA to allocate to the partnership (1) general and administrative expenses in an annual amount not to exceed 3% of the revenues of the partnership, and (2) all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, including legal, auditing and engineering fees.

Parker & Parsley 89-A Conv., L.P.
Parker & Parsley 89-A, L.P.
Parker & Parsley 89-B Conv., L.P.
Parker & Parsley 89-B, L.P.
Parker & Parsley 90-A Conv., L.P.
Parker & Parsley 90-A, L.P.
Parker & Parsley 90-B Conv., L.P.
Parker & Parsley 90-B, L.P.
Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 90-C, L.P.
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

- The partnership agreement for each of the following partnerships permits Pioneer USA to allocate to the partnership (1) general and administrative expenses in an annual amount not to exceed 5% of the revenues of the partnership, and (2) all expenses directly attributable to the partnership as a result of fees or charges by parties other than Pioneer USA or its affiliates, including legal, auditing and engineering fees. However, for purposes of clause (1) and for administrative ease and to the benefit of each of the partnerships, Pioneer USA allocates to the partnership general and administrative expenses based on 3% of the revenues of the partnership.

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Parker & Parsley Private Investment 89, L.P.
Parker & Parsley Private Investment 90, L.P.
Parker & Parsley 90 Spraberry Private Development, L.P.

Stanger observed that the going concern value of each partnership ranged from 7.2% to 11.5% less than the merger value for each partnership. See the supplemental information table on the second page of the supplement for each partnership for its merger value and its going concern value, in each case per $1,000 limited partner investment.

Liquidation Value. Stanger reviewed the liquidation value calculation prepared for each partnership by Pioneer USA. Such liquidation value was based upon the sale of the reserves at the reserve value, less merger expenses estimated at 3% of reserve value. The 3% estimate of merger expenses was based upon the estimated costs to retain an investment banker or broker to sell the assets of each partnership and the legal and other closing costs associated with such transaction. Stanger observed that such merger expenses are intended to reflect Pioneer USA's estimate of the cost associated with brokers' commissions on asset sales and the additional wind-down costs of the partnership. Stanger observed that the liquidation value for each partnership ranged from 2.5% to 2.7% less than the merger value for each partnership. See the supplemental information table on the second page of the supplement for each partnership for its merger value and its liquidation value, in each case per $1,000 limited partner investment.

Secondary Market Prices. To determine the most up-to-date secondary market prices, Stanger reviewed the secondary market prices for units of limited partnership interests in each of the partnerships during the 12 months ended February 28, 2001, collected from data maintained on partnerships by Stanger. Stanger observed that secondary market transactions were reported for 24 of the partnerships during such period. Stanger observed that for all partnerships except Parker & Parsley Producing Properties 87-A, Ltd., the weighted average secondary market price on a per $1,000 original investment basis was less than the merger value per $1,000 original investment. For such other partnerships, the range of discount to the merger value per $1,000 investment was 3.6% to 53.7%, averaging 32.1%. For Parker & Parsley Producing Properties 87-A, Ltd., Stanger observed that only one transaction involving $10,000 of original investment (20 units) was at a price in excess of the merger value per $1,000 of original investment. All other secondary market transactions for Parker & Parsley Producing Properties 87-A, Ltd. were reported at prices below the merger value. Stanger also observed secondary market transactions at prices in excess of the merger value for two additional partnerships. Secondary market firms reported a single transaction during the twelve months ended February 28, 2001 for each of Parker & Parsley 85-B, Ltd. and Parker & Parsley 90-B, L.P. at a price in excess of merger value. Each such transaction involved ten units ($10,000) of original investment. All other transactions reported for such partnerships were at amounts less than the merger value during the twelve months ended February 28, 2001.

Stanger also reviewed the secondary market data obtained by Pioneer USA from Partnership Spectrum and included in Table 15 of Appendix A to this document. Stanger observed that such data included three partnerships which reported a secondary market transaction price in excess of the high-end transaction price Stanger observed in its data. In all cases, such high-end range was lower than the merger value.

Selected Tender Offers. Stanger observed that Pioneer USA reported unsolicited tender offers from unaffiliated third parties for less than 5% of the interests in the following partnerships during the period June 1998 through March 2001. Stanger observed that the tender offers and related merger value per limited partnership interest for each of those partnerships were as follows:

PARTNERSHIP	MERGER VALUE (PER $1,000 INVESTMENT)	TENDER OFFER (PER $1,000 INVESTMENT)	D ME

Parker & Parsley 82-II, Ltd.	$ 98.29	$ 13.75	
Parker & Parsley 82-III, Ltd.	120.01	26.25	
Parker & Parsley 83-A, Ltd.(a)	138.67	40.00 to 70.00	(49
Parker & Parsley 83-B, Ltd.(a)	150.46	50.00 to 55.00	(63
Parker & Parsley 84-A, Ltd.	193.75	60.00	
Parker & Parsley 86-A, Ltd.	168.12	40.00	
Parker & Parsley 86-B, Ltd.	218.28	115.00	
Parker & Parsley 86-C, Ltd.(a)	162.51	65.00 to 67.50	(58
Parker & Parsley 87-A, Ltd.(a)	187.59	90.00 to 105.00	(44
Parker & Parsley 87-B, Ltd.(a)	198.15	60.00 to 65.00	(83
Parker & Parsley 88-A, L.P.	239.09	80.00	
Parker & Parsley 88-B, L.P.	309.73	50.00	
Parker & Parsley Private Investment 89, L.P.	259.94	162.50	
Parker & Parsley 90-B, L.P.(a)	258.68	102.50 to 160.00	(38
Parker & Parsley 90-C, L.P.(a)	238.17	30.00 to 40.00	(83
Parker & Parsley 90 Spraberry Private Dev., L.P.	274.15	162.50	

(a) More than one tender offer for partnership interests was made. Amounts shown represent the range of tender offer prices.

Stanger observed that the above tender offers represent a discount to the merger value for each of those partnerships of 32.5% to 87.4%. Stanger also observed that tender offers for limited partnership securities are generally at prices which represent a substantial discount to the underlying value of the assets held by such partnerships. Furthermore, the tender offer prices are based on oil prices prevailing at the time of the tender offer, which prices may have been lower than oil prices prevailing at March 30, 2001 or as of the date of mailing this document.

Repurchase Offers. Stanger observed that for each of the six partnerships listed below, which Stanger calls the repurchase partnerships, Pioneer USA is required under the partnership agreement for the partnership to offer to repurchase units of limited partnership interests in the partnership annually at a formula price based upon the December 31 year end reserve report. Stanger observed that the repurchase offer pricing at December 31, 2000 tends to overstate the value of units of the repurchase partnerships due primarily to the oil and gas prices in effect on such date and the effect of such pricing on the cash flows and recoverable reserves. Stanger observed that the repurchase offers for 2000 for the repurchase partnerships are at premiums to the merger value ranging from 25.5% to 68.5% as follows:

	PER $1,000 ORIGINAL INVESTMENT		
	MERGER VALUE	REPURCHASE OFFER	PREMIUM
Parker & Parsley 82-I, Ltd.	$ 81.87	$ 137.97	68.5%
Parker & Parsley 82-II, Ltd.	98.29	133.72	36.0
Parker & Parsley 82-III, Ltd.	120.01	150.59	25.5
Parker & Parsley 83-A, Ltd.	138.67	196.67	41.8

Parker & Parsley 83-B, Ltd.	150.46	210.15	39.7
Parker & Parsley 84-A, Ltd.	193.75	267.03	37.8

Stanger further observed that Pioneer USA's obligation is limited to $100,000 in repurchases per year per repurchase partnership. Stanger further advised Pioneer USA and the repurchase partnerships that no adjustment was made to the merger value offered to the repurchase partnerships to reflect the repurchase offer obligation and Stanger's opinion does not include an opinion as to the fairness of the termination of Pioneer USA's repurchase obligation.

Assumptions. Pioneer and Pioneer USA advised Stanger that the oil and gas properties owned by each partnership are subject to operating agreements with Pioneer USA and that:

o such operating agreements provide for the payment of overhead charges and that such charges are reasonable compared with amounts charged for similar services by third party operators;

o except for cause, such operating agreements do not provide for the termination of Pioneer USA as operator; and

o such operating agreements do not provide for the revision of the overhead charges, except as escalated under the terms of such operating agreements.

Furthermore, Pioneer and Pioneer USA advised Stanger that if each partnership's reserves were offered for sale to a third party, a condition of such sale would be that the oil and gas reserves would continue to be subject to the operating agreements with Pioneer USA which provide for the payment of overhead charges, and that it would be appropriate to assume, when estimating the value of such reserves, that such charges would continue.

In addition, Pioneer and Pioneer USA advised Stanger that the reserve value and working capital balance of each partnership has been properly allocated between the general partners and the limited partners of each partnership in accordance with the partnership agreement with respect to a liquidation.

Stanger did not conduct any engineering studies and has relied on estimates of Pioneer and Pioneer USA with respect to oil and gas reserve volumes, prices, operating costs and overhead charges with respect to the reserve value estimates.

Stanger also relied on the assurance of Pioneer, Pioneer USA and each partnership that:

o the reserve analysis provided to Stanger was in the judgement of Pioneer USA and each partnership reasonably prepared on bases consistent with actual historical experience and reflect their best currently available estimates and good faith judgements;

o there are no estimates of costs to remediate environmental conditions included in the reserve analysis;

o any historical financial data, balance sheet data, merger value analyses, going concern value analyses and liquidation value analyses are accurate and complete in all material respects;

- all allocations included in the calculations of merger values, going concern values and liquidation values have been made in accordance with the partnership agreement of each partnership;

- no material changes have occurred in the information reviewed or in the value of the oil and gas reserves or working capital balances of each partnership between the date the information was provided to Stanger and the date of Stanger's opinion;

- the relative ownership interests of (1) the limited partners of each partnership, (2) the unaffiliated limited partners of each partnership, (3) the general partners of each partnership, (4) the unaffiliated limited partners of the nonmanaging general partner, if any, of each partnership and (5) Pioneer USA, as the managing or sole general partner of each partnership, is accurately included in accordance with the partnership agreement for each partnership in the analyses provided to Stanger by Pioneer USA;

- neither Pioneer or any of its affiliates has during the thirty days prior to the date hereof commenced or continued a share repurchase program or similar transaction which could affect the price of shares of Pioneer common stock to be used in the proposed merger transaction; and

- Pioneer, Pioneer USA and each partnership are not aware of any information or facts regarding the partnership, the oil and gas properties, the reserve analysis or the working capital balances of the partnership that would cause the information supplied to Stanger to be incomplete or misleading in any material respect.

Stanger's opinion is based upon business, economic, oil and gas market and other conditions as of the date of its analysis and addresses the merger value for each partnership in the context of information available as of the date of Stanger's analysis. Events occurring after the date of Stanger's analysis could affect the value of the assets of each partnership or the assumptions used in the preparation of Stanger's fairness opinion.

Conclusions. Stanger concluded that, based upon and subject to its analysis, assumptions, limitations and qualifications cited in its opinion, and as of the date of the fairness opinion, the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view.

Compensation and Material Relationships. Stanger has been paid a total fee of $350,000 in connection with the rendering of the fairness opinion. Such fee was not conditioned on Stanger's findings and is payable whether or not the merger of each partnership is consummated. In addition, Stanger will be reimbursed for all reasonable out-of-pocket expenses, including legal fees, and will be indemnified against some liabilities, including some liabilities under the securities laws. To the extent that such indemnification includes liabilities arising under the federal securities laws, it may not be enforceable as it may be determined to be against public policy.

During the past two years, Pioneer USA engaged Stanger to render financial advisory services in connection with proposed transactions which were withdrawn and never consummated. In connection with such assignments Stanger was paid fees aggregating $175,000.

SUMMARY RESERVE REPORT

Pioneer USA engaged Williamson Petroleum Consultants, Inc., an independent petroleum engineering consulting firm based in Midland, Texas, to provide a summary reserve report of the property interests of each of the partnerships as of December 31, 2000. THE FULL TEXT OF THE SUMMARY RESERVE REPORT OF WILLIAMSON PETROLEUM CONSULTANTS, INC. EFFECTIVE AS OF DECEMBER 31, 2000, WHICH SETS FORTH THE MATTERS CONSIDERED, ASSUMPTIONS MADE AND LIMITATIONS, IS ATTACHED AS APPENDIX B. WE ENCOURAGE YOU TO READ IT CAREFULLY IN ITS ENTIRETY.

Qualifications and Method of Selection. Williamson is engaged solely in the business of petroleum evaluation and engineering studies for public and private oil and gas companies. Williamson is widely recognized in its field. Williamson is an independent consulting firm as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

Pioneer USA engaged Williamson based upon Pioneer USA's assessment of their professional reputations and qualifications, capabilities, experience and responsiveness. In addition, Williamson is the independent petroleum engineering firm most familiar with the properties in which each partnership has interests and has prepared the annual independent reserve report for each partnership's reserves since the inception of each partnership.

Summary of Procedures, Scope and Findings. Williamson calculated the estimated total net proved reserves for each partnership and the present value of the estimated future net revenues from the estimated proved reserves for each partnership as of December 31, 2000, based on the financial reporting requirements of the SEC, including using NYMEX spot oil and gas prices as of December 31, 2000, which were $26.69 per Bbl of oil and $9.95 per Mcf of gas. Williamson's estimated total net proved reserves and the present value of the estimated future net revenues from the reserves for each partnership are set forth in the exhibits to the summary reserve report attached as Appendix B to this document.

Pioneer determined the amount of Pioneer common stock and cash to be offered. Williamson did not opine on the fairness of the transaction.

In preparing its summary reserve report, Williamson assumed the accuracy and completeness of all information provided by Pioneer USA or information which was publicly available and did not attempt to independently verify such information. Williamson did not make field inspections or judgments relative to environmental or other legal liabilities. Except as described below, Pioneer USA did not instruct Williamson as to the pricing, cost or other economic parameters or methods or the assessment of reserves characteristics, nor did it limit the scope of Williamson's investigation for purposes of preparing its summary reserve report.

Pioneer USA provided Williamson with all evaluation data with respect to interests, reversionary status, oil and gas prices, gas categories, gas contract terms, operating expenses, investments, salvage values, abandonment costs, net profit interests, well information and current operating conditions for Williamson's use in determining each partnership's reserves. Williamson used production data provided by Pioneer USA, and where information was not provided by Pioneer USA, Williamson used production data from public records. Williamson prepared its own reserve estimates of the property interests.

Prior Material Relationships. Williamson has estimated total proved reserves and the present value of estimated future revenues from those reserves for each of the partnerships since their respective inceptions. In addition, Pioneer USA engaged Williamson to prepare a summary reserve report in connection with a proposed transaction in 1999, similar to the one described in this document, which was withdrawn and never consummated. Pioneer USA and its affiliates have paid $112,700 over the past two years to Williamson. Neither Williamson nor any of its personnel has any direct or indirect interest in Pioneer USA or any of the partnerships, and Williamson's compensation is not contingent upon the results of its summary reserve report.

ALTERNATIVE TRANSACTIONS TO THE MERGER OF EACH PARTNERSHIP

We considered the following alternative types of transactions before selecting the merger transaction described in this document. As discussed below, we believe that the merger of each partnership is the best available alternative for each partnership to maximize the consideration to the limited partners.

Comparison of the Merger of Each Partnership to Continuing Operations. Because each partnership's properties are mature, producing properties, we believe that production from those properties will continue to decline at the rate predicted in the partnership's oil and gas engineering reserve reports. Accordingly, cash distributions from each partnership will also decline, subject to variation for changes in oil and gas prices. The marginal benefit of continuing operations of each partnership is offset by the general and administrative costs related to continuing operations. See "Special Factors -- Reasons for the Merger of Each Partnership" beginning on page 26 of this document.

We also believe there is a substantial advantage in receiving the liquidating distribution at present in the form of Pioneer common stock and a lump sum cash payment, rather than continuing to receive decreasing levels of cash distributions over a long period of time. We believe that the reserve value included in the merger value for each partnership is higher than the net present value of estimated future cash distributions to the limited partners from continued operations because the reserve value has not been reduced for the reimbursement of Pioneer USA's general and administrative expenses allocable to the partnership. In addition, continued operations over a long period of time subject the limited partners of each partnership to the risk of receiving lower levels of cash distributions if oil and gas prices over this period are lower on average than those used in preparing the estimates of

cash distributions from continued operations. Continued operations also subject the limited partners of each partnership to possible changes in costs or need for workover or similar significant remedial work on each partnership's properties. In contrast, the Pioneer common stock is a liquid tradeable security which can be sold and redeployed in other investments. The Pioneer common stock provides the limited partners of each partnership the opportunity to participate in a larger entity having more diversified producing reserves and other oil and gas properties, with the resulting spreading of risks.

We expect that any nonparticipating partnership will continue operations and will produce its reserves until depletion with steadily decreasing rates of cash flow and, as a result, decreasing cash distributions.

Comparison of the Merger of Each Partnership to Master Limited Partnership. We considered accomplishing the consolidation of each partnership through a master limited partnership, pursuant to which the partnership interests of the limited partners of the partnership would be exchanged for interests in the master limited partnership. However, each partnership's oil and gas properties are not of sufficient size, individually or in the aggregate with the other partnerships, to attract new capital through a master limited partnership. In addition, the partnership interests in a master limited partnership might not be traded on a national stock exchange or in any other significant market. Some master limited partnership interests might be sold from time to time in private or over-the-counter transactions, but the prices would likely reflect a discount for illiquidity. As a result, a master limited partnership would not provide the limited partners with immediate and complete liquidity for their investment in each partnership. Finally, a master limited partnership would still be burdened with general and administrative expenses, which would reduce any cash distributions paid to the partners of the master limited partnership. The merger value for each partnership reflects a liquidation value and has not been reduced for any reimbursement of Pioneer USA's general and administrative expenses allocable to the partnership.

Comparison of the Merger of Each Partnership to Royalty Trust. We also considered a royalty trust, pursuant to which the partnership interests of each partnership would be exchanged for beneficial ownership interests in the trust. Like the master limited partnership alternative discussed above, each partnership's oil and gas properties are not of sufficient size, individually or in the aggregate with the other partnerships, to attract new capital through a royalty trust. In addition, the beneficial ownership interests in a royalty trust might not be publicly traded in a significant market. As a result, this alternative was not selected because it would not result in immediate and complete liquidity for the limited partners' investments in any partnership. Finally, a royalty trust would still be burdened with general and administrative expenses, which would reduce any cash distributions paid to the beneficiaries of the royalty trust. The merger value for each partnership reflects a liquidation value and has not been reduced for any reimbursement of Pioneer USA's general and administrative expenses allocable to the partnership.

Comparison of the Merger of Each Partnership to Production Payment. We also considered whether each partnership would benefit from attempting to sell a production payment against its future oil and gas production in exchange for cash. Like the master limited partnership and royalty trust alternatives discussed above, each partnership's oil and gas properties are not of a sufficient size, individually or in the aggregate with the other partnerships, to attract new capital from lenders or investors. In addition, lenders or investors that provide production payment alternatives will not advance funds against 100% of future oil and gas production, and typically limit any production payment transaction to less than 70% of estimated future oil and gas production. As a result, this alternative was not selected because it would not provide the limited partners with immediate and complete liquidity for their investment in each partnership. Even with a production payment transaction, each partnership would continue to be burdened with general and administrative expenses which would reduce any cash distributions paid to the limited partners. The merger value for each partnership reflects a liquidation value and has not been reduced for any reimbursement of Pioneer USA's general and administrative expenses allocable to the partnership.

Comparison of the Merger of Each Partnership to Negotiated Sale. We also considered whether each partnership would benefit from attempting to sell its property interests in negotiated transactions. Buyers would be purchasing the partnership's property interests which they would neither control nor operate. A portion of the properties in which each partnership owns interests would continue to be operated by Pioneer USA because Pioneer USA controls other interests in fields in which the partnership's properties are located. Because of Pioneer USA's control of such properties, Pioneer and Pioneer USA believe Pioneer is the party in the position to pay the highest price for such interests and the one most likely to do so. In contrast, Pioneer USA's control of such properties could negatively affect the amount a third party is willing to pay and the overall interest of third parties in buying such properties.

In addition, sale of each partnership's properties on a direct basis often involves substantial periods of time for due diligence, negotiation and execution of agreements and closings, often with different purchasers for different properties. Satisfying due diligence requests requires large amounts of time to create and supervise data rooms or disseminate data to possible purchasers, plus the time needed to deal directly with multiple prospective purchasers. Furthermore, some issues, such as environmental and title matters, may come to light in the late stages of a negotiated sale, which may delay or preclude the consummation of the sale.

The transaction costs for offering properties in a negotiated sale could be substantial, and often are higher than other means of sale. Those costs include:

- preparing and disseminating information on properties to be offered;
- soliciting attendance by prospective purchasers; and
- screening and qualifying purchasers.

In a third party sale, we expect that each partnership would have to pay its own expenses or that the price would be reduced to take the expenses into account. In contrast, Pioneer is paying all the expenses of the proposed merger of each partnership.

Although we believe the factors described above to be true, we are conducting a limited form of auction. That is, in September 1999 we established a price and publicly announced that we will consider third party offers to purchase any partnership or its assets at prices that are higher than the 1999 merger value for such partnership. We have repeated our willingness to consider third party offers in connection with the merger of each partnership we now propose, so long as the prices offered exceed those we are offering. We believe this process would result in a better price to the limited partners than if we merely offered the partnership or its assets for sale at any price. See "The Merger of Each Partnership -- Third Party Offers" on page 48. Although we received some preliminary indications of interest from third parties during the last quarter of 1999, none of those third parties has ever made a formal bid for any partnership or its assets.

FORWARD-LOOKING STATEMENTS

This document includes "forward looking statements" as defined by the Securities and Exchange Commission. These statements concern Pioneer's, Pioneer USA's and each partnership's plans, expectations and objectives for future operations. All statements, other than statements of historical facts, included in this document that address activities, events or developments that Pioneer, Pioneer USA and each partnership expect, believe or anticipate will or may occur in the future are forward looking statements and include the following:

- completion of the proposed merger of each partnership;

- reserve estimates;
- future production of oil and gas; and
- future financial performance.

These forward looking statements are based on assumptions, which Pioneer, Pioneer USA and each partnership believe are reasonable, but which are open to a wide range of uncertainties and business risks. Factors that could cause actual results to differ materially from those anticipated are discussed in (1) periodic filings with the Securities and Exchange Commission, including Annual Reports on Form 10-K for the year ended December 31, 2000, for Pioneer and each partnership subject to the informational requirements of the Securities Exchange Act of 1934, and (2) "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2000 included in the supplement to this document for each partnership not subject to the informational requirements of the Securities Exchange Act of 1934.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this document regarding each company's business which are not historical facts are "forward looking statements" that involve risks and uncertainties. For a discussion of these risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" beginning on page 17 of this document.

METHOD OF DETERMINING MERGER VALUE FOR EACH PARTNERSHIP AND AMOUNT OF PIONEER COMMON STOCK AND CASH OFFERED

Pioneer and Pioneer USA agreed to a merger value for each partnership for purposes of the merger of the partnership. The merger value for each partnership has not been reduced by the projected costs and expenses of the partnership's merger, which Pioneer will pay. The method of determining the merger value for each partnership was not determined by arm's-length negotiations. See "Risk Factors -- You Were Not Independently Represented in Establishing the Terms of the Merger of Each Partnership" on page 17 and "Interests of Pioneer, Pioneer USA and Their Directors and Officers" on page 60.

Pioneer and Pioneer USA agreed to use March 31, 2001 to determine the merger value for each partnership and to base the number of shares of Pioneer common stock to be offered on the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for each partnership. For purposes of illustration in this document, we have calculated the merger value based on each partnership's working capital as of December 31, 2000, and the number of shares to be issued based on an assumed average closing price of $18.00 per share of Pioneer common stock. We will update the calculation of the merger value using the March 31, 2001 working capital of each partnership before mailing this document to the limited partners, and prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer common stock for the ten trading days ending three business days before the date of the special meeting. Neither Pioneer nor Pioneer USA will adjust any of the other components of the merger value for any partnership.

COMPONENTS OF MERGER VALUE FOR EACH PARTNERSHIP

Pioneer and Pioneer USA calculated the merger value assigned to each partnership as follows:

- Pioneer and Pioneer USA calculated the volumes of the partnership's proved reserves as of March 31, 2001, based on a future production curve consistent with the production curve used in the summary reserve report of Williamson Petroleum Consultants, Inc. as of December 31, 2000. The reserve value component of the merger value for each partnership is also set forth in Table 12 of Appendix A to this document. Pioneer and Pioneer USA believe it is appropriate to use the production costs, excluding those items affected by commodity prices such as production taxes and ad valorem taxes, assumed in the 2000 Williamson reserve report because such costs have been fairly stable and predictable over the last several years. However, Pioneer and Pioneer USA recalculated the economic limit, or point at which production would become unprofitable, otherwise assumed in the 2000 Williamson reserve report because that reserve report used NYMEX spot oil and gas prices as of December 31, 2000, which were $26.69 per Bbl of oil and $9.95 per Mcf of gas. In contrast, Pioneer and Pioneer USA used the pricing case as of March 30, 2001, as described below. Based on this pricing, production would not be profitable for as long of a period of time as assumed in the 2000 Williamson reserve report.

- Pioneer and Pioneer USA calculated the present value of estimated future net revenues for each partnership from the estimated reserves for each partnership at March 31, 2001. Pioneer and Pioneer USA used the following parameters: (1) a five-year NYMEX futures price for oil and gas as of March 30, 2001, with prices held constant after year five at the year five price, less standard industry adjustments, (2) historical operating costs adjusted only for those items affected by commodity prices, such as production taxes and ad valorem taxes, and (3) a discount rate of 13.5%. For 2001, the oil and gas prices were based on the average NYMEX futures price for the nine-month period beginning on April 1, 2001 and ending December 31, 2001. See the table on page 6 for the NYMEX futures prices. Pioneer and Pioneer USA believe that the five-year NYMEX futures prices provide a reasonable benchmark on the outlook for energy prices and are regularly used by financial markets, industry participants, and lenders in evaluating transactions.

    - The standard industry price adjustments include:

        (1) the effects of oil quality;

        (2) British thermal unit, or BTU, content for gas;

        (3) any bonus paid;

        (4) oil and gas gathering and transportation costs; and

        (5) gas processing costs and shrinkage.

      Those adjustments reflect assumptions about the costs to extract, transport and process, if necessary, crude oil, natural gas liquids and natural gas to their point of sale.

    - Pioneer and Pioneer USA believe the 13.5% discount rate is within the range of discount rates commonly used in the oil and gas industry in property acquisitions of producing properties, although it is higher than the 10% rate that the Securities and Exchange Commission requires for comparative purposes in the year-end reports of publicly owned oil and gas companies.

- Pioneer and Pioneer USA added the present value of the partnership's estimated future net revenues as of March 31, 2001 to the partnership's net working capital as of March 31, 2001. For purposes of illustration in this document, Pioneer and Pioneer USA calculated the net working capital portion of each merger value as of December 31, 2000. Pioneer and Pioneer USA intend to update each net working capital value as of March 31, 2001, before mailing this document to the limited partners. Since the merger value for each partnership includes net working capital, the merger value assigned to the partnership includes the partnership's assets and liabilities other than its oil and gas reserves. Each partnership's other assets and liabilities consist mainly of cash, accounts receivable from the sale of oil and gas production and accounts payable.

- The number of shares of Pioneer common stock to be issued to the limited partners of each partnership upon the merger of the partnership will be determined by dividing 75% of the merger value assigned to the partnership by the value of one share of Pioneer common stock determined as described below. For purposes of example in this document, a share of Pioneer common stock has been valued at an assumed average closing price of $18.00. However, on the closing date of the merger of each partnership, the value of a share of Pioneer common stock will be recalculated by computing the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for each partnership. This recalculated value, and not the assumed average closing price of $18.00 per share of Pioneer common stock, used for illustration purposes in this document and on each limited partner's voting form, will be used to determine the actual number of shares of Pioneer common stock to be issued in the merger of each partnership. The recalculated value may be more or less than the assumed average closing price of $18.00 per share of Pioneer common stock. Pioneer may abandon the proposed merger of any or all of the partnerships if an event occurs that causes or results in a material adverse effect, among other things, on the price of Pioneer common stock, on the market prices for oil and gas generally or on the oil and gas industry generally.

Distributions. No cash distributions will be made by any partnership to its partners after the distribution in March 2001 through the closing date or termination date of the merger of the partnership. The Pioneer common stock and the cash payment to be distributed as payment of the merger value of each participating partnership already reflect the expected amount of those distributions. However, any cash distributions by a nonparticipating partnership which would have been paid during that time period in the ordinary course of that partnership's business will be distributed to its partners at about the same time that the certificates representing Pioneer common stock and checks are mailed to the partners of each participating partnership.

Liabilities. Pioneer USA will assume all of the liabilities, including contingent liabilities and obligations, of each participating partnership as of the closing date of the merger of the partnership. As of the date of this document, Pioneer USA is not aware of any material contingent liabilities to which any partnership is subject.

Expenses. We have not reduced the merger value for any partnership for expenses of the transaction. Pioneer will pay those expenses.

ALLOCATION OF MERGER VALUE FOR EACH PARTNERSHIP AMONG PARTNERS OF THE PARTNERSHIP

In determining the portion of the merger value attributable to each $1,000 of initial limited partner investment in a partnership, Pioneer determined the amount payable per $1,000 investment as if the assets of the partnership had been sold on March 31, 2001 for cash equal to the merger value of the partnership and the proceeds distributed in accordance with the liquidation provisions of the partnership's partnership agreement. The limited partners of each participating partnership would receive the same amounts if the merger value of the partnership was allocated among the partners based on the revenue-sharing provisions of the partnership agreement except for each of the following partnerships which will receive more proceeds under the liquidation provisions of its respective partnership agreement due to certain prospect-by-prospect payout provisions not being met:

Parker & Parsley 81-I, Ltd.
Parker & Parsley 81-II, Ltd.
Parker & Parsley 82-I, Ltd.
Parker & Parsley 82-II, Ltd.
Parker & Parsley 82-III, Ltd.

OTHER METHODS OF DETERMINING MERGER VALUES

Pioneer and Pioneer USA believe that the method used to determine the merger value for each partnership is a fair and reasonable method of valuing the partnership's properties. Pioneer and Pioneer USA considered a number of alternative methods of determining the merger value for each partnership before selecting a method. However, the selected method might not accurately reflect the value of each partnership's assets. See "Risk Factors -- Risk Factors Relating to the Merger of Each Partnership -- The Merger Values Involve Estimates that Will Not Be Adjusted" on page 17. The following alternative methods for determining the merger value for each partnership should be taken into account in assessing the adequacy of the selected method.

Book Value of Assets. Pioneer and Pioneer USA did not base the calculation of merger value for each partnership on the net book value of the partnership's assets. The net book value of each partnership's assets are based upon the financial statements reported in accordance with generally accepted accounting principles. The net book value is not adjusted for estimates in changes in the fair market value of the assets. For this reason, Pioneer and Pioneer USA believe that the merger value for each partnership is more indicative of the fair market value of the assets of each partnership than the net book value of the partnership's assets. See the supplemental information table on the second page of the supplement for each partnership for the partnership's merger value and its book value, in each case per $1,000 limited partner investment. In all cases except Parker & Parsley 81-II, Ltd., the merger value is higher than the book value. For Parker & Parsley 81-II, Ltd., the merger value is lower than book value because of the long-lived nature of the oil and gas properties owned by Parker & Parsley 81-II, Ltd. The merger value of Parker & Parsley 81-II, Ltd. takes into account the discounting effect of owning long-lived oil and gas reserves that is not reflected in a book value computation for the partnership. Nonetheless, Pioneer USA has determined that the merger transaction is fair to the limited partners of Parker & Parsley 81-II, Ltd. for the reasons noted above.

Trading Price of Units. None of the partnership interests are traded on a national stock exchange or in any other significant market. Although some partnership interests are occasionally sold in private or an informal secondary market for limited partner securities, Pioneer and Pioneer USA believe any market for the partnership interests is not reliable as an indicator of value because any such market is highly illiquid and generally reflects an illiquidity discount. As a result, Pioneer and Pioneer USA did not base the calculation of the merger value for any partnership on recent trading prices of partnership interests in the partnership. See Table 15 of Appendix A for historical information about recent trades of partnership interests in each partnership.

Repurchase Offers. Pioneer and Pioneer USA did not base the calculation of the merger value for any partnership on the price of recent repurchase offers in the partnership. Most partnerships do not have a repurchase offer obligation, so no repurchase price information was available for those partnerships. Of the partnerships with a repurchase offer obligation, the most recent repurchase offers will be based on December 31, 2000 oil and gas prices. The merger value for each partnership with repurchase offer obligations is lower than the 2001 repurchase offer price for the partnership because the repurchase price was based on NYMEX oil and gas prices as of December 31, 2000, which were $26.69 per Bbl of oil and $9.95 per Mcf of gas. Pioneer and Pioneer USA believe that the repurchase obligation is not an indicator of fair value because it is calculated annually on December 31 using oil and gas prices for that specific day. The value determined under the repurchase obligation does not adequately reflect future demand and supply fundamentals which have historically resulted in significant volatility to oil and gas prices. See "Risk Factors -- Risk Factors Relating to the Merger of Each Partnership -- Repurchase Rights Terminate on Completion of the Mergers" on page 18 of this document and Table 8 of Appendix A to this document for information on each partnership with repurchase offer obligations.

Timing of Pricing. Oil and gas prices have recovered from NYMEX oil and gas prices of $12.00 per Bbl of oil and $2.00 per Mcf of gas as of December 31, 1998, to the five-year NYMEX futures prices for oil and gas as of March 30, 2001, set forth in the table on page 6 of this document. Pioneer and Pioneer USA used those recovered oil and gas prices to calculate the merger value for each partnership. Future oil and gas prices could be higher or lower than the prices on March 30, 2001 which were used in calculating the merger value for each partnership. Significant increases in future prices would increase cash available for distribution from each partnership and could, in retrospect, suggest that the merger value for such partnership was low by comparison. If those current prices were to continue to prevail in the future, the merger value for each partnership would appear low by comparison. In contrast, however, if those current prices decline in the future, the merger value for each partnership would appear high by comparison.

INFORMATION SOURCES

Pioneer and Pioneer USA used the records of Pioneer USA and each partnership to derive the information regarding:

- the ownership interests;
- prices being received or contracted for;

- costs;
- production;
- allocation of revenues and costs between classes of partners of each partnership;
- capital accounts of partners of each partnership; and
- other factual data used by Pioneer and Pioneer USA:
  - to prepare the estimate of proved reserves for each partnership;
  - to compute the merger value for each partnership; and
  - to determine the allocation among partners of each partnership of the Pioneer common stock and cash to be received.

While Pioneer and Pioneer USA have implemented procedures designed to verify some of this information, the nature and volume of data preclude verification of all information. In addition, information relating to prices, costs and production history frequently is estimated based on incomplete data and is subject to varying interpretations. Likewise, the provisions of some of the partnership agreements are subject to different interpretations. In allocating the merger value assigned to a partnership among its partners, Pioneer and Pioneer USA attempted to apply a reasonable interpretation of those provisions.

THE MERGER OF EACH PARTNERSHIP

GENERAL

Immediately before the effective time of the merger of each participating partnership, the partnership agreement for the partnership will be amended by the merger amendment to permit the merger of the partnership with and into us. At the effective time of the merger of each participating partnership, the partnership will be merged with and into us. We will be the surviving entity. In addition, at the effective time of the merger of each participating partnership, each of your partnership interests in the partnership will be converted into the right to receive Pioneer common stock and cash.

LEGAL OPINION FOR LIMITED PARTNERS

Each of the partnership agreements, except the partnership agreement for Parker & Parsley Producing Properties 88-A, L.P., requires that special legal counsel render an opinion on behalf of the limited partners of each partnership to Pioneer USA that neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners. In addition, the partnership agreement for each of the following partnerships requires an opinion that neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability:

Parker & Parsley 81-1, Ltd.	Parker & Parsley Selected 85 Private
Parker & Parsley 81-II, Ltd.	Parker & Parsley 86-A, Ltd.

Parker & Parsley 82-I, Ltd.
Parker & Parsley 82-II, Ltd.
Parker & Parsley 82-III, Ltd.
Parker & Parsley 83-A, Ltd.
Parker & Parsley 83-B, Ltd.
Parker & Parsley 84-A, Ltd.
Parker & Parsley 85-A, Ltd.
Parker & Parsley 85-B, Ltd.
Parker & Parsley Private Investment 85-A, Ltd.
Parker & Parsley 86-B, Ltd.
Parker & Parsley 86-C, Ltd.
Parker & Parsley Private Investment
Parker & Parsley 87-A Conv., Ltd.
Parker & Parsley 87-A, Ltd.
Parker & Parsley 87-B, Ltd.
Parker & Parsley Producing Propertie
Parker & Parsley Producing Propertie

For each of the partnerships, other than those listed below, the counsel designated to render the opinion described above must be counsel other than counsel to Pioneer USA or any partnership:

Parker & Parsley 88-A Conv., L.P.
Parker & Parsley 88-A, L.P.
Parker & Parsley 88-B Conv., L.P.
Parker & Parsley 88-B, L.P.
Parker & Parsley 88-C Conv., L.P.
Parker & Parsley 88-C, L.P.
Parker & Parsley Private Investment 88, L.P.
Parker & Parsley 89-A Conv., L.P.
Parker & Parsley 89-A, L.P.
Parker & Parsley 89-B Conv., L.P.
Parker & Parsley 89-B, L.P.
Parker & Parsley Private Investment 89, L.P.
Parker & Parsley 90-A Conv., L.P.
Parker & Parsley 90-A, L.P.
Parker & Parsley 90-B Conv., L.P.
Parker & Parsley 90-B, L.P.
Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 90-C, L.P.
Parker & Parsley Private Investment
Parker & Parsley 90 Spraberry Privat
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

In all cases, the designated counsel and the legal opinion must be approved by the limited partners of each partnership.

In all cases, Pioneer USA has retained of Dallas, Texas for the purpose of rendering the legal opinions described above on behalf of the limited partners of each partnership to Pioneer USA. is not affiliated to Pioneer, Pioneer USA or any of the partnerships. The merger proposals for each partnership include an approval of that counsel and the form of its opinion. See "The Special Meetings -- Time and Place; Purpose" on page 55 of this document. A copy of the opinion is attached as an exhibit to the merger proposals for each partnership.

DISTRIBUTION OF PIONEER COMMON STOCK AND CASH PAYMENT

Upon completion of the merger of each participating partnership, the partners of the partnership will have no continuing interest in, or rights as partners of, the partnership. The transfer books of each participating partnership will be closed on the closing date of the merger of the partnership. All partnership interests in each participating partnership will cease to be outstanding, will automatically be cancelled and retired, and will cease to exist. The certificates previously representing partnership interests in each participating partnership held by record partners will represent only the right to receive Pioneer common stock and cash.

We intend to mail certificates representing Pioneer common stock and checks to the partners of record of each participating partnership promptly following the effectiveness of the merger of the partnership in payment of the merger value for the partnership. Partners of each participating partnership will not be required to surrender partnership interest certificates to receive the Pioneer common stock and the cash payment.

FRACTIONAL SHARES

Pioneer will not issue fractional shares to any limited partner upon completion of the merger of any partnership. For each fractional share that would otherwise be issued, Pioneer will round any fractional shares of Pioneer common stock up to the nearest whole share and will reduce the cash payment to a limited partner of a participating partnership by the amount rounded up based on the average closing price per share used in determining the number of shares of Pioneer common stock to be offered.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material federal income tax consequences of a conversion of partnership interests into Pioneer common stock and cash pursuant to the merger of each participating partnership. The federal tax consequences of each merger will vary for each limited partner because of the different circumstances of each participating partnership and the individual federal income tax position of each limited partner.

The following discussion is based upon current law. Future legislative, judicial or administrative changes or interpretations could alter or modify the following statements and conclusions, and any of these changes or interpretations could be retroactive and could affect the tax consequences to the limited partners of each partnership.

The following discussion is not exhaustive of all possible tax consequences. It does not address any state, local or foreign tax consequences, nor does it discuss all of the aspects of federal income taxation that may be relevant to specific partners in light of their particular circumstances. The discussion below describes material federal income tax consequences applicable to individuals who are citizens or residents of the United States, and therefore has limited application to domestic corporations and persons subject to specialized federal income tax treatment, such as foreign persons, tax-exempt entities, regulated investment companies and insurance companies.

THE FOLLOWING DISCUSSION DOES NOT ADDRESS THE PARTICULAR FACTS AND CIRCUMSTANCES OF ANY PARTICULAR LIMITED PARTNER. YOU ARE ADVISED TO CONSULT YOUR OWN TAX ADVISOR TO DETERMINE ALL OF THE RELEVANT FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF EACH MERGER TO YOU.

Tax Consequences of a Conversion of Partnership Interests.

o Generally. As more fully described below, if you own partnership interests in a participating partnership, you will generally recognize an aggregate amount of net gain or loss equal to the difference between (1) the sum of the amount of cash and the fair market value of Pioneer common stock you receive in the merger of that partnership and (2) your adjusted tax basis in your partnership interests exclusive of any basis attributable to liabilities of the partnership immediately prior to the merger. That net gain or loss may be comprised of ordinary income or ordinary loss depending upon the extent of any recapture of depletion or intangible drilling and development costs and any appreciation or depreciation in the ordinary assets of the partnership. The recognition of ordinary income will decrease the capital gain component or increase the capital loss component of the net gain or loss otherwise recognizable as a consequence of the merger.

o Characterization of the Merger of Each Partnership. The merger of a participating partnership into Pioneer USA should be treated for federal income tax purposes as a sale by such partnership of its assets for Pioneer common stock and cash followed by a distribution of the Pioneer common stock and cash received in liquidation of the limited partnership interests. Under Section 613A of the Internal Revenue Code, each of the partners of such partnership must:

- maintain the partner's share of the basis in the partnership's oil and gas properties at the partner level;

- adjust such basis for depletion deductions; and

- use such basis to calculate gain or loss at the partner level on any sale by the partnership of its oil and gas properties.

Accordingly, each of the mergers should be generally treated for tax computation purposes as:

- a taxable sale by you of your interest in a participating partnership's oil and gas properties for Pioneer common stock and cash and the assumption of liabilities; and

- a taxable sale of any remaining partnership assets by the participating partnership for Pioneer common stock and cash followed by a liquidation of the participating partnership.

o Gain or Loss on Sale of Partnership Oil and Gas Properties. Upon the deemed sale of a partnership's oil and gas properties in the merger of the partnership, you will recognize gain or loss equal to the difference between:

- the portion of the partnership's "amount realized" on the sale of its oil and gas properties allocated to you; and

- your adjusted tax basis in the partnership oil and gas properties sold, which must be reduced to reflect depletion claimed during the current year in respect of production prior to the date of the merger.

The amount realized will include the amount of cash and the fair market value of Pioneer common stock received and the amount of any liability assumed by Pioneer USA in connection with the merger of the partnership which is attributable to the partnership's oil and gas properties. If gain is recognized on such sale, the portion of the gain that is treated as recapture of intangible drilling and development costs or depletion will be treated as ordinary income. See "Recapture of Intangible Drilling and Development Costs" and "Recapture of Depletion" below. The remainder of such gain generally will constitute "Section 1231 gain." If loss is recognized on such sale, such loss generally will constitute "Section 1231 loss." See "Section 1231 Gains and Losses" below. You must take into account your share of the portion of the gain that constitutes recapture income, if any, as ordinary income and must aggregate your share of the Section 1231 gains and losses along with the Section 1231 gains and losses you realize from other sources.

o Other Gain or Loss. You will also recognize your allocable share of the partnership's gain or loss, if any, on the deemed sale of its assets other than oil and gas properties. Such gain or loss will be equal to the difference between the amount realized by the partnership on the sale of such assets and the partnership's adjusted tax basis in such assets. Such gain or loss will be capital or ordinary depending on the nature of the assets sold.

Finally, in the event that the amount of cash and the fair market value of Pioneer common stock you receive in the merger of the partnership is more or less than the adjusted tax basis in your partnership interests, as adjusted to reflect gains and losses described in the two preceding paragraphs as well as the effects of the partnership's current year activities, then upon the deemed liquidation of a partnership, you will recognize capital gain or loss equal to the difference between such amounts. See "Tax Consequences of Partnership Operations" below.

You will be provided with information necessary to make the calculations described above for purposes of filing your own federal income tax return. In order to simplify your federal income tax reporting, this information will include a calculation of the amount and character of your gain on the deemed sale of the partnership's oil and gas properties based upon our estimates. You should verify the accuracy of these calculations based upon your own records.

o Section 1231 Gains and Losses. Generally, if the total amount of the Section 1231 gains exceeds the total amount of Section 1231 losses, all such gains and losses will be treated as capital gains and losses, and if the total amount of the Section 1231 losses exceeds the total amount of the gains, all such gains and losses will be treated as ordinary income and losses. However, your net Section 1231 gains will be treated as ordinary income to the extent of your net Section 1231 losses during the immediately preceding five years, reduced by any amount of net Section 1231 losses that have been previously "recaptured" by you pursuant to this rule.

o Recapture of Intangible Drilling and Development Costs. Generally, all or a portion of the amounts previously deducted for intangible drilling and development costs for a property must be recaptured upon the disposition of such property by treating the gain, if any, realized on such disposition as ordinary income to the extent of such amounts. For a property placed in service prior to 1987, the potential recapture amount is equal to the excess of the aggregate amounts previously deducted for intangible drilling and development costs for such property over the amount by which the deduction for depletion for such property would have been increased had the intangible drilling and development costs been capitalized and recovered through depletion rather than deducted in the year incurred. It should be noted that, if percentage depletion, rather than cost depletion, has been claimed for such property, the hypothetical capitalization of intangible drilling and development costs may result in little or no increase in depletion deductions and, as a consequence, most or all of the intangible drilling and development costs for such

property may be subject to recapture. For property placed in service during 1987 or thereafter, the full amount of intangible drilling and development costs previously deducted, unreduced by depletion, is subject to recapture to the extent of any gain.

o Recapture of Depletion. Upon the disposition of a property that was placed in service during 1987 or thereafter, all amounts previously deducted for depletion, whether cost depletion or percentage depletion, to the extent such amounts reduced the basis in the property, must be recaptured by treating the gain, if any, recognized on such disposition as ordinary income to the extent of such amounts. No such recapture rule is applicable to a property placed in service before 1987.

o Tax Rates. The capital gains rate for individuals and other non-corporate taxpayers is 20% if the capital asset has been held for more than one year at the time of consummation of the merger of each partnership. Corporate taxpayers are taxed at a maximum marginal rate of 35% for both capital gains and ordinary income. The maximum marginal federal income tax rate for ordinary income of individuals and other non-corporate taxpayers is 39.6%. Capital losses are deductible only to the extent of capital gains, except that, subject to the passive activity loss limitation discussed below, non-corporate taxpayers may deduct up to $3,000 of capital losses in excess of the amount of their capital gains against ordinary income. Excess capital losses generally can be carried forward to succeeding years. A corporation is permitted to carry back excess capital losses to the three preceding years, provided the carryback does not increase or produce a net operating loss for any of those years. A corporation's carryforward period is five years and a non-corporate taxpayer can carry such losses forward indefinitely.

o Passive Activity Loss Limitation. Under Section 469 of the Internal Revenue Code, any losses from any participating partnership that have been suspended under the passive loss rules will become fully deductible as a result of the merger of any such partnership.

FIRPTA Withholding. Gain recognized by a foreign limited partner on the sale by a participating partnership which is effectively connected with the conduct of a U.S. trade or business of its assets pursuant to the merger of the partnership will be subject to federal income tax. Gain realized on the sale of U.S. real property, including a participating partnership's oil and gas properties, is treated as effectively connected with the conduct of a U.S. trade or business for this purpose. Under Internal Revenue Code Section 1446, a participating partnership in which an interest is held by a foreign person generally is required to deduct and withhold a tax equal to the highest marginal federal income tax rate applicable to the partner multiplied by such partner's allocable share of effectively connected income. In order to comply with this requirement, each participating partnership will withhold the prescribed percentage of the effectively connected income allocated to you unless you properly complete and sign a certification of non-foreign status certifying your taxpayer identification number and address, and that you are not a foreign person. Amounts withheld will be creditable against a limited partner's federal income tax liability and, if in excess thereof, a refund may be obtained from the Internal Revenue Service by filing a U.S. income tax return.

Tax Consequences of Partnership Operations. The federal income tax consequences of the merger of each partnership, described above, are in addition to the tax consequences of a participating partnership for the taxable year ending on the closing date of the merger of the partnership. You must include your allocable share of a participating partnership's items of income, gain, loss, deduction and credit for that taxable year, including your allocable share through the closing date of the merger of the partnership, on your federal income tax return for that taxable year. That information will be provided to you on a Schedule K-1 as required by tax law. The results of partnership operations for such period will impact your tax basis in a participating partnership, and your computation of gain or loss resulting from the merger of the partnership.

ACCOUNTING TREATMENT

The merger of each participating partnership will be accounted for as a purchase under generally accepted accounting principles. Under those rules, Pioneer USA will record the assets and liabilities of each participating partnership on its books at its estimated fair market value.

EFFECT OF MERGER OF EACH PARTNERSHIP ON LIMITED PARTNERS WHO DO NOT VOTE IN FAVOR OF THE MERGER; NO APPRAISAL OR DISSENTERS' RIGHTS

You will be bound by the merger of each partnership in which you own an interest if the limited partners in the partnership vote a majority, or 66 2/3% for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of their partnership interests in favor of the merger, even if you vote against the merger or do not vote. If the merger of the partnership occurs, you will be entitled to receive only an amount of cash and Pioneer common stock based on the merger value of your partnership interests in the partnership. Under the laws of the State of Delaware and the State of Texas, which are the states of formation of the partnerships, you are not entitled to appraisal or dissenters' rights with respect to the merger of any partnership.

FUTURE OF NONPARTICIPATING PARTNERSHIPS

If the limited partners of a partnership do not approve the merger of that partnership, the partnership will remain in existence. Each nonparticipating partnership will continue to operate as a separate legal entity with its own assets and liabilities. There will be no immediate change in its business objectives, and Pioneer USA plans to continue to manage and operate each nonparticipating partnership in accordance with the terms of its current partnership agreement. A limited partner in a nonparticipating partnership will retain the rights, privileges and obligations that the limited partner currently has pursuant to the partnership agreement of the nonparticipating partnership. At about the same time that Pioneer USA mails certificates for Pioneer common stock and checks for the cash payment to the partners of each participating partnership in payment of the merger value for the partnership, Pioneer USA will mail any cash distributions that were delayed for administrative purposes prior to the completion of the merger of each participating partnership to the partners of each nonparticipating partnership.

Pioneer USA's board of directors will determine each nonparticipating partnership's business plan. In addition, the board of directors of each of Pioneer and Pioneer USA will decide what, if any, actions they will take with respect to each nonparticipating partnership. Potential activities may include a tender offer for partnership interests of limited partners or a proposal to acquire the assets of, or merge with, one or more of the nonparticipating partnerships. Such proposals may be on terms similar to or different from those of the merger of each partnership described in this document.

Pioneer USA plans to continue to manage each nonparticipating partnership until such partnership is dissolved or Pioneer USA is replaced as the general partner of such partnership. The replacement of Pioneer USA as general partner would require compliance with the partnership agreement of such nonparticipating partnership, including the requisite vote of the limited partners thereof. A nonparticipating partnership may be dissolved in the future in accordance with its partnership agreement if Pioneer USA or any substituted general partner withdraws from the nonparticipating partnership, or in some cases, otherwise elects to dissolve that partnership. Pioneer USA might withdraw from, or otherwise elect to dissolve, a nonparticipating partnership if Pioneer USA determines that the nonparticipating partnership's continued operation is uneconomical or its dissolution and liquidation are in the best interests of the partners of that partnership. Upon dissolution, the nonparticipating partnership's assets may be sold for cash or securities, which may be more or less than the merger value assigned to that partnership, or distributed in kind to the partners of the nonparticipating partnership. Any such sale may be to Pioneer or an affiliate of Pioneer and may involve cash or securities of Pioneer.

NONMANAGING GENERAL PARTNERS OF SOME PARTNERSHIPS

Eight of the partnerships described in this document have two general partners. In those eight partnerships, Pioneer USA is the managing general partner. The second general partner in those partnerships is a parallel partnership whose limited partners are former affiliates of Pioneer's predecessors. The names of the eight partnerships and the names of the nonmanaging general partner in each of those partnerships are:

PARTNERSHIP	NONMANAGING GENERAL PARTNER
Parker & Parsley 81-I, Ltd.	Parker & Parsley Employees 81-I, Ltd.
Parker & Parsley 81-II, Ltd.	Parker & Parsley Employees 81-II, Ltd.
Parker & Parsley 82-I, Ltd.	Parker & Parsley Employees 82-I, Ltd.
Parker & Parsley 82-II, Ltd.	Parker & Parsley Employees 82-II, Ltd.
Parker & Parsley 82-III, Ltd.	Parker & Parsley Employees 82-III, Ltd.
Parker & Parsley 83-A, Ltd.	Parker & Parsley Employees 83-A, Ltd.
Parker & Parsley 83-B, Ltd.	Parker & Parsley Employees 83-B, Ltd.
Parker & Parsley 84-A, Ltd.	Parker & Parsley Employees 84-A, Ltd.

Pioneer USA is the sole general partner of each of the nonmanaging general partners. In that capacity, Pioneer USA has authority:

- to cause the nonmanaging general partner to perform its obligations relating to the partnership described above; and

- to exercise on behalf of the nonmanaging general partner all of the rights and elections granted to the nonmanaging general partner by the partnership described above.

None of the nonmanaging general partners has the right to vote on the merger of any partnership. However, Pioneer USA, as the general partner of each nonmanaging general partner, has approved the merger of each partnership and the distribution of this document to the limited partners of each partnership and to the unaffiliated limited partners of each nonmanaging general partner, if any, of each partnership. The aggregate merger value attributable to the unaffiliated limited partners of the nonmanaging general partners is $196,026, consisting of

approximately 8,168 shares of Pioneer common stock in the aggregate and a cash payment of approximately $49,000 in the aggregate. Pioneer USA will not receive any Pioneer common stock or cash in any merger for its partnership interests in any nonmanaging general partner.

THIRD PARTY OFFERS

Pioneer USA will consider offers from third parties to purchase any partnership or its assets. Those who wish to make an offer for any partnership or its assets must demonstrate to Pioneer USA's reasonable satisfaction their financial ability and willingness to complete such a transaction. Before reviewing non-public information about a partnership, a third party will need to enter into a customary confidentiality agreement. Offers should be at prices and on terms that are fair to the partners of the partnership for which the offer is being made and more favorable to the unaffiliated limited partners than the prices and terms proposed for the merger of that partnership in this document. Pioneer reserves the right to match or top any such offer. Since first announcing our willingness to consider third party offers in September 1999, Pioneer USA has not received any third party offer for any partnership or its assets. Persons desiring to make an offer for any partnership should contact Timothy L. Dove or Mark L. Withrow, Board of Directors, Pioneer Natural Resources USA, Inc., 1400 Williams Square West, 5205 North O'Connor Boulevard, Irving, Texas 75039 by July 31, 2001.

MERGER AMENDMENT

In order to complete the merger of each partnership, the partnership agreement for the partnership requires an amendment to add a provision permitting the merger of the partnership with and into Pioneer USA. See the merger proposals, which include the merger amendment, set forth in Appendix D to this document. At the special meeting for each partnership, the limited partners of the partnership will vote upon the merger amendment, which, if approved, will be effective immediately prior to the effectiveness of the merger of the partnership.

TERMINATION OF REGISTRATION AND REPORTING REQUIREMENTS

As a result of the merger of each participating partnership, the partnership interests in the partnership, as well as the partnership itself, will cease to exist. Twenty-five of the partnerships described in this document have registered their partnership interests under, or are otherwise subject to the informational requirements of, the Securities Exchange Act of 1934. See "Where You Can Find More Information" for a list of those partnerships. Upon the completion of the merger of each reporting partnership, Pioneer USA intends to terminate:

- registration of the partnership interests of the partnership under the Securities Exchange Act of 1934; and

- the partnership's obligations to file reports and other information under the Securities Exchange Act of 1934.

Pioneer USA plans to cause each nonparticipating partnership that is also a reporting partnership to continue to file reports and other information under the Securities Exchange Act of 1934. However, Pioneer USA's board of directors could determine in the future to cause each such partnership to terminate its reporting obligations as permitted by federal securities laws.

The advantages of remaining registered, or remaining obligated to file reports, under the Securities Exchange Act of 1934 include the informational and reporting requirements under that act, including requirements related to tender offers, proxy solicitation and consents and insiders' transactions in partnership interests. Those reporting requirements may provide limited partners with more detailed information on a more frequent basis than might otherwise be required under the partnership agreement for the partnership. In addition, a partnership's filings under the Securities Exchange Act of 1934 are available to the public over the Internet at the SEC's web site at http://www.sec.gov and are also available at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois.

The disadvantages of remaining registered, or remaining obligated to file reports, include the partnership's cost to prepare and distribute the various reports and other information required under the Securities Exchange Act of 1934. Deregistering the partnership interests of a nonparticipating partnership or otherwise terminating its filing and reporting obligations could reduce that partnership's general and administrative expenses because the reporting obligations of the partnership under its partnership agreement require annual and semi-annual reports, but not quarterly reports.

ELIMINATION OF A FAIRNESS OPINION REQUIREMENT THAT WOULD OTHERWISE BENEFIT PIONEER USA

Pioneer USA, as the sole general partner of each of Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., is entitled to receive an opinion as to the fairness of the proposed merger transaction to Pioneer USA in its capacity as sole general partner of each of those partnerships. However, since Pioneer and Pioneer USA are the parties making the offer for the proposed merger transaction, Pioneer USA will not seek such fairness opinion. In

addition, Pioneer USA, as the sole general partner of each of those two partnerships, is entitled to amend, and Pioneer USA will amend, the partnership agreement for the partnership to eliminate the requirement for such fairness opinion for Pioneer USA in connection with the proposed merger of the partnership.

SOURCE OF FUNDS

Pioneer USA will need approximately $27.5 million in the aggregate to complete the mergers for all of the partnerships. Pioneer USA will borrow that amount from Pioneer as an intercompany loan. Pioneer USA plans to repay that intercompany loan with cash flows from operations. Immediately after completion of the merger of each participating partnership, the cash portion of the working capital in the partnership will be used to repay a portion of the intercompany loan. There are no material conditions to the intercompany loan other than it is conditioned upon the occurrence of the proposed merger transaction. Pioneer USA does not have any alternative financing arrangements or financing plans in the event such intercompany loan falls through.

Pioneer, in turn, will obtain such funds from its credit facility agreement with a syndicate of banks, including Bank of America, N.A. and Credit Suisse First Boston. Pioneer plans to repay amounts borrowed under its credit facility with cash flows from operations. As of December 31, 2000, the outstanding borrowings due under Pioneer's credit facility were $225.0 million, and the borrowing capacity available under Pioneer's credit facility was $575.0 million. Such borrowings bear interest, at Pioneer's option, based on:

- a base rate equal to the eurodollar margin then in effect (125 basis points as of December 31, 2000) less 125 basis points plus the higher of (1) the prime rate of Bank of America, N.A., which was 9.50% at December 31, 2000, or (2) a rate per annum based on the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System (6.50% at December 31, 2000), plus 50 basis points;

- a eurodollar rate, substantially equal to the London Interbank Offered Rate, or LIBOR, plus the eurodollar margin then in effect based on a grid of Pioneer's debt ratings and its total leverage ratio, which is the ratio of Pioneer's total debt to earnings before gain or loss on the disposition of assets, interest expense, depreciation, depletion and amortization expense, income taxes, exploration expense and other noncash expenses; or

- for aggregate advances not exceeding $50 million, a fixed rate as quoted by the lending banks at Pioneer's request.

Eurodollar rate borrowings under Pioneer's credit facility have periodic maturities, at Pioneer's option, of one, two, three, six, nine or 12 months. Pioneer's obligations under its credit facility are secured by a guaranty of certain United States subsidiaries of Pioneer and a pledge of a portion of the capital stock of foreign subsidiaries of Pioneer. For purposes of its credit facility those subsidiaries have been designated by Pioneer as restricted subsidiaries.

The terms of Pioneer's credit facility also contain various restrictive covenants and compliance requirements, which include:

- limits on the incurrence of additional indebtedness;
- restrictions as to merger, sale or transfer of assets without the banks' prior consent; and
- the maintenance of leverage ratios.

For example, Pioneer must maintain (1) a total leverage ratio not to exceed 4.00 to 1.00 through September 30, 2002, and 3.75 to 1.00 thereafter, (2) an annual ratio of the net present value of Pioneer's oil and gas properties to total debt of at least 1.25 to 1.00, (3) limitations on Pioneer's total debt and (4) restrictions on some types of payments.

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PAYMENT OF EXPENSES AND FEES

Pioneer will pay all expenses and fees of the merger of each partnership even if the merger of the partnership is not completed. Pioneer estimates that its aggregate expenses will be as follows:

Filing fee with SEC	$ 20,500
Legal fees	350,000
Accounting fees	50,000
Financial advisor fees	350,000
Independent petroleum consultant fees	25,000
Printing and mailing fees	900,000
Information agent fees and solicitation and tabulation expenses	225,000
Miscellaneous	12,300
Total expenses	$ 1,932,800

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THE MERGER AGREEMENT

The following describes the material terms of the merger agreement. Pioneer and Pioneer USA expect to sign the merger agreement after the Securities and Exchange Commission clears this document for mailing to the limited partners of each partnership. The full text of the form of the merger agreement is attached as Appendix E to this document and is incorporated by reference in this document. We encourage you to read the entire merger agreement.

STRUCTURE; EFFECTIVE TIME

The merger agreement provides for the merger of each participating partnership with and into Pioneer USA, with Pioneer USA surviving each merger. Each merger will become effective at the time of the filing of the certificate of merger for each participating partnership with the Secretary of State of the State of Delaware and, for each participating partnership formed in Texas, with the Secretary of State of the State of Texas. Each certificate of merger is expected to be filed as soon as practicable after the last condition precedent to the related merger set forth in the merger agreement has been satisfied or waived. We estimate that the closing of the merger of each partnership will be in July 2001.

EFFECTS OF THE MERGERS

As a result of the merger of each participating partnership, the partners in the partnership will have no continuing interest in that partnership. Following the merger of each participating partnership, there will be no trading market for the partnership interests in, and no further distributions paid to the former partners of, the partnership. In addition, following the consummation of the merger of each participating partnership that is also a reporting partnership, the registration of any partnership interests in the partnership under the Securities Exchange Act of 1934 will be terminated.

CONDUCT OF BUSINESS PRIOR TO THE MERGERS

From the date of the merger agreement until the effective time of the merger of each partnership, each partnership is required:

- to conduct its business only in the ordinary course consistent with past practice; and

- to use its reasonable best efforts:

  - to preserve intact its business organization;

  - to keep available the services of its officers, employees and consultants; and

  - to preserve its relationships with customers, suppliers and other persons with which it has significant business dealings.

Pioneer USA has suspended cash distributions to the partners of each partnership until after the effective time of the merger of the partnership. Partners of each nonparticipating partnership will receive cash distributions that are delayed for administrative purposes at the same time Pioneer USA mails certificates for Pioneer common stock and checks to the partners of each participating partnership in payment of merger value for each partnership.

OTHER AGREEMENTS

Special Meetings; Proxies. Pioneer USA has agreed to cause the special meeting of the limited partners of each partnership to be duly called and held as soon as reasonably practicable for the purpose of voting on the approval and adoption of the merger proposals for the partnership. Pioneer USA has also agreed to use its reasonable best efforts to solicit from the limited partners of each partnership proxies in favor of the merger proposals and to take all other action necessary or advisable to secure any vote or consent of the limited partners of the partnership required by the partnership agreement of the partnership or the merger agreement or by law in connection with the merger of the partnership.

Reasonable Commercial Efforts. Each party has agreed to use all reasonable commercial efforts:

- to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings; and

- to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate as promptly as practicable the transactions contemplated by the merger agreement.

REPRESENTATIONS AND WARRANTIES OF PIONEER, PIONEER USA AND EACH PARTNERSHIP

The merger agreement contains substantially reciprocal representations and warranties of Pioneer, Pioneer USA and each of the partnerships, including the following matters:

- due organization or formation, standing, corporate or partnership power and qualification;

- absence of any conflict, breach, notice requirement or default under organizational documents and material agreements as a result of each contemplated merger;

- authority to enter into and the validity and enforceability of the merger agreement;

- absence of any material adverse change since March 31, 2001; and

- accuracy of information.

In addition, the merger agreement contains representations and warranties by:

- each of the partnerships as to capitalization;

- each of Pioneer and each reporting partnership, as to the absence in its reports filed with the SEC of any untrue statement of a material fact or any omission to state a material fact necessary to make the statements in such reports not misleading;

- each of Pioneer and each partnership, that its financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and fairly present its financial condition and results of operations; and

- Pioneer USA as to its capacity as the managing or sole general partner of each partnership and as the sole general partner of each nonmanaging general partner.

CONDITIONS TO THE MERGER OF EACH PARTNERSHIP

Conditions to the Obligations of Each Party. The obligations of Pioneer, Pioneer USA and each partnership to complete the merger of the partnership are dependent on the satisfaction of the following conditions:

- the merger agreement shall have been approved by the requisite vote of the limited partners of the partnership entitled to vote at the partnership's special meeting;

- Pioneer USA shall have received the fairness opinion from Stanger that, as of the date of that opinion, that the merger value for each partnership and the allocation of the merger value of the partnership (1) to the limited partners of the partnership as a group, (2) to the general partners of the partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the partnership, (4) to the unaffiliated limited partners of the partnership as a group and (5) to the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership as a group, is fair to the unaffiliated limited partners of the partnership and the unaffiliated limited partners of the nonmanaging general partner, if any, of the partnership, from a financial point of view;

- Pioneer USA shall have received the opinion of counsel to the limited partners of each partnership that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability;

- the absence of any law, regulation, judgment, injunction, order or decree that would prohibit the consummation of any merger;

- the absence of any pending suit, action or proceeding challenging the legality or any aspect of the merger of any partnership or the transactions related to the merger;

- the authorization for listing on the New York Stock Exchange and the Toronto Stock Exchange upon official issuance of notice shall have been received for the shares of Pioneer common stock to be issued upon the merger of each partnership;

- all material filings and registrations with, and notifications to, third parties shall have been made and all material approvals and consents of third parties shall have been received; and

- the absence of any opinion of counsel that the exercise by the limited partners of each partnership of the right to approve the merger of the partnership is not permitted by state law.

Conditions to the Obligations of Pioneer. The obligations of Pioneer to complete the merger of each partnership are further subject to the satisfaction of the following conditions:

- each of Pioneer USA and each partnership having performed in all material respects its agreements contained in the merger agreement; and

- the representations and warranties of Pioneer USA and each partnership being true and correct in all material respects at the closing date of the merger of the partnership as if made at that time unless they relate to another specified time.

Conditions to the Obligations of Pioneer USA and Each Partnership. The obligations of Pioneer USA and each partnership to complete the merger of the partnership are further subject to the satisfaction of the following conditions:

- Pioneer having performed in all material respects its agreements contained in the merger agreement; and

- the representations and warranties of Pioneer being true and correct in all material respects at the closing date of the merger of the partnership as if made at that time unless they relate to another specified time.

TERMINATION OF THE MERGER AGREEMENT AND THE MERGER OF ANY PARTNERSHIP

The merger agreement may be terminated and the merger of any partnership abandoned at any time prior to the effective time, whether before or after approval by the limited partners:

- by the mutual written consent of the parties;

- by any party, if:

  - any applicable law, rule or regulation makes consummation of any merger illegal or otherwise prohibited or any final and non-appealable judgment, injunction, order or decree enjoining any party from consummating any merger is entered;

  - the requisite limited partner approval for a partnership is not obtained by a vote at the special meeting for the partnership or at any adjournment or postponement of the special meeting; or

  - any suit, action or proceeding is filed against Pioneer, Pioneer USA, any partnership or any officer, director or affiliate of Pioneer or Pioneer USA challenging the legality or any aspect of the merger of any partnership or the transactions related to the merger;

- by Pioneer, if Pioneer USA or any partnership is in material breach of the merger agreement;

- by Pioneer USA or any partnership as to that partnership's merger, if Pioneer is in material breach of the merger agreement;

- by Pioneer USA, if Pioneer USA's board of directors determines that termination of the merger agreement is required in order for the board to comply with its fiduciary duties; or

- by Pioneer, if there shall have occurred any event, circumstance, condition, development or occurrence causing, resulting in or having, or reasonably expected to cause, result in or have, a material adverse effect (1) on any partnership's business, operations, properties, taken as a whole, condition, financial or otherwise, results of operations, assets, taken as a whole, liabilities, cash flows or prospects, (2) on market prices for oil and gas prevailing generally in the oil and gas industry since the date of determination of the oil and gas commodity prices used in the determination of the merger value for each partnership, (3) on the price of Pioneer common stock or (4) on the oil and gas industry generally.

If the merger agreement is validly terminated or the merger of any partnership is abandoned, none of Pioneer, Pioneer USA nor any such partnership shall have any liabilities or obligations to the other parties based on the merger agreement or such merger except:

- o Pioneer will pay all expenses and fees of each partnership in connection with the merger of that partnership incurred before the termination of the merger agreement or abandonment of the merger of the partnership; and

- o a party will be liable if that party is in breach of the merger agreement.

AMENDMENTS; WAIVERS

Any provision of the merger agreement may be amended prior to the effective time if the amendment is in writing and signed by Pioneer and Pioneer USA; provided, that after the approval of the merger proposals by the limited partners of each partnership, no amendment shall, without the further approval of the limited partners of each partnership:

- o adversely change the type or amount of, or the method of determining, the consideration to be received in exchange for any partnership interests in the partnership; or

- o materially and adversely affect the rights of the limited partners of the partnership, other than a termination of the merger agreement or abandonment of the merger of the partnership.

Prior to the effective time, the parties may:

- o extend the time for the performance of any of the obligations of the parties;

- o waive any inaccuracies in the representations and warranties in the merger agreement or in a document delivered pursuant to the merger agreement; and

- o waive compliance with any agreement or condition in the merger agreement.

Any such extension or waiver will be valid only if it is in writing and signed by the party against whom the extension or waiver is to be effective.

THE SPECIAL MEETINGS

TIME AND PLACE; PURPOSE

The special meeting of the limited partners of each partnership will be held on   , 2001, at 10:00 a.m., at the Dallas Marriott Las Colinas Hotel, Irving, Texas 75039. The purpose of each special meeting, and any adjournment or postponement of the special meeting for each partnership, is for the limited partners of each partnership to consider and vote on the following matters:

o A proposal to approve an Agreement and Plan of Merger dated as of , 2001, to be effective as of the closing date, among Pioneer, Pioneer USA and each of the partnerships. Each partnership that approves this proposal will merge with and into Pioneer USA, with Pioneer USA surviving the merger. Each partnership interest of a participating partnership will be converted into Pioneer common stock and an amount of cash. The number of shares of common stock Pioneer will offer and the amount of cash to be paid for all partnership interests of a participating partnership will be based on (1) the participating partnership's merger value and (2) the average closing price of the Pioneer common stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for the partnership. The merger value for a participating partnership is equal to the sum of the present value of estimated future net revenues from the partnership's oil and gas reserves and its net working capital, in each case as of March 31, 2001. For purposes of illustration in this document, we have calculated the merger value based on each partnership's working capital as of December 31, 2000, and the number of shares to be issued based on an assumed average closing price of $18.00 per share of Pioneer common stock. We will update the calculation of the merger value using the March 31, 2001 working capital of each partnership before mailing this document to the limited partners, and prior to the date of the special meeting for each partnership, we will update the number of shares to be issued using the actual average closing price of Pioneer common stock for the ten trading days ending three business days before the date of the special meeting. The Pioneer common stock and the cash payment will be allocated among the partners based on the liquidation provisions of each partnership agreement. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in the participating partnerships. However, as a result of each merger, Pioneer USA will own 100% of the properties of each participating partnership, including properties attributable to its partnership interests in those partnerships.

o A proposal to amend the partnership agreement of each partnership to permit the partnership's merger with Pioneer USA. If the amendment is not approved, that partnership cannot merge into Pioneer USA even if the partners of that partnership approve the merger agreement.

o A proposal (A) to approve the opinion issued to Pioneer USA by on behalf of the limited partners of each partnership that neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners (1) will result in the loss of any limited partner's limited liability or (2) will adversely affect the federal income tax classification of the partnership or any of its limited partners and (B) to approve the selection of as special legal counsel for the limited partners of each partnership to render such legal opinion.

o Other business that properly comes before the special meeting or any adjournments or postponements of the special meeting. Pioneer USA is not aware of any other business for the special meeting.

The Delaware Revised Uniform Limited Partnership Act and the Texas Revised Limited Partnership Act require limited partner approval and adoption of the merger agreement and the merger amendment. Generally, the partnership agreement of each partnership requires that special legal counsel for the limited partners render its legal opinion related to the limited partners' approval of the merger of that partnership. See "The Merger of Each Partnership -- Legal Opinion for Limited Partners" on page 43 of this document.

PIONEER USA'S BOARD OF DIRECTORS UNANIMOUSLY DETERMINED THAT THE MERGER OF EACH PARTNERSHIP IS ADVISABLE, FAIR TO THE UNAFFILIATED LIMITED PARTNERS OF THE PARTNERSHIP, AND IN THEIR BEST INTERESTS. THE BOARD RECOMMENDS THAT THE

UNAFFILIATED LIMITED PARTNERS VOTE FOR THE MERGER PROPOSALS FOR EACH PARTNERSHIP IN WHICH THEY OWN AN INTEREST. ALTHOUGH PIONEER USA'S BOARD OF DIRECTORS HAS ATTEMPTED TO FULFILL ITS FIDUCIARY DUTIES TO THE LIMITED PARTNERS OF EACH PARTNERSHIP, PIONEER USA'S BOARD OF DIRECTORS HAD CONFLICTING INTERESTS IN EVALUATING EACH MERGER BECAUSE EACH MEMBER OF ITS BOARD OF DIRECTORS IS ALSO AN OFFICER OF PIONEER.

RECORD DATE; VOTING RIGHTS AND PROXIES

Only limited partners of record of each partnership at the close of business on , 2001 are entitled to notice of and to vote at the special meeting for the partnership in which they own partnership interests, or any adjournments or postponements of such special meeting. Pioneer USA is entitled to vote partnership interests it holds as a limited partner in all of the partnerships except:

Parker & Parsley 85-A, Ltd.
Parker & Parsley 85-B, Ltd.
Parker & Parsley Private Investment 85-A, Ltd.
Parker & Parsley Selected 85 Private Investment, Ltd.
Parker & Parsley Private Investment 86, Ltd.
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

Pioneer USA's affiliates are also entitled to vote partnership interests they hold as limited partners in all but the seven partnerships listed above. However, no affiliates of Pioneer USA own such interests. See "Ownership of Partnership Interests" on page 61 of this document.

Limited partners of record of each partnership are entitled to vote at the partnership's special meeting based on the limited partners' respective percentage of partnership interests in the partnership. Each limited partner will receive a proxy card for all partnerships in which that limited partner holds partnership interests. The proxy card will indicate the amount of Pioneer common stock and cash offered with respect to such partnership interests in each partnership. Although the number of shares of Pioneer common stock offered as shown on the proxy card may change, the value of Pioneer common stock offered as shown on the proxy card will not be adjusted. The percentage of partnership interests that a limited partner holds in a partnership is determined by comparing the amount of the limited partner's initial investment, including any additional assessments, in the partnership to the total investment of all partners, including any additional assessments, in the partnership. The aggregate initial investment, including any additional assessments, in each of the partnerships by the limited partners is set forth in Table 1 of Appendix A.

A limited partner of record may grant a proxy to vote for or against, or may abstain from voting on, the merger proposals applicable to each of the partnerships in which the limited partner holds partnership interests. To be effective for purposes of granting a proxy to vote on the merger proposals applicable to each partnership, a proxy card must be properly completed, executed and delivered to Pioneer USA in person or by mail, telegraph, telex or facsimile before the special meeting for the partnership. All partnership interests represented by properly executed proxies will, unless these proxies have been previously revoked, be voted in accordance with the instructions indicated in these proxies. If no instructions are indicated, the partnership interests will be voted for approval and adoption of the merger proposals. A properly executed proxy card for a partnership marked abstain is counted as present for purposes of determining the presence or absence of a quorum at the special meeting for the partnership, but will not be voted. Accordingly, abstentions will have the same effect as a vote against the merger proposals.

Unrevoked proxies granted in the proxy cards for a partnership will be voted at the special meeting for that partnership or at any adjournment or postponement of the special meeting, if received by Pioneer USA before the special meeting for the partnership. Proxies granted in the proxy cards for a partnership will remain valid until the completion of the special meeting for the partnership. Each partnership agreement requires that a meeting be held within 60 days of the date of mailing of the notice of meeting. None of the partnership agreements specifically addresses, and Pioneer USA has not sought any opinions of counsel as to, whether proxies may be voted at a meeting originally scheduled to be held within 60 days of the sending of the notice and adjourned or postponed to a date more than 60 days after the date of notice. Pioneer USA will not accept a vote of the limited partners of any partnership in such circumstances unless it receives an opinion of counsel that such a vote would be valid.

The inspector of election appointed for the special meeting for each partnership will tabulate the votes cast by proxy or in person at the special meeting.

Pioneer USA does not know of any matters other than the approval of the merger proposals for each partnership that are to come before the special meeting for the partnership. If any other matter or matters are properly presented for action at the special meeting for each partnership, the persons named in the enclosed form of proxy and acting under the proxy will have the discretion to vote on those matters in accordance with their best judgment.

REVOCATION OF PROXIES

You may revoke a proxy you have given at any time before that proxy is voted at the special meeting for each partnership in which you own an interest by:

- giving written notice of revocation to Pioneer USA;

- signing and returning a later dated proxy; or

- voting in person at the special meeting.

Your notice of revocation will not be effective until Pioneer USA receives it at or before the special meeting for each partnership in which you own an interest. Your presence at any such special meeting will not automatically

revoke your proxy in a proxy card. Revocation during any such special meeting will not affect votes previously taken.

You may deliver your written notice of revocation in person or by mail, telegraph, telex, or facsimile. Any written notice of revocation must specify your name and limited partner number as shown on your proxy card and the name of the partnership to which your revocation relates.

SOLICITATION OF PROXIES

We are soliciting your proxy pursuant to this document. Pioneer will pay all expenses, including those described below, incurred in connection with solicitation of the enclosed proxy.

Pioneer USA has retained to assist in the solicitation of proxies from the limited partners of each partnership. The total fees and expenses of are estimated to aggregate $225,000 and will be paid by Pioneer. In addition to solicitation by use of the mail, proxies may be solicited by , by other outside contractors and by directors, officers and employees of Pioneer and Pioneer USA in person or by telephone, telegram, facsimile or e-mail. Pioneer will pay the fees and expenses of any outside contractors which may be retained to solicit proxies, which fees and expenses are estimated to aggregate $. The directors, officers and employees will not be additionally compensated, but may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation.

Arrangements may also be made with other brokerage firms, banks, custodians, nominees and fiduciaries for the forwarding of proxy solicitation materials to owners of limited partnership interests held of record by those persons. Pioneer will reimburse those persons for reasonable expenses incurred in forwarding those materials.

Pioneer USA has also retained to act as information agent to perform consulting, administration and clerical work with respect to the merger of each partnership. Pioneer USA has agreed to indemnify against certain liabilities, including liabilities under the federal securities laws. will also be responsible for the receipt and tabulation of the proxy cards. The fees and expenses of for its services as information agent and tabulator are included in the aggregate amount set forth above.

We intend to mail certificates representing shares of Pioneer common stock and checks for the cash payment to the partners of record of each participating partnership promptly after completing the merger of that partnership. Certificates representing partnership interests will be automatically canceled, and you will not have to surrender your certificates to receive the Pioneer common stock and cash payment.

QUORUM

The presence in person or by properly executed proxy of a majority of limited partnership interests entitled to vote in each partnership is necessary to constitute a quorum at that partnership's special meeting.

If a quorum is not present at any special meeting, the limited partners entitled to vote who are present or represented by proxy at that special meeting may adjourn or postpone that special meeting without notice until a quorum is present. If a quorum is present at the adjourned or postponed meeting, any business may be transacted that may have been transacted at the special meeting had a quorum originally been present. If the adjournment or postponement is for more than 30 days or if after the adjournment or postponement a new record date is fixed for the adjourned or postponed meeting, a notice of the adjourned or postponed meeting shall be given to each limited partner of record entitled to vote at the adjourned or postponed meeting. The persons named as proxies intend to vote in favor of any motion to adjourn or postpone the special meeting of any partnership if, prior to the special meeting, they have not received sufficient proxies to approve the merger of the partnership as described in this document. This process will be repeated at any adjourned or postponed meeting until sufficient proxies to vote in favor of the merger of the partnership have been received or it appears that sufficient proxies will not be received.

REQUIRED VOTE; BROKER NON-VOTES

Approval of the merger proposals for each partnership requires the affirmative vote of the limited partners holding a majority of limited partnership interests in that partnership, except that Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. each require the favorable vote of the holders, other than Pioneer USA, of 66 2/3% of its limited partnership interests to approve those merger proposals. Pioneer USA is entitled to vote its partnership interests on the merger proposals for each partnership except as set forth under "The Special Meetings -- Record Date; Voting Rights and Proxies" on page 55. Therefore, approval of at least a majority, and for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., at least 66 2/3%, of the unaffiliated limited partners is not required to approve the merger proposals except for the partnerships listed under "The Special Meetings -- Record Date; Voting Rights and Proxies" on page 55 of this document, in which Pioneer USA has no voting rights.

Brokers, if any, who hold partnership interests in street name for customers have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, these brokers are precluded from exercising their voting discretion with respect to the approval and adoption of non-routine matters such as the merger proposals and thus, absent specific instructions from the beneficial owner of the partnership interests, brokers are not empowered to vote the partnership interests with respect to the merger proposals. These "broker non-votes" will have the effect of a vote against the merger proposals.

PARTICIPATION BY ASSIGNEES

Pioneer USA has the discretionary authority granted to it under each partnership agreement to withhold its consent to the substitution of any assignees as partners of the partnership. To facilitate the notification given to limited partners of each partnership about the merger of the partnership, Pioneer USA intends to exercise that authority and withhold its consent to the substitution of any assignees as partners of the partnership from the date on which this document is initially filed with the SEC until the earlier to occur of the closing date of the merger of the partnership, or the termination or abandonment of the transaction by Pioneer and Pioneer USA.

SPECIAL REQUIREMENTS FOR SOME LIMITED PARTNERS

Pioneer USA may require that any proxy card executed by an entity, such as a trust, corporation, or partnership, be accompanied by evidence or an opinion of counsel that such entity:

- has met all requirements of its governing instruments; and
- is authorized to execute and deliver the proxy card under the laws of the jurisdiction under which the entity was organized.

Pioneer USA will require the named trustee and the beneficial owner of trusts, including individual retirement accounts, to execute the proxy card. In some cases, Pioneer USA may provide a limited partner with an envelope, pre-addressed to his individual retirement account trustee, so that the limited partner may forward his executed proxy card to the trustee for the trustee's signature, if necessary, and subsequent delivery to Pioneer USA. Delivery of a proxy card to the trustee, with or without the use of a pre-addressed envelope, and delivery of a proxy card from the trustee to Pioneer USA are at the risk of the limited partner.

VALIDITY OF PROXY CARDS

A proxy card will not be valid unless it has been properly completed and executed and timely delivered to Pioneer USA's information agent with all other required documents. Pioneer USA will determine all questions as to the validity, form, eligibility, time of receipt and acceptance of a proxy card and its determination will be final and binding. Pioneer USA's interpretation of the terms and conditions of the merger of each partnership, including the instructions for the proxy card, will also be final and binding.

A proxy card will not be valid until any irregularities have been cured or waived. If Pioneer USA does not waive the irregularities, it will return the defective proxy card to the limited partner as soon as practicable. Pioneer USA is under no duty to give notification of defects in a proxy card and will incur no liability if it fails to give such notification.

Delivery of a proxy card is at the risk of the limited partner. A proxy card will be effective for purposes of voting only when it is actually received by Pioneer USA's information agent. To ensure receipt of the proxy card and all other required documents, Pioneer USA suggests that limited partners use overnight courier delivery or certified or registered mail, return receipt requested.

LOCAL LAWS

Proxy solicitations will not be made to, nor will proxy cards be accepted from, limited partners of any partnership in any jurisdiction in which the solicitations would not be in compliance with federal and state securities or other laws.

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

The table below sets forth, for the calendar quarters indicated, the reported high and low closing prices of Pioneer common stock as reported on the New York Stock Exchange Composite Transaction Tape, in each case based on published financial sources. Pioneer's board of directors did not declare dividends to the holders of Pioneer common stock during 1999, 2000 or the three months ended March 31, 2001. None of the partnership interests of any partnership are traded on a national stock exchange or in any other significant market. No liquid market exists for interests in any of the partnerships. See Table 15 of Appendix A for historical information about recent trades per $1,000 limited partner investment in each partnership for the three months ended March 31, 2001 and the years ended December 31, 2000 and 1999. The average quarterly cash distributions per $1,000 limited partner investment in each partnership for 1999, 2000 and the year-to-date in 2001 are set forth in Table 7 of Appendix A.

On April 16, 2001, the last full trading day prior to the announcement of the proposed merger of each partnership, Pioneer common stock closed at $17.27 per share. On   , 2001, Pioneer common stock closed at $ per share.

	PIONEER COMMON STOCK MARKET PRICE	
	HIGH	LOW

2001		
First quarter	$ 20.24	$ 15.45
2000		
Fourth quarter	20.63	12.44
Third quarter	16.06	10.63
Second quarter	15.63	9.00
First quarter	10.75	6.75
1999		
Fourth quarter	11.50	7.63
Third quarter	12.81	9.38
Second quarter	13.19	7.06
First quarter	9.75	5.00

We urge the limited partners of each partnership to obtain current market quotations prior to making any decision with respect to the merger of the partnership.

INTERESTS OF PIONEER, PIONEER USA AND THEIR DIRECTORS AND OFFICERS

A number of conflicts of interest are inherent in the relationships among each partnership, Pioneer, Pioneer USA and their respective directors and officers.

CONFLICTING DUTIES OF PIONEER USA, INDIVIDUALLY AND AS GENERAL PARTNER

Pioneer USA, as general partner of each partnership, has a duty to manage each partnership in the best interests of the limited partners. Pioneer USA also has a duty to operate its business for the benefit of its sole stockholder, Pioneer. Consequently, Pioneer USA's duties to the limited partners of each partnership may conflict with its duties to Pioneer.

The members of the board of directors of Pioneer USA have a duty to cause Pioneer USA to manage each partnership in the best interests of the limited partners. All members of the board of directors of Pioneer USA are officers of Pioneer and Pioneer USA. Thus, the members of the board of directors of Pioneer USA have duties to operate Pioneer USA's business for the benefit of its sole stockholder, Pioneer, and, as officers of Pioneer, to operate Pioneer's business in its best interests. Consequently, the duties of the members of the board of directors of Pioneer USA to the limited partners may conflict with the duties of those members to Pioneer, Pioneer USA and their stockholders.

Neither Pioneer nor Pioneer USA retained an independent representative to negotiate on behalf of the limited partners of each partnership because:

- neither the partnership agreement for any partnership nor any applicable law provides for any procedure to identify and select an independent representative, unless each limited partner of the partnership agrees to the independent representative;

- Pioneer USA, as sole or managing general partner of each partnership, still has its fiduciary duty to the limited partners; and

- it would be (1) cost-prohibitive to find one or more persons to represent the limited partners in all of the partnerships because no one other than Pioneer USA owns an interest in all of the partnerships and (2) impractical to have 46 independent representatives.

PIONEER USA'S EMPLOYEES PROVIDE SERVICES TO THE PARTNERSHIPS

None of the partnerships currently has any employees. Each partnership relies on Pioneer USA's personnel. Pioneer USA provides all management functions on behalf of each partnership. Therefore, each partnership currently competes with Pioneer USA for the time and resources of Pioneer USA's employees.

FINANCIAL INTERESTS OF DIRECTORS AND OFFICERS

The directors and officers of Pioneer and Pioneer USA have equity interests in Pioneer through stock ownership, stock options and other stock-based compensation, but do not have financial or equity interests in any partnership. See "Ownership of Partnership Interests" on page 61. The boards of directors of Pioneer and Pioneer USA believe that any economic benefit their directors and officers may obtain from the merger of each partnership will be minimal, if any, and will not result in a material economic benefit, if any, to their directors and officers individually.

THE PARTNERSHIPS PAY OPERATOR FEES TO PIONEER USA

Pioneer USA operates most of each partnership's wells. Each partnership has entered into one or more standard industry operating agreements with Pioneer USA. Those operating agreements establish the base fee paid by the partnership to Pioneer USA for its lease operating services. That base fee adjusts annually based on a rate established by the Council of Petroleum Accountants Society, or COPAS, for the oil and gas industry.

OWNERSHIP OF PARTNERSHIP INTERESTS

Pioneer does not directly own any partnership interests in any partnership. Pioneer beneficially owns all of Pioneer USA's partnership interests in each partnership. Table 6 of Appendix A to this document contains the voting percentage as of March 31, 2001, of the outstanding limited partnership interests for each partnership that are beneficially owned by Pioneer USA as a limited partner. As of March 31, 2001, no person or entity known by Pioneer USA beneficially owns more than 5% of the outstanding limited partnership interests in any partnership, except in Parker & Parsley 81-I, Ltd., Parker & Parsley 82-I, Ltd. and Parker and Parsley 82-III, Ltd. In those partnerships, Pioneer USA repurchased and now owns partnership interests representing the following beneficial ownership percentages:

Parker & Parsley 81-I, Ltd.	5.84%
Parker & Parsley 82-1, Ltd.	10.73%
Parker & Parsley 82-III, Ltd.	5.97%

Pioneer USA has sole investment and voting power with respect to partnership interests it beneficially owns.

Except as set forth above, none of Pioneer, Pioneer USA, or, to the knowledge of Pioneer USA, any of their directors or executive officers, or any associate or majority-owned subsidiary of Pioneer, Pioneer USA or any such director or officer:

- o beneficially owns any partnership interests of any partnership; or

- o has effected any transactions in any partnership interests of any partnership during the past 60 days.

TRANSACTIONS AMONG THE PARTNERSHIPS, PIONEER, PIONEER USA AND THEIR DIRECTORS AND OFFICERS

Except as described in this document, there have not been any transactions, negotiations or material contacts between Pioneer, Pioneer USA, any of their respective subsidiaries, or, to the knowledge of Pioneer and Pioneer USA, any director or executive officer of Pioneer or Pioneer USA or any associate of any such persons, on the one hand, and any partnership or any of its general partners, including Pioneer USA, directors, officers or affiliates, on the other hand, that are required to be disclosed pursuant to the rules and regulations of the SEC. Except as described in this document, none of Pioneer, Pioneer USA, or, to the knowledge of Pioneer and Pioneer USA, any director or executive officer of Pioneer or Pioneer USA, has any agreement, arrangement or understanding with any other person with respect to any securities of any partnership.

During March 2001, Pioneer offered to acquire all of the direct oil and gas interests owned by some former officers and employees of Pioneer and Pioneer USA in properties in which Pioneer and Pioneer USA own interests. The terms of those purchases and the method of establishing the purchase price payable to such individuals are the same as those used to determine the reserve value portion of the merger value for each partnership described in this document, except that the NYMEX futures prices were as of a different date in March 2001, and the consideration to be paid in the purchases of the direct oil and gas interests is all cash since offering and registering Pioneer common stock in those purchases is cost-prohibitive due to the small size of such transactions. Similarly, during 2000, Pioneer purchased all of the direct oil and gas interests held by Scott D. Sheffield, its chairman of the board of directors and chief executive officer, for $0.2 million.

Additionally, in December 2000, Pioneer received the approval of the partners of 13 employee limited partnerships to merge with Pioneer USA for aggregate merger consideration of $2.0 million. Of the total merger consideration, $0.3 million was paid to current Pioneer employees. The terms of those mergers and the method of establishing the merger values for those partnerships were the same as those used to determine the merger value for each partnership described in this document, except that the NYMEX futures prices were as of August 25, 2000, and the consideration paid in those mergers was all cash. As with the purchases of the direct oil and gas interests described above, offering and registering Pioneer common stock in those mergers was cost-prohibitive due to the small size of such transaction.

If you approve the merger of each partnership in which you own an interest, there are various ways that Pioneer USA may use the properties. Pioneer USA may continue to operate the properties, it may sell the properties to third parties, including a royalty trust, or it may spin-off the properties to its stockholder. Although Pioneer USA plans to operate the properties in the immediate future following completion of the merger of each partnership, it has not decided how to use the properties in the long-term.

MANAGEMENT

PIONEER

The following information sets forth the age, business experience during the past five years, positions and offices with Pioneer, and periods of service of each director and executive officer of Pioneer.

NAME	AGE	POSITION
Scott D. Sheffield	48	Chairman of the Board of Directors, Presi Executive Officer
Timothy L. Dove	44	Executive Vice President and Chief Financ
Dennis E. Fagerstone	52	Executive Vice President
Mark L. Withrow	53	Executive Vice President, General Counsel
Danny L. Kellum	46	Executive Vice President -- Domestic Oper
James R. Baroffio	69	Director
R. Hartwell Gardner	66	Director
James L. Houghton	70	Director
Jerry P. Jones	69	Director
Charles E. Ramsey, Jr.	64	Director
Robert L. Stillwell	64	Director

Scott D. Sheffield. Mr. Sheffield, a distinguished graduate of the University of Texas with a Bachelor of Science degree in Petroleum Engineering, has been the Chairman of the Board of Directors of Pioneer since August 1999 and the President and Chief Executive Officer of Pioneer since August 1997. He was the President and a director of Parker & Parsley Petroleum Company since May 1990 and was the Chairman of the Board of Directors and Chief Executive Officer of Parker & Parsley Petroleum Company since October 1990. Mr. Sheffield was the sole director of Parker & Parsley Petroleum Company from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company, a predecessor of Parker & Parsley Petroleum Company, as a petroleum engineer in 1979. Mr. Sheffield served as Vice President -- Engineering of Parker & Parsley Development Company from September 1981 until April 1985, when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board of Directors and Chief Executive Officer of Parker & Parsley Development Company. Before joining Parker & Parsley Development Company 's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove, a graduate of Massachusetts Institute of Technology with a Bachelor of Science degree in Mechanical Engineering and the University of Chicago with an M.B.A., has been Executive Vice President and Chief Financial Officer of Pioneer since February 2000. He was Executive Vice President -- Business Development of Pioneer from August 1997 until February 2000. Mr. Dove joined Parker & Parsley Petroleum Company in May 1994 as Vice President -- International and was promoted to Senior Vice President -- Business Development in October 1996, in which position he served until August 1997. Before joining Parker & Parsley Petroleum Company, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp., in various capacities in international exploration and production, marketing, refining, and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, has been an Executive Vice President of Pioneer since August 1997. Mr. Fagerstone served as Executive Vice President and Chief Operating Officer of MESA Inc. from March 1997 until August 1997. Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of MESA Inc. from October 1996 to February 1997, and served as Vice President -- Exploration and Production of MESA Inc. from May 1991 to October 1996. Mr. Fagerstone served as Vice President -- Operations of MESA Inc. from June 1988 until May 1991.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a Bachelor of Science degree in Accounting and Texas Tech University with a J.D. degree, has been the Executive Vice President, General Counsel and Secretary of Pioneer since August 1997. He served as Vice President -- General Counsel of Parker & Parsley Petroleum Company from February 1991 until January 1995, and served as Senior Vice President and General Counsel of Parker & Parsley Petroleum Company from January 1995 until August 1997. He was Parker & Parsley Petroleum Company's Secretary from August 1992 until August 1997. Mr. Withrow joined Parker & Parsley Development Company in January 1991. Before joining Parker & Parsley Development Company, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny L. Kellum. Mr. Kellum, a graduate of Texas Tech University with a Bachelor of Science degree in Petroleum Engineering in 1979, has been Executive Vice President -- Domestic Operations of Pioneer since May 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations. From August 1997 until December 1999, Mr. Kellum served as Vice President -- Permian Division. Mr. Kellum served as Spraberry District Manager for Parker & Parsley Petroleum Company from 1989 until 1994 and as Vice President of

the Spraberry and Permian Divisions for Parker & Parsley Petroleum Company until August of 1997. He joined Parker & Parsley Petroleum Company in 1981 as Operations Engineer after a brief career with Mobil Oil Corporation.

James R. Baroffio. Dr. Baroffio received a B.A. in Geology at the College of Wooster, Ohio, an M.S. in Geology at Ohio State University, and a Ph.D. in Geology at the University of Illinois. Before becoming a director of Pioneer in December 1997, Dr. Baroffio enjoyed a long career with Standard Oil Company of California, the predecessor of Chevron Corporation, where he served as President, Chevron Research and Technology Center from 1980 to 1985 and eventually retired as President of Chevron Canada Resources in 1994. Dr. Baroffio was a member of the Board of Directors of the Rocky Mountain Oil & Gas Association and Chairman of the U.S. National Committee of the World Petroleum Congress. His community leadership positions included membership on the Board of Directors of Glenbow Museum and the Nature Conservancy of Canada, as well as serving as President of the Alberta Nature Conservancy.

R. Hartwell Gardner. Mr. Gardner, a graduate of Colgate University with a Bachelor of Arts degree in Economics and Harvard University with an M.B.A., became a director of Pioneer in August 1997. He served as a director of Parker & Parsley Petroleum Company from November 1995 until August 1997. Until October 1995, Mr. Gardner was the Treasurer of Mobil Oil Corporation and Mobil Corporation from 1974 and 1976, respectively. Mr. Gardner is a member of the Financial Executives Institute of which he served as Chairman in 1986/1987 and is a Director of Oil Investment Corporation Ltd. and Oil Casualty Investment Corporation Ltd., Pembroke, Bermuda.

James L. Houghton. Mr. Houghton is a certified public accountant and a graduate of Kansas University with a Bachelor of Science degree in Accounting, as well as a Bachelor of Laws degree. Mr. Houghton has served as a director of Pioneer since August 1997, and as a director of Parker & Parsley Petroleum Company from October 1991 until August 1997. Until October 1991, Mr. Houghton was the lead oil and gas tax specialist for the accounting firm of Ernst & Young LLP, was a member of Ernst & Young's National Energy Group, and had served as its Southwest Regional Director of Tax. Mr. Houghton is a member of the American Institute of Certified Public Accountants, a member of the Oklahoma Society of Certified Public Accountants, a former Chairman of its Federal and Oklahoma Taxation Committee and past President of the Oklahoma Institute of Taxation. He has also served as a Director for the Independent Petroleum Association of America and as a member of its Tax Committee.

Jerry P. Jones. Mr. Jones earned a Bachelor of Science degree from West Texas State College in 1953 and a Bachelor of Law degree from the University of Texas School of Law in 1959. Mr. Jones has served as a director of Pioneer since August 1997, and as a director of Parker & Parsley Petroleum Company from May 1991 until August 1997. Mr. Jones has been an attorney with the law firm of Thompson & Knight, P.C., Dallas, Texas, since September 1959 and was a shareholder in that firm until January 1998, when he retired and became of counsel to the firm. Mr. Jones specialized in civil litigation, especially in the area of energy disputes.

Charles E. Ramsey, Jr. Mr. Ramsey is a graduate of the Colorado School of Mines with a Petroleum Engineering degree and a graduate of the Smaller Company Management program at the Harvard Graduate School of Business Administration. Mr. Ramsey has served as a director of Pioneer since August 1997. Mr. Ramsey served as a director of Parker & Parsley Petroleum Company from October 1991 until August 1997. Since October 1991, he has operated an independent management and financial consulting firm. From June 1958 until June 1986, Mr. Ramsey held various engineering and management positions in the oil and gas industry and, for six years before October 1991, was a Senior Vice President in the Corporate Finance Department of Dean Witter Reynolds Inc. in Dallas, Texas. His industry experience includes 12 years of senior management experience in the positions of President, Chief Executive Officer and Executive Officer and Executive Vice President of May Petroleum Inc. Mr. Ramsey is also a former director of MBank Dallas, the Dallas Petroleum Club and Lear Petroleum Corporation.

Robert L. Stillwell. Mr. Stillwell, a graduate of the University of Texas with a B.B.A. and the University of Texas School of Law with a J.D., has served as a director of Pioneer since August 1997. He served as a director of MESA Inc. from January 1992 until August 1997, as a member of the Advisory Committee of Mesa, L.P., a predecessor of MESA Inc., from December 1985 until December 1991, and as a director of MESA Inc. in its original corporate form from 1968 until January 1987. Mr. Stillwell has been a partner in the law firm of Baker & Botts, L.L.P., Houston, Texas, for more than five years.

PIONEER USA

The following information sets forth the age, business experience during the past five years, positions and offices with Pioneer USA, and periods of service of each director and executive officer of Pioneer USA.

NAME	AGE	POSITION
Scott D. Sheffield	48	President

Timothy L. Dove	44	Director, Executive Vice President and Chief Financial Officer
Dennis E. Fagerstone	52	Director and Executive Vice President
Mark L. Withrow	53	Director, Executive Vice President, General Counsel and Secretary
Danny L. Kellum	46	Director and Executive Vice President

Scott D. Sheffield. Mr. Sheffield has been the President of Pioneer USA since August 1997 and served as the Chairman of the Board of Directors of Pioneer USA from August 1997 until June 1999. He served as a Director of Pioneer USA's predecessor, Parker & Parsley Petroleum USA, Inc., from January 1991 until August 1997. He was an Executive Vice President of Parker & Parsley Petroleum USA, Inc. from December 1995 until August 1997. He was the President of Parker & Parsley Petroleum USA, Inc. from December 1993 until December 1995. Mr. Sheffield was President and Chief Executive Officer of Parker & Parsley Petroleum USA, Inc. from January 1991 until December 1993. Mr. Sheffield's other business experience and biographical information are set forth above under "Management -- Pioneer."

Timothy L. Dove. Mr. Dove has been a Director of Pioneer USA since August 1997 and has been Executive Vice President and Chief Financial Officer of Pioneer USA since February 2000. He was the Executive Vice President -- Business Development of Pioneer USA from August 1997 until February 2000. He served as a Director of Parker & Parsley Petroleum USA, Inc. from June 1997 until August 1997. He was a Senior Vice President of Parker & Parsley Petroleum USA, Inc. from October 1996 until August 1997. He was a Vice President of Parker & Parsley Petroleum USA, Inc. from December 1995 until October 1996. Mr. Dove's other business experience and biographical information are set forth above under "Management -- Pioneer."

Dennis E. Fagerstone. Mr. Fagerstone has been a Director of Pioneer USA since August 1997 and an Executive Vice President of Pioneer USA since August 1997. Mr. Fagerstone's other business experience and biographical information are set forth above under "Management -- Pioneer."

Mark L. Withrow. Mr. Withrow has been a Director of Pioneer USA since August 1997. He became an Executive Vice President, the General Counsel and the Secretary of Pioneer USA in August 1997. He served as a Director of Parker & Parsley Petroleum USA, Inc. from January 1996 until August 1997. He was a Senior Vice President and the Secretary of Parker & Parsley Petroleum USA, Inc. from January 1995 until August 1997. He was a Vice President and the Secretary of Parker & Parsley Petroleum USA, Inc. from December 1993 until January 1995. He was a Vice President of Parker & Parsley Petroleum USA, Inc. from January 1991 until December 1993. Mr. Withrow's other business experience and biographical information are set forth above under "Management -- Pioneer."

Danny L. Kellum. Mr. Kellum has been a Director of Pioneer USA since February 2000, and has been Executive Vice President of Pioneer USA since May 2000. He served as Vice President -- Domestic Operations of Pioneer USA from January 2000 until May 2000, as Vice President -- Permian Division of Pioneer USA from April 1998 until December 1999 and as Vice President -- Spraberry Division of Pioneer USA from December 1997 until March 1998. Mr. Kellum's other business experience and biographical information are set forth above under "Management -- Pioneer."

PIONEER

Pioneer is a large independent exploration and production company with total proved reserves equivalent to 3.8 trillion cubic feet of natural gas, or 628 million barrels of oil. Pioneer's proved reserves are balanced equally between natural gas and oil, and Pioneer has a reserves-to-production ratio of 14 years. Three core areas in the United States comprise 67% of Pioneer's reserve base: the Hugoton gas field, the West Panhandle gas field, and the Spraberry oil and natural gas field. Pioneer also has domestic properties in East Texas, the Gulf Coast, and the offshore Gulf of Mexico as well as a significant international presence through its properties in Argentina, Canada, South Africa, and Gabon.

Pioneer seeks to increase net asset value and production by combining lower risk development drilling with higher risk exploration activity. Pioneer has identified over 1,700 development drilling locations on its properties in the U.S., Argentina and Canada. Pioneer's exploration program is focused in the deepwater Gulf of Mexico, the Gulf Coast shelf, South Africa and Gabon. Pioneer expects significant new production from the deepwater Gulf of Mexico and South Africa in 2002 and 2003 as it builds on its recent exploration successes in those areas. The production from Pioneer's long-lived reserves in the Spraberry, Hugoton and West Panhandle fields are expected to provide stable cash flows to fund Pioneer's development and exploration activities.

During 2000, Pioneer spent $340 million for capital expenditures to add 437 billion cubic feet of natural gas equivalent reserves. As a consequence, in 2000 Pioneer replaced 167% of its production at an all-in finding and development cost of $.78 per Mcf equivalent. Pioneer drilled 296 wells with 90% success worldwide, including 83 exploration and extension wells with 73% success.

For 2001, Pioneer has budgeted $430 million of capital expenditures, a 26% increase over 2000 capital expenditures but less than expected available cash flow. Approximately 73% of the 2001 capital expenditure budget is for development activities with the remaining 27% for exploration. Pioneer plans to drill approximately 460 development wells and 26 exploratory wells in its 2001 program, and approximately 65% of the capital expenditures will be for drilling activities in the U.S.

KEY PROJECTS TO INCREASE PRODUCTION

Pioneer expects to increase its production of oil and gas from current levels by 25% to 30% on a gas equivalent basis by early to mid 2003, primarily from four projects. The projects in general build on Pioneer's recent exploration successes.

- The Canyon Express project is a joint development of three deepwater Gulf of Mexico discoveries, including Pioneer's Aconcagua and Camden Hills fields. The project is being developed with a capacity to deliver 500 million cubic feet of natural gas per day by the summer of 2002. Pioneer owns an 18% interest in the Canyon Express project and expects that production from the project will increase Pioneer's North American natural gas production by 30% from current levels.

- Pioneer's first well in offshore South Africa confirmed the presence of commercial oil reserves and resulted in Pioneer's plans to develop the Sable oil field. First production from the field is expected in late 2002 or early 2003 at daily rates of 25 to 30 thousand barrels per day. Pioneer has a 35% working interest in the field, and production from the project is expected to increase Pioneer's total oil production by more than 20%. Pioneer has also discovered oil and natural gas at its Boomslang prospect in offshore South Africa and plans a second well on the prospect later in 2001.

- The Devils Tower discovery was Pioneer's second in the deepwater Gulf of Mexico. The oil field has been successfully appraised, and development plans call for first production in early 2003 with additional drilling planned this year. Pioneer has a 25% working interest in the field, and production from the field is expected to increase Pioneer's total oil production by approximately 20% from current levels.

- In the East Texas Bossier natural gas play, Pioneer holds interests in over 130,000 acres and plans to drill or participate in over 35 wells during 2001. The play's strong initial natural gas flow rates are expected to provide significant new production growth.

MORE INFORMATION

Pioneer's business, and its expectations about its future, are subject to many risks. A more complete description of Pioneer, its business, and risks is found in the reports that Pioneer files with the SEC. Please see "Where You Can Find More Information" on page 74 of this document. Please also read "Risks Associated with an Investment in Pioneer" under the caption "Risk Factors" beginning on page 17 of this document.

THE PARTNERSHIPS

GENERAL

Pioneer USA's predecessor, Parker & Parsley Petroleum USA, Inc. or its predecessors or affiliates, sponsored each partnership. As a result of the merger of Parker & Parsley Petroleum Company and MESA Inc. to form Pioneer on August 7, 1997, Pioneer USA became the managing or sole general partner of each partnership.

Appendix A to this document sets forth information about each partnership, including proved reserves, oil and gas production, average sales prices and production costs, productive wells and developed acreage, and historical cash distributions. In addition, the supplement for each partnership constitutes an integral part of this document. You should read Appendix A and the supplement carefully in their entirety.

THE DRILLING PARTNERSHIPS

The drilling partnerships consist of the following 43 limited partnerships that were formed from 1981 through 1991:

NAME	STATE OF FORMATION
Parker & Parsley 81-I, Ltd.	Texas
Parker & Parsley 81-II, Ltd.	Texas
Parker & Parsley 82-I, Ltd.	Texas
Parker & Parsley 82-II, Ltd.	Texas
Parker & Parsley 82-III, Ltd.	Texas
Parker & Parsley 83-A, Ltd.	Texas
Parker & Parsley 83-B, Ltd.	Texas
Parker & Parsley 84-A, Ltd.	Texas

Parker & Parsley 85-A, Ltd.	Texas
Parker & Parsley 85-B, Ltd.	Texas
Parker & Parsley Private Investment 85-A, Ltd.	Texas
Parker & Parsley Selected 85 Private Investment, Ltd.	Texas
Parker & Parsley 86-A, Ltd.	Texas
Parker & Parsley 86-B, Ltd.	Texas
Parker & Parsley 86-C, Ltd.	Texas
Parker & Parsley Private Investment 86, Ltd.	Texas
Parker & Parsley 87-A Conv., Ltd.	Texas
Parker & Parsley 87-A, Ltd.	Texas
Parker & Parsley 87-B Conv., Ltd.	Texas
Parker & Parsley 87-B, Ltd.	Texas
Parker & Parsley Private Investment 87, Ltd.	Texas
Parker & Parsley 88-A Conv., L.P.	Delaware
Parker & Parsley 88-A, L.P.	Delaware
Parker & Parsley 88-B Conv., L.P.	Delaware
Parker & Parsley 88-B L.P.	Delaware
Parker & Parsley 88-C Conv., L.P.	Delaware
Parker & Parsley 88-C, L.P.	Delaware
Parker & Parsley Private Investment 88, L.P.	Delaware
Parker & Parsley 89-A Conv., L.P.	Delaware
Parker & Parsley 89-A, L.P.	Delaware
Parker & Parsley 89-B Conv., L.P.	Delaware
Parker & Parsley 89-B, L.P.	Delaware
Parker & Parsley Private Investment 89, L.P.	Delaware
Parker & Parsley 90-A Conv., L.P.	Delaware
Parker & Parsley 90-A, L.P.	Delaware
Parker & Parsley 90-B Conv., L.P.	Delaware
Parker & Parsley 90-B, L.P.	Delaware
Parker & Parsley 90-C Conv., L.P.	Delaware
Parker & Parsley 90-C, L.P.	Delaware
Parker & Parsley Private Investment 90, L.P.	Delaware

NAME	STATE OF FORMATION
Parker & Parsley 90 Spraberry Private Development, L.P.	Delaware
Parker & Parsley 91-A, L.P.	Delaware
Parker & Parsley 91-B, L.P.	Delaware

Each drilling partnership was formed to establish long-lived oil and gas reserves primarily by drilling low-risk development wells in the Spraberry field of the Permian Basin of West Texas. The oil and gas properties of each drilling partnership consist primarily of leasehold interests in producing properties located in Texas. The partners of a drilling partnership received a tax benefit from drilling activities in the partnership's first year. Subsequently, each drilling partnership has regularly distributed its net cash flow. As of the date of this document, each drilling partnership has expended all of its initial capital contributions.

For a discussion of transactions between each drilling partnership and Pioneer USA, see the notes to the financial statements of each drilling partnership included in the supplement for the partnership.

THE INCOME PARTNERSHIPS

The income partnerships consist of the following three limited partnerships that were formed in 1987 and 1988:

NAME	STATE OF FORMATION
Parker & Parsley Producing Properties 87-A, Ltd.	Texas
Parker & Parsley Producing Properties 87-B, Ltd.	Texas
Parker & Parsley Producing Properties 88-A, L.P.	Delaware

The primary objective of each income partnership was to acquire long-lived, producing oil and gas properties in the Spraberry Field of the Permian Basin of West Texas. Subsequently, each income partnership has regularly distributed its net cash flow. As of the date of this document, each income partnership has expended all of its initial capital contributions.

For a discussion of transactions between each income partnership and Pioneer USA, see the notes to the financial statements of each income partnership included in the supplement for the partnership.

COMPARISON OF RIGHTS OF STOCKHOLDERS AND PARTNERS

GENERAL

The rights of Pioneer stockholders are currently governed by the Delaware General Corporation Law and the certificate of incorporation and bylaws of Pioneer. The rights of the limited partners of each partnership are currently governed by the Delaware Revised Uniform Limited Partnership Act or the Texas Revised Limited Partnership Act and, in either case, the partnership agreement of the partnership. Accordingly, on completion of the merger of each partnership, the rights of Pioneer stockholders and of limited partners who become Pioneer stockholders in the merger of their partnerships will be governed by the Delaware General Corporation Law, Pioneer's certificate of incorporation and Pioneer's bylaws. The following is a summary of the material differences between the current rights of Pioneer stockholders and those of the limited partners of each partnership.

The following summary of the material differences between the Pioneer certificate of incorporation, the Pioneer bylaws and the partnership agreement for each partnership may not contain all the information that is important to you. To review all provisions and differences of such documents in full detail, please read the full text of these documents, the Delaware General Corporation Law, the Delaware Revised Uniform Limited Partnership Act and the Texas Revised Limited Partnership Act. Copies of the Pioneer certificate of incorporation, the Pioneer bylaws and the partnership agreement for each partnership in which you own an interest will be sent to you upon request. For information on how these documents may be obtained, see "Where You Can Find More Information" on page 74.

Pioneer's certificate of incorporation and bylaws will not be amended in conjunction with the merger of any partnership.

SUMMARY COMPARISON OF TERMS OF SHARES OF PIONEER COMMON STOCK AND PARTNERSHIP

INTERESTS

SHARES	PARTNERSHIP INTERES
LIQUIDITY AND MARKETABILITY	
Shares of Pioneer common stock are generally freely transferable. The shares of Pioneer common stock that are currently outstanding are traded on the New York Stock Exchange and the Toronto Stock Exchange, and the shares of Pioneer common stock to be issued in the merger of each participating partnership have been approved for listing on the New York Stock Exchange and the Toronto Stock Exchange upon official notice of issuance.	The partnership interests of each pa be transferred if, in the opinion of partnership, (1) such transfers woul termination of the partnership for f purposes under Section 708 of the In Code, or (2) such transfers may not registration under the Securities Ac result in the violation of any appli securities laws. Clause (1) is not Parker & Parsley 85-A, Ltd., Parker Ltd., Parker & Parsley Private Inves Parker & Parsley Selected 85 Private Parker & Parsley Private Investment Parsley 87-A Conv., Ltd., Parker & P Parker & Parsley 87-B Conv., Ltd. an 87-B, Ltd. and Parker & Parsley Priv Ltd. In addition, no transferee of a interest has the right to become a s partner unless, among other things, is approved by Pioneer USA, who may such consent in its absolute discret the foregoing restrictions, it was n the partnership interests would be a broad-based secondary market for the interests of any partnership exists.

SHARES	PARTNERSHIP INTERES
RIGHTS OF REPURCHASE	
Pioneer's stockholders have no right to present their shares of Pioneer common stock for repurchase by Pioneer or any other person.	Within the time periods specified in agreements of Parker & Parsley 82-I, Parsley 82-II, Ltd., Parker & Parsle Parker & Parsley 83-A, Ltd., Parker Ltd. and Parker & Parsley 84-A, Ltd. partner of any of those partnerships or, subject to some limitations, par partnership interests in the partner USA for repurchase in accordance wit agreement for the partnership. See "

Risk Factors Relating to the Merger
Partnership -- Repurchase Rights Ter
Completion of the Mergers." A compar
value for each of these partnerships
repurchase prices in 2001 is set for
Appendix A.

MANAGEMENT, MANAGEMENT LIABILITY AND INDEMNIFICATION

Pioneer is managed by a board of directors elected by its stockholders. Under Delaware law, the directors are accountable to Pioneer and its stockholders as fiduciaries and are required to perform their duties (1) in good faith, (2) in a manner believed to be in the best interests of Pioneer and its stockholders and (3) with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The liability of the directors is limited pursuant to the provisions of Delaware law and Pioneer's certificate of incorporation, which limits a director's liability for monetary damages to Pioneer or its stockholders for breach of the director's duty of care, where a director fails to exercise sufficient care in carrying out the responsibilities of office. Such provisions, however, would not protect a director for (1) a breach of duty of loyalty, (2) intentional misconduct or knowing violations of law, (3) unlawful dividend payments or redemption of stock, or (4) any transaction in which the director derived an improper personal benefit. Such provisions do not foreclose any other remedy which might be available to Pioneer or its stockholders. Pioneer's certificate of incorporation and Delaware law provide broad indemnification rights to directors and officers who

- o act in good faith,
- o in a manner reasonably believed to be in or not opposed to the best interests of Pioneer and,
- o with respect to criminal actions or proceedings, without reasonable cause to believe their conduct was unlawful.

Each of the partnerships is managed b
generally has exclusive authority ove
partnership's operations. The limited
participate in management of the part
Delaware and Texas law, Pioneer USA a
general partners of any of the partne
accountable to the partnership as fid
consequently are required to exercise
integrity in all of their dealings wi
affairs of the partnership. Under Tex
as applicable, Pioneer USA and any no
partners of any of the partnerships h
payment of partnership obligations an
limitations upon such liability are e
the obligation. The partnership agree
partnership provides generally that P
nonmanaging general partners of the p
some cases, their affiliates will be
losses relating to acts performed or
performed in good faith and in the be
partnership; provided that the conduc
such nonmanaging general partner or a
applicable, did not constitute neglig
Pioneer USA and any nonmanaging gener
partnership may be removed by an affi
limited partners holding a majority o
limited partnership interests in the
provided, that an opinion of counsel
partners and acceptable to the partne
the partnership to the effect that th
rights by the limited partners (1) wi
loss of the limited partners' limited
will not adversely affect the tax sta
partnership, Pioneer USA or the other

SHARES	PARTNERSHIP INTERES

Pioneer's certificate of incorporation also requires Pioneer to indemnify its officers and directors under some circumstances for expenses or liabilities incurred as a result of litigation. In addition, Pioneer's certificate of incorporation authorizes Pioneer to advance expenses incurred in the defense of its directors and officers. Pioneer intends to take full advantage of those provisions and has entered into agreements with Pioneer's directors and officers indemnifying them to the fullest extent permitted by Delaware law.

MANAGEMENT CONTROL

Pioneer's board of directors has exclusive control over Pioneer's business and affairs subject only to the restrictions in Pioneer's certificate of incorporation and bylaws. Pioneer's stockholders have the right to elect members of the board of directors by a plurality vote at each annual meeting of the stockholders. The directors are accountable to Pioneer and its subsidiaries as fiduciaries.	Under the partnership agreement of e Pioneer USA is generally vested with authority to manage, control, admini the business, properties and affairs partnership, including authority and overseeing all executive, supervisor administrative services rendered to Pioneer USA and any nonmanaging gene the right to continue to serve in su Pioneer USA or such nonmanaging gene removed upon the affirmative vote of holding a majority of the outstandin partnership interests in the partner that an opinion of counsel to the li and acceptable to the partnership, i partnership to the effect that the e rights by the limited partners (1) w the loss of the limited partners' li and (2) will not adversely affect th the partnership, Pioneer USA or the The limited partners of each partner to participate in the management and partnership and have no voice in the affairs except for some limited matt submitted to a vote of the limited p terms of the partnership agreement o See "Voting Rights and Amendments" b is accountable as a fiduciary to eac

VOTING RIGHTS AND AMENDMENTS

Pioneer's certificate of incorporation provides that (1) stockholders of Pioneer may act only at annual or special meetings of stockholders and not by written consent, (2) Pioneer will hold an annual meeting each calendar year at which its stockholders will elect directors, (3) special meetings of stockholders may be called only by the board of directors, and (4) only business proposed by the board of directors may be considered at special meetings of stockholders.	Generally, meetings of each partners by Pioneer USA or by limited partner 10% of the outstanding limited partn The limited partners may conduct any business at such meeting which is pe partnership agreement for such partn specified in the notice of such meet limited partners may not engage in a would be deemed taking part in the m control of the partnership's busines

SHARES	PARTNERSHIP INTERES
Most amendments to Pioneer's certificate of incorporation require the approval of the stockholders who own a majority of the outstanding shares of Pioneer common stock. A number of fundamental amendments, however, require approval by a greater percentage of stockholders. For example, any amendment to the following provisions requires the approval of two-thirds of the stockholders: (1) election of directors, (2) authority of the board of directors, (3) stockholder meetings and (4) limitation on the liability of directors. Any amendment to the provision that prohibits action by the written consent of the stockholders in lieu of a meeting requires the approval of 80% of the stockholders. In addition, the following actions require the approval of 80% of the stockholders and the approval of two-thirds of the disinterested stockholders: (1) any merger, consolidation or share exchange involving any person, other than Pioneer or a subsidiary of Pioneer, who beneficially owns 10% or more of the outstanding voting securities of Pioneer, which person we call a related party, (2) some sales, leases, exchanges or similar transactions with related parties, (3) some issuances of securities to related parties, (4) adoption of any plan or proposal for liquidation of Pioneer initiated by related parties, or (5) any series or combination of any of the actions described in clauses (1) through (4).	Amendments to the partnership agreem partnership generally require the ap partners holding a majority of outst partnership interests in the partner that has any of the following effect unanimous approval of Pioneer USA an partners: (1) increases the liabilit of the partners, (2) changes the con of the partners, (3) provides for an profits, losses or deductions to the partner, (4) establishes any new pri more partners as to the return of ca or as to profits, losses, deductions the detriment of a partner, or (5) c partnership to be taxed as a corpora may, in its sole discretion, adopt a amendments: (1) change the name of t change the location of the principal of the partnership, (3) admit a new limited partner, (4) modify its gene interest as a result of a transfer o interest, (5) correct a typographica other similar change where the Pione that the amendment will not adversel limited partners and Pioneer USA bel is necessary or advisable to qualify under the laws of a state in which i proposes to engage in business or to partnership from being treated as a tax purposes.

LIMITED LIABILITY

A stockholder's liability will generally be limited to such stockholder's contribution to Pioneer's capital. Under Delaware law, Pioneer's stockholders will not be liable for Pioneer's debts or obligations. The shares of Pioneer common stock offered by Pioneer under this document, upon issuance, will be fully paid and nonassessable.	Assuming the limited partners of a p part in the management or control of partnership, a limited partner's lia limited to the limited partner's con capital of the partnership and such share of assets and undistributed pr partnership. A limited partner will the limited partner's capital contri partnership to the extent that a dis limited partner reduces the limited fair value of the partnership's net of the limited partner's unreturned contributions. A substituted limited to the liabilities and obligations o limited partner's assignor, except t which the substituted limited partne time he became a substituted limited could not be ascertained from the pa the partnership.

SHARES	PARTNERSHIP INTERES

BUSINESS ACTIVITIES AND FINANCING

SHARES	PARTNERSHIP INTERES
Pioneer's mission is to provide its stockholders with superior investment returns through strategies that maximize Pioneer's long-term profitability and net asset values. The strategies employed to achieve this mission are anchored by Pioneer's long-lived Spraberry oil and gas field and Hugoton and West Panhandle gas fields' reserves and production. Underlying these fields are approximately 67% of Pioneer's proved oil and gas reserves which have a remaining productive life in excess of 40 years. The stable base of oil and gas production from these fields generates operating cash flows that allow Pioneer the financial flexibility to selectively reinvest capital: o to develop and increase production from existing properties through low-risk development drilling activities; o to leverage cost containment opportunities to achieve operating and technical efficiencies; and o to pursue strategic acquisitions in Pioneer's core areas that will complement Pioneer's existing asset base and provide additional growth opportunities. Pioneer also has the financial flexibility to use portions of its operating cash flows: o to selectively expand into new geographic areas that feature producing properties and provide exploration or exploitation opportunities; o to invest in the personnel and technology necessary to increase Pioneer's exploration opportunities; and o to enhance liquidity. This flexibility allows Pioneer to take advantage of future exploration, development and acquisition opportunities. Pioneer may engage in any phase of the oil and gas business and any other lawful business. Pioneer may	The business operations of each part consisted of the development and pro gas reserves. Each partnership has initial partnership capital, and add cannot be acquired. Operations can through permitted borrowings, reinve not distributed, permitted assessmen sales of assets. Each partnership g required to distribute to its partne substantially all its net cash flow after provision for any reserves dee Pioneer USA.

finance its operations and the acquisition of additional properties through, among other things, the issuance of additional shares of Pioneer common stock, borrowings, and the reinvestment of earnings not distributed to stockholders.

FINANCIAL REPORTING

Pioneer is subject to the reporting requirements of the Securities Exchange Act of 1934.	For a list of the partnerships that reporting requirements of the Securi of 1934, see "Where You Can Find Mor page 74. In addition, the partnershi each partnership requires that some delivered to the limited partners.

TAX INFORMATION

SHARES	PARTNERSHIP INTERES
"Double taxation" at the corporate and stockholder levels typically results when a corporation such as Pioneer earns income and distributes that income to its stockholders in the form of dividends. Stockholders will only recognize income on amounts actually distributed by Pioneer. Distributions made by Pioneer out of current or accumulated earnings and profits are taxed as dividend income. Distributions in excess of current or accumulated earnings and profits are treated as a non-taxable return of basis to the extent of stockholders' adjusted basis in their shares, with the excess taxed as capital gain.	None of the partnerships is a taxabl federal income tax purposes. The pa partnership are required to take int rata share of the partnership's inco and deductions, regardless of whethe cash distributions from the partners may be entitled to percentage deplet will be required to recapture some d credits upon the sale of all or a po partnership interests.
Dividends, if any, received by stockholders from Pioneer generally will constitute portfolio income, and cannot be offset with losses from "passive activities." Losses and credits generated within Pioneer do not pass through to the stockholders. After the end of Pioneer's taxable year, stockholders will receive Form 1099-DIV to report their dividend income.	A partner's share of a partnership's will be subject to the "passive acti Under the passive activity rules, lo arising from his ownership of partne may be used to offset passive income passive investment and income of a p from his ownership of partnership in be offset with passive losses from a investment. For a discussion of the associated with the merger of each p "The Merger of Each Partnership -- M Federal Income Tax Consequences."

DIVIDEND OR DISTRIBUTION POLICY AND PARTICIPATION IN PROFITS AND LOSSES

The shares of Pioneer common stock constitute equity interests in Pioneer. Each stockholder will be entitled to his pro rata share of the dividends made with respect to the Pioneer common stock. The dividends payable to the stockholders are not fixed in amount and are only paid if, as and when declared by Pioneer's board of directors. Dividends payable with respect to the shares of Pioneer common stock depend upon the performance of Pioneer.	For a description of the distributio partnership, see "Risk Factors -- Ri an Investment in Pioneer -- Pioneer Dividends." The average quarterly ca each partnership for 1999, 2000 and 2001 are set forth in Table 7 of App description of the provisions of the agreement of each partnership govern of costs and revenues among the part see Table 9 of Appendix A.

LEGAL MATTERS

Vinson & Elkins L.L.P., counsel to Pioneer, will pass upon the validity of the Pioneer common stock to be issued upon the merger of each partnership. The limited partners' special legal counsel,   , Dallas, Texas, will deliver the legal opinion referred to in "The Merger of Each Partnership -- Legal Opinion for Limited Partners" on page 43 of this document. That special counsel may rely as to matters of law of jurisdictions other than the United States and the State of Texas on the opinion of counsel in such other jurisdictions.

INDEPENDENT AUDITORS AND INDEPENDENT PETROLEUM CONSULTANTS

The consolidated financial statements of Pioneer appearing in its Annual Report (Form 10-K) for the year ended December 31, 2000, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report, which is incorporated by reference into this document. Such consolidated financial statements are incorporated by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of each partnership listed on pages 4 and 5 of this document at December 31, 2000 and 1999 and for each of the three years in the period ended December 31, 2000 have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports included in the supplemental information to this document for each partnership. Such financial statements are included in the supplemental information of each partnership in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Williamson Petroleum Consultants, Inc., independent petroleum consultants, prepared the estimates of each partnership's proved reserves as of December 31, 2000 and the present value of the estimated future net revenues from those estimated reserves included in the summary reserve report included in this document and such summary reserve report and estimates are included in this document in reliance upon their report given upon their authority as experts on the matters covered by the summary reserve report.

WHERE YOU CAN FIND MORE INFORMATION

Pioneer and each of the 25 partnerships listed below file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission:

Parker & Parsley 82-I, Ltd.
Parker & Parsley 82-II, Ltd.
Parker & Parsley 83-A, Ltd.
Parker & Parsley 83-B, Ltd.
Parker & Parsley 84-A, Ltd.
Parker & Parsley 85-A, Ltd.
Parker & Parsley 85-B, Ltd.
Parker & Parsley 86-A, Ltd.
Parker & Parsley 86-B, Ltd.
Parker & Parsley 86-C, Ltd.
Parker & Parsley 87-A, Ltd.
Parker & Parsley 87-B, Ltd.
Parker & Parsley Producing Properties 87-A, Ltd.

Parker & Parsley Producing Propertie
Parker & Parsley 88-A, L.P.
Parker & Parsley 88-B, L.P.
Parker & Parsley Producing Propertie
Parker & Parsley 89-A, L.P.
Parker & Parsley 90-A L.P.
Parker & Parsley 90-B Conv., L.P.
Parker & Parsley 90-B, L.P.
Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 90-C, L.P.
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

You may read and copy any reports, statements or other information that Pioneer or any reporting partnership files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549, or at the SEC's public reference rooms at 7 World Trade Center, Suite 1300 New York, New York 10048 and at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of these materials may also be obtained from the SEC at prescribed rates by writing to the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Pioneer's and each reporting partnership's filings with the SEC are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at http://www.sec.gov.

Pioneer's common stock is listed on the New York Stock Exchange and the Toronto Stock Exchange, under the symbol "PXD." Pioneer's reports and other information filed with the SEC can also be inspected at the offices of the New York Stock Exchange and the Toronto Stock Exchange.

Pioneer filed a registration statement on Form S-4 to register with the SEC Pioneer common stock to be issued to the limited partners of each participating partnership. This document is a part of that registration statement and constitutes the prospectus of Pioneer in addition to being the proxy statement of each partnership. As allowed by SEC rules, this document does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows Pioneer to incorporate by reference information into this document, which means that Pioneer can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in this document. This document incorporates by reference the documents set forth below that Pioneer has previously filed with the SEC and that contain important information about Pioneer and its finances:

- Annual Report on Form 10-K for the year ended December 31, 2000
- Quarterly Report on Form 10-Q for the three months ended March 31, 2001
- Proxy Statement on Schedule 14A for 2001 Annual Meeting filed April 2, 2001
- The description of Pioneer common stock contained in Pioneer's registration statement on Form 8-A filed on August 5, 1997, as amended

by Form 8-A/A filed on August 8, 1997.

Pioneer is also incorporating by reference additional documents that it files with the SEC between the date of this document and the date of the special meeting for each partnership.

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

Pioneer has supplied all information contained or incorporated by reference in this document relating to Pioneer, and each partnership has supplied all the information contained in this document relating to the partnership.

You can obtain any of the documents incorporated by reference through Pioneer or the SEC. Documents incorporated by reference are available from Pioneer without charge. Exhibits to the documents will not be sent, however, unless those exhibits have specifically been incorporated by reference as exhibits in this document. Limited partners of each partnership may obtain documents incorporated by reference in this document by requesting them in writing or by telephone at the following address:

Pioneer Natural Resources Company
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 77039
Telephone: (972) 444-9001
Attention: Investor Relations

IF YOU WOULD LIKE TO REQUEST DOCUMENTS FROM PIONEER OR ANY PARTNERSHIP IN WHICH YOU OWN AN INTEREST, PLEASE DO SO BY   , 2001 [INSERT 5TH BUSINESS DAY BEFORE MEETING] TO RECEIVE THEM BEFORE THE SPECIAL MEETING FOR THE PARTNERSHIP.

You should rely only on the information contained or incorporated by reference in this document to vote on the merger of each partnership in which you own an interest. We have not authorized anyone to give any information that is different from what is contained in this document. This document is dated   , 2001. You should not assume that the information contained in this document is accurate as of any date other than that date, and neither the mailing of this document to you nor the issuance of Pioneer common stock and the payment of cash in the merger of each partnership shall create an implication to the contrary.

COMMONLY USED OIL AND GAS TERMS

The definitions set forth below shall apply to the indicated terms as used in this document. All volumes of natural gas referred to herein are stated at the legal pressure base of the state or area where the reserves exist and at 60 degrees Fahrenheit and in most instances are rounded to the nearest major multiple.

"Bbl" means a standard barrel of 42 U.S. gallons and represents the basic unit for measuring the production of crude oil, natural gas liquids and condensate.

"Bcf" means one billion cubic feet under prescribed conditions of pressure and temperature and represents the basic unit for measuring the production of natural gas.

"BOE" means a barrel-of-oil-equivalent and is a customary convention used in the United States to express oil and gas volumes on a comparable basis. It is determined on the basis of the estimated relative energy content of natural gas to oil, being approximately six Mcf of natural gas per Bbl of oil.

"BTU" means British thermal unit.

"Mbbl" means one thousand Bbls.

"MBOE" means one thousand BOEs.

"Mcf" means one thousand cubic feet under prescribed conditions of pressure and temperature and represents the basic unit for measuring the production of natural gas.

"MMBbl" means one million Bbls.

"MMcf" means one million cubic feet under prescribed conditions of pressure and temperature and represents the basic unit for measuring the production of natural gas.

"NGLs" means natural gas liquids.

"proved reserves" means the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

(i) Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes (A) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and (B) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the power proved limit of the reservoir.

(ii) Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

(iii) Estimates of proved reserves do not include the following: (A) oil that may become available from known reservoirs but is classified separately as "indicated additional reserves"; (B) crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors; (C) crude oil, natural gas, and natural gas liquids, that may occur in undrilled prospects; and (D) crude oil, natural gas, and natural gas liquids, that may be recovered from oil shales, coal, gilsonite and other such sources.

PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

INTRODUCTORY STATEMENTS

The unaudited pro forma combined financial statements of Pioneer have been prepared to give effect to Pioneer's offer to acquire 46 limited partnerships (collectively, the "Combined Partnerships") that Pioneer USA serves as the sole or managing general partner.

The unaudited pro forma combined statements of operations of Pioneer for the year ended December 31, 2000 has been prepared to give effect to the acquisition of the Combined Partnerships as if it had occurred on January 1, 2000.

The unaudited pro forma combined balance sheet of Pioneer for the year ended December 31, 2000 has been prepared to give effect to the acquisition of the Combined Partnerships as if it had occurred on December 31, 2000.

The unaudited pro forma combined financial statements included herein are not necessarily indicative of the results that might have occurred had the transaction taken place on the date that is assumed for the pro forma presentations and are not intended to be a projection of future results. Future results may vary significantly from the results reflected in the accompanying unaudited pro forma combined financial statements because of normal production declines, changes in product prices, future acquisitions and divestitures, future development and exploration activities, and other factors.

The following unaudited pro forma combined financial statements should be read in conjunction with the Consolidated Financial Statements (and the related notes) of Pioneer included in the Annual Report on Form 10-K for the year ended December 31, 2000 and the historical financial statements of each partnership in which you own an interest contained in the supplement to this document for the partnership.

PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2000
(IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS

	PIONEER	COMBINED PARTNERSHIPS

Current assets:		
Cash and cash equivalents	$ 26,159	$ 5,528
Accounts receivable:		
Trade, net	123,497	7,856
Affiliates	2,157	--
Inventories	14,842	--
Deferred income taxes	4,800	--
Other current assets	19,936	--
Total current assets	191,391	13,384
Property, plant and equipment, at cost:		
Oil and gas properties, using the successful efforts method of accounting:		
Proved properties	3,187,889	357,514
Unproved properties	229,205	--
Accumulated depletion, depreciation and amortization	(902,139)	(310,329)
	2,514,955	47,185
Deferred income taxes	84,400	--
Other property and equipment, net	25,624	--
Other assets, net	138,065	--
	$ 2,954,435	$ 60,569

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable:		
Trade	$ 96,646	$ --
Affiliates	5,629	725
Interest payable	38,142	--
Other current liabilities:		
Derivative obligations	24,957	--
Other	51,140	--
Total current liabilities	216,514	725
Long-term debt, less current maturities	1,578,776	--
Other noncurrent liabilities	225,740	--
Deferred income taxes	28,500	--
Partners' capital	--	59,844
Stockholders' equity:		
Preferred stock	--	--
Common stock	1,013	--
Additional paid-in capital	2,352,608	--
Treasury stock	(37,682)	--
Accumulated deficit	(1,422,703)	--
Accumulated other comprehensive income:		
Unrealized gain on available for sale securities	8,154	--
Cumulative translation adjustment	3,515	--
Total stockholders' equity and partners' capital	904,905	59,844
Commitments and contingencies		

	$ 2,954,435	$ 60,569

The accompanying notes are an integral part of these unaudited pro forma combined financial statements.

PIONEER NATURAL RESOURCES COMPANY

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	PIONEER	COMBINED PARTNERSHIPS
Revenues:		
Oil and gas	$852,738	$ 52,013
Interest and other	25,775	484
Gain on disposition of assets, net	34,184	247
	912,697	52,744
Cost and expenses:		
Oil and gas production	189,265	19,958
Depletion, depreciation and amortization	214,938	3,236
Impairment of oil and gas properties	--	663
Exploration and abandonments	87,550	72
General and administrative	33,262	1,599
Interest	161,952	--
Other	67,231	--
	754,198	25,528
Income from continuing operations before income taxes	158,499	27,216
Income tax benefit	6,000	--
Income from continuing operations	$164,499	$ 27,216
Income from continuing operations per common share:		
Basic	$ 1.65	
Diluted	$ 1.65	
Weighted average basic shares outstanding	99,378	

See accompanying notes to unaudited pro forma
combined financial statements.

PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED
FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma combined financial information of Pioneer Natural Resources Company ("Pioneer") has been prepared to give effect to Pioneer's offer to acquire 46 limited partnerships (collectively, the "Combined Partnerships") that Pioneer USA serves as the sole or managing general partner. The unaudited pro forma combined statement of operations for the year ended December 31, 2000 is presented as if the acquisition of the Combined Partnerships occurred on January 1, 2000. The unaudited pro forma combined balance sheet as of December 31, 2000 has been prepared to give effect to the acquisition of the Combined Partnerships as if it had occurred on December 31, 2000.

Following is a description of the individual columns included in these unaudited pro forma combined financial statements:

Pioneer - Represents the consolidated balance sheet and consolidated statement of operations of Pioneer Natural Resources Company as of December 31, 2000 and for the year ended December 31, 2000, respectively.

Combined Partnerships - Represents the combined balance sheet of the 46 limited partnerships as of December 31, 2000 and the combined statement of operations of such limited partnerships for the year ended December 31, 2000.

NOTE 2. PRO FORMA ADJUSTMENTS

Following are descriptions of the pro forma adjustments used in the preparation of the accompanying unaudited pro forma combined financial statements:

(a) To record the acquisition of the Combined Partnerships for cash consideration of $27.5 million, including transaction costs, and Pioneer common stock having a market value of $76.8 million using the purchase method of accounting. The allocation of the purchase price to the acquired assets and liabilities is preliminary and, therefore, subject to change. Any future adjustments to the allocation of the purchase price are not anticipated to be material to Pioneer's financial statements.

(b) To eliminate affiliate receivables and affiliate payables between Pioneer and the Combined Partnerships.

(c) To eliminate Pioneer's proportionate share of the Combined Partnerships that is already reflected in Pioneer's consolidated statement of operations for the year ended December 31, 2000.

(d) To reclassify the Combined Partnership's share of operating overhead charged by Pioneer that was recorded by the Combined Partnerships as an increase in lease operating expenses and by Pioneer as a reduction to general and administrative expense.

(e) To adjust depreciation, depletion and amortization expense for the basis allocated to the oil and gas properties acquired and accounted for using the successful efforts method of accounting.

(f) To eliminate the Combined Partnerships impairment of oil and gas properties that would not occur on a pro forma basis with Pioneer.

(g) To increase interest expense for the year ended December 31, 2000 to reflect the increase in outstanding bank indebtedness as a result of funding the acquisition of the Combined Partnerships through additional borrowings under Pioneer's revolving credit facility. The adjustments for the year ended December 31, 2000 are based on Pioneer's average annual interest rate of 6.64 percent incurred on bank indebtedness.

PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED
FINANCIAL STATEMENTS
DECEMBER 31, 2000

(h) Pioneer has unused net operating loss carryovers in the United States that could be used to offset any incremental earnings of the Combined Partnerships. Accordingly, no pro forma adjustment was recorded for additional income tax expense. See Note 3. below.

(i) To adjust the weighted average shares outstanding for the acquisition of the Combined Partnerships.

NOTE 3. INCOME TAXES

Pioneer will account for income taxes in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". In accordance therewith, Pioneer will prepare separate tax calculations for each tax jurisdiction in which Pioneer will be subject to income taxes. Pioneer has unused net operating loss carryovers and alternative minimum tax net operating loss carryovers that would be utilized to reduce incremental United States income taxes that would otherwise be incurred as a result of pro forma pre-tax earnings of the Combined Partnerships. Accordingly, Pioneer has not recognized incremental income tax expense in the accompanying unaudited pro forma combined statement of operations for the year ended December 31, 2000.

NOTE 4. OIL AND GAS RESERVE DATA

The following unaudited pro forma supplemental information regarding the oil and gas activities of Pioneer is presented pursuant to the disclosure requirements promulgated by the Securities and Exchange Commission and Statement of Financial Accounting Standards No. 69, "Disclosures About Oil and Gas Producing Activities". The pro forma combined reserve information is presented as if the acquisition of the Combined Partnerships had occurred on January 1, 2000. Information for oil and NGLs are presented in barrels (Bbls) and for gas in thousands of cubic feet (Mcf).

Pioneer emphasizes that reserve estimates are inherently imprecise and subject to revision and that estimates of new discoveries are more imprecise than those of producing oil and gas properties. Accordingly, the estimates are expected to change as future information becomes available and such changes could be significant.

PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2000

QUANTITIES OF OIL AND GAS RESERVES

Set forth below is a pro forma summary of the changes in the net quantities of oil, NGL and natural gas reserves for the year ended December 31, 2000.

	OIL & NGLS (Mbbls)	GAS (Mmcf)
TOTAL PROVED RESERVES:		
UNITED STATES		
Balance, January 1	290,683	1,365,530
Revisions of previous estimates	18,704	54,518
Purchases of minerals-in-place	1,237	28,071
New discoveries and extensions	4,819	66,486
Production	(18,571)	(86,206)
Sales of minerals-in-place	(743)	(35,054)
Balance, December 31	296,129	1,393,345
ARGENTINA		
Balance, January 1	29,797	415,620
Revisions of previous estimates	1,411	(15,558)
Purchases of minerals-in-place	--	--
New discoveries and extensions	8,066	43,914
Production	(3,431)	(35,694)
Sales of minerals-in-place	--	--
Balance, December 31	35,843	408,282
CANADA		
Balance, January 1	3,970	145,251
Revisions of previous estimates	429	(10,013)
Purchases of minerals-in-place	140	7,768
New discoveries and extensions	138	6,132
Production	(611)	(16,219)
Sales of minerals-in-place	--	--
Balance, December 31	4,066	132,919
SOUTH AFRICA		
Balance, January 1	--	--
New discoveries and extensions	5,552	--

Balance, December 31	5,552	--
TOTAL		
Balance, January 1	324,450	1,926,401
Revisions of previous estimates	20,544	28,947
Purchases of minerals-in-place	1,377	35,839
New discoveries and extensions	18,575	116,532
Production	(22,613)	(138,119)
Sales of minerals-in-place	(743)	(35,054)
Balance, December 31	341,590	1,934,546
PROVED DEVELOPED RESERVES:		
United States	241,253	1,169,664
Argentina	22,931	358,124
Canada	2,598	61,210
January 1	266,782	1,588,998
United States	236,249	1,120,610
Argentina	22,679	345,281
Canada	2,930	80,953
December 31	261,858	1,546,844

PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED
FINANCIAL STATEMENTS
DECEMBER 31, 2000

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS

The pro forma standardized measure of discounted future net cash flow is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves discounted using a rate of 10 percent per year to reflect the estimated timing of the future cash flows. Future income taxes are calculated by comparing undiscounted future cash flows to the tax basis of oil and gas properties plus available carryforwards and credits and applying the current tax rate to the difference.

	DECEMBER 31, 2000
	(IN THOUSANDS)
UNITED STATES	
Oil and gas producing activities:	
Future cash inflows	$ 19,615,577

Future production costs	(5,290,990)
Future development costs	(479,290)
Future income tax expenses	(3,945,569)
	9,899,728
10% annual discount factor	(4,991,172)
Standardized measure of discounted future net cash flows	$ 4,908,556
ARGENTINA	
Oil and gas producing activities:	
Future cash inflows	$ 1,183,652
Future production costs	(215,853)
Future development costs	(114,606)
Future income tax expenses	(81,705)
	771,488
10% annual discount factor	(264,126)
Standardized measure of discounted future net cash flows	$ 507,362
CANADA	
Oil and gas producing activities:	
Future cash inflows	$ 1,029,007
Future production costs	(104,189)
Future development costs	(35,443)
Future income tax expenses	(306,399)
	582,976
10% annual discount factor	(168,441)
Standardized measure of discounted future net cash flows	$ 414,535
SOUTH AFRICA	
Oil and gas producing activities:	
Future cash inflows	$ 126,134
Future production costs	(65,232)
Future development costs	(47,970)
Future income tax expenses	--
	12,932
10% annual discount factor	(5,782)
Standardized measure of discounted future net cash flows	$ 7,150
TOTAL	
Oil and gas producing activities:	
Future cash inflows	$ 21,954,370
Future production costs	(5,676,264)
Future development costs	(677,309)
Future income tax expenses	(4,333,673)
	11,267,124
10% annual discount factor	(5,429,521)
Standardized measure of discounted future net cash flows	$ 5,837,603

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PIONEER NATURAL RESOURCES COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED
FINANCIAL STATEMENTS
DECEMBER 31, 2000

CHANGES RELATING TO THE PRO FORMA STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS

The principal sources of the change in the pro forma combined standardized measure of discounted future net cash flows for the year ended December 31, 2000 are as follows (in thousands):

Oil and gas sales, net of production costs	$ (699,206)
Net changes in prices and production costs	3,920,249
Extension and discoveries	525,361
Sales of minerals-in-place	(72,624)
Purchases of mineral-in-place	187,097
Revisions of estimated future development costs	(99,384)
Revisions of previous quantity estimates	329,124
Accretion of discount	313,281
Changes in production rates, timing and other	(270,400)
Change in present value of future net revenues	4,133,498
Net change in present value of future income taxes	(1,428,700)
	2,704,798
Balance, beginning of year	3,132,805
Balance, end of year	$ 5,837,603

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APPENDIX A

TO

PROXY STATEMENT/PROSPECTUS

GENERAL INFORMATION RELATING TO EACH PARTNERSHIP

Table 1	Jurisdiction of Organization, Initial Subscription Price for Each Unit, Initial Investment by Limited Partners and Number of Limited Partners as of March 31, 2001
Table 2	Aggregate Merger Value as of March 31, 2001
Table 3	Merger Value Attributable to Partnership Interests of Limited Partners Per $1,000 Investment as of March 31, 2001
Table 4	Ownership Percentage and Merger Value Attributable to

Nonmanaging General Partners Other Than Pioneer USA as of March 31, 2001

Table 5 Ownership Percentage and Merger Value Attributable to Pioneer USA in Its Capacities as General Partner, Nonmanaging General Partner and Limited Partner as of March 31, 2001

Table 6 Voting Percentage and Initial Investment Owned by Pioneer USA in Its Capacity as a Limited Partner as of March 31, 2001

Table 7 Historical Quarterly Partnership Distributions to the Limited Partners Per $1,000 Investment from Inception through March 31, 2001

Table 8 Annual Repurchase Prices and Aggregate Annual Repurchase Payments

Table 9 Participation in Costs and Revenues of Each Partnership

Table 10 Average Oil, Natural Gas Liquids and Gas Sales Prices and Production Costs for the Three Months Ended March 31, 2001 and 2000 and the Years Ended December 31, 2000, 1999 and 1998

Table 11 Proved Reserves Attributable to Pioneer USA, Nonmanaging General Partners and Limited Partners as of December 31, 2000

Table 12 Proved Reserves Attributable to Pioneer USA, Nonmanaging General Partners and Limited Partners as of March 31, 2001

Table 13 Oil, Natural Gas Liquids and Gas Production for the Three Months Ended March 31, 2001 and 2000 and the Years Ended December 31, 2000, 1999 and 1998

Table 14 Productive Wells and Developed Acreage as of December 31, 2000

Table 15 Recent Trades of Partnership Interests Per $1,000 Investments for the Three Months Ended March 31, 2001 and the Years Ended December 31, 2000 and 1999

TABLE 1

JURISDICTION OF ORGANIZATION, INITIAL SUBSCRIPTION PRICE FOR EACH UNIT, INITIAL INVESTMENT BY LIMITED PARTNERS AND NUMBER OF LIMITED PARTNERS AS OF MARCH 31, 2001

	JURISDICTION OF ORGANIZATION	INITIAL SUBSCRIPTION PRICE FOR EACH UNIT	I IN BY P (IN
PARKER & PARSLEY 81-I, LTD.	Texas	$ 5,000	$
PARKER & PARSLEY 81-II, LTD.	Texas	5,000	

PARKER & PARSLEY 82-I, LTD.	Texas	2,000
PARKER & PARSLEY 82-II, LTD.	Texas	2,000
PARKER & PARSLEY 82-III, LTD.	Texas	2,000
PARKER & PARSLEY 83-A, LTD.	Texas	1,000
PARKER & PARSLEY 83-B, LTD.	Texas	1,000
PARKER & PARSLEY 84-A, LTD.	Texas	1,000
PARKER & PARSLEY 85-A, LTD.	Texas	1,000
PARKER & PARSLEY 85-B, LTD.	Texas	1,000
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	Texas	40,000
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	Texas	40,000
PARKER & PARSLEY 86-A, LTD.	Texas	1,000
PARKER & PARSLEY 86-B, LTD.	Texas	1,000
PARKER & PARSLEY 86-C, LTD.	Texas	1,000
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	Texas	40,000
PARKER & PARSLEY 87-A CONV., LTD.	Texas	1,000
PARKER & PARSLEY 87-A, LTD.	Texas	1,000
PARKER & PARSLEY 87-B CONV., LTD.	Texas	1,000
PARKER & PARSLEY 87-B, LTD.	Texas	1,000
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	Texas	500
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	Texas	500
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	Texas	40,000
PARKER & PARSLEY 88-A CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 88-A, L.P.	Delaware	1,000
PARKER & PARSLEY 88-B CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 88-B, L.P.	Delaware	1,000
PARKER & PARSLEY 88-C CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 88-C, L.P.	Delaware	1,000
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	Delaware	500
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	Delaware	40,000
PARKER & PARSLEY 89-A CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 89-A, L.P.	Delaware	1,000
PARKER & PARSLEY 89-B CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 89-B, L.P.	Delaware	1,000
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	Delaware	40,000
PARKER & PARSLEY 90-A CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 90-A, L.P.	Delaware	1,000
PARKER & PARSLEY 90-B CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 90-B, L.P.	Delaware	1,000
PARKER & PARSLEY 90-C CONV., L.P.	Delaware	1,000
PARKER & PARSLEY 90-C, L.P.	Delaware	1,000
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	Delaware	40,000
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	Delaware	40,000
PARKER & PARSLEY 91-A, L.P.	Delaware	1,000
PARKER & PARSLEY 91-B, L.P.	Delaware	1,000
TOTAL		

TABLE 2

AGGREGATE MERGER VALUE
AS OF MARCH 31, 2001

	PIONEER USA(a)	NONMANAGING GENERAL PARTNERS(b)	LI PAR
PARKER & PARSLEY 81-I, LTD.	$ 224,965	$ 16,195	$
PARKER & PARSLEY 81-II, LTD.	145,382	5,948	
PARKER & PARSLEY 82-I, LTD.	394,878	13,776	
PARKER & PARSLEY 82-II, LTD.	404,903	12,591	
PARKER & PARSLEY 82-III, LTD.	302,259	9,856	
PARKER & PARSLEY 83-A, LTD.	922,900	36,351	
PARKER & PARSLEY 83-B, LTD.	1,201,169	46,876	
PARKER & PARSLEY 84-A, LTD.	1,236,369	54,433	
PARKER & PARSLEY 85-A, LTD.	40,356	--	
PARKER & PARSLEY 85-B, LTD.	19,800	--	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	47,205	--	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	24,312	--	
PARKER & PARSLEY 86-A, LTD.	23,089	--	
PARKER & PARSLEY 86-B, LTD.	65,880	--	
PARKER & PARSLEY 86-C, LTD.	41,460	--	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	12,414	--	
PARKER & PARSLEY 87-A CONV., LTD.	13,894	--	
PARKER & PARSLEY 87-A, LTD.	87,422	--	
PARKER & PARSLEY 87-B CONV., LTD.	11,819	--	
PARKER & PARSLEY 87-B, LTD.	49,125	--	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	35,767	--	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	58,764	--	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	27,958	--	
PARKER & PARSLEY 88-A CONV., L.P.	21,067	--	
PARKER & PARSLEY 88-A, L.P.	72,602	--	
PARKER & PARSLEY 88-B CONV., L.P.	17,558	--	
PARKER & PARSLEY 88-B, L.P.	57,127	--	
PARKER & PARSLEY 88-C CONV., L.P.	11,866	--	
PARKER & PARSLEY 88-C, L.P.	7,833	--	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	33,093	--	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	32,842	--	
PARKER & PARSLEY 89-A CONV., L.P.	8,987	--	
PARKER & PARSLEY 89-A, L.P.	60,264	--	
PARKER & PARSLEY 89-B CONV., L.P.	23,144	--	
PARKER & PARSLEY 89-B, L.P.	39,272	--	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	28,935	--	
PARKER & PARSLEY 90-A CONV., L.P.	8,862	--	
PARKER & PARSLEY 90-A, L.P.	50,684	--	
PARKER & PARSLEY 90-B CONV., L.P.	51,712	--	
PARKER & PARSLEY 90-B, L.P.	105,775	--	
PARKER & PARSLEY 90-C CONV., L.P.	25,338	--	
PARKER & PARSLEY 90-C, L.P.	35,557	--	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	51,077	--	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	14,400	--	
PARKER & PARSLEY 91-A, L.P.	62,309	--	
PARKER & PARSLEY 91-B, L.P.	52,293	--	

(a) Represents Pioneer USA's partnership interests in each partnership as: (1) the sole or managing general partner of the partnership; (2) a limited partner of the partnership; and (3) the sole general partner of each nonmanaging general partner. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership. However, as a result of the merger of each participating partnership, Pioneer USA will own 100% of the properties of the partnership including properties attributable to its partnership interests in the partnership.

(b) Represents four unaffiliated individuals' partnership interests as limited partners of each nonmanaging general partner. Excludes Pioneer USA's partnership interests as general partner of each nonmanaging general partner.

(c) Represents the partnership interests of unaffiliated limited partners of each partnership. Excludes Pioneer USA's partnership interests as a limited partner of any partnership.

TABLE 3

MERGER VALUE ATTRIBUTABLE TO PARTNERSHIP INTERESTS
OF LIMITED PARTNERS
PER $1,000 INVESTMENT
AS OF MARCH 31, 2001

	LIMITED PARTNERS PER $1,000 INVESTMENT		
	RESERVE VALUE	WORKING CAPITAL VALUE	
PARKER & PARSLEY 81-I, LTD.	$ 79.20	$ 10.31	$
PARKER & PARSLEY 81-II, LTD.	63.63	11.08	
PARKER & PARSLEY 82-I, LTD.	71.29	10.58	
PARKER & PARSLEY 82-II, LTD.	86.50	11.79	
PARKER & PARSLEY 82-III, LTD.	107.54	12.47	
PARKER & PARSLEY 83-A, LTD.	121.34	17.33	
PARKER & PARSLEY 83-B, LTD.	130.87	19.59	
PARKER & PARSLEY 84-A, LTD.	172.55	21.20	
PARKER & PARSLEY 85-A, LTD.	125.01	17.04	
PARKER & PARSLEY 85-B, LTD.	123.57	19.20	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	249.82	27.03	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	168.86	22.01	
PARKER & PARSLEY 86-A, LTD.	150.08	18.04	
PARKER & PARSLEY 86-B, LTD.	191.52	26.76	
PARKER & PARSLEY 86-C, LTD.	140.59	21.92	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	221.21	28.59	
PARKER & PARSLEY 87-A CONV., LTD.	163.41	24.47	
PARKER & PARSLEY 87-A, LTD.	162.88	24.71	
PARKER & PARSLEY 87-B CONV., LTD.	169.09	28.93	
PARKER & PARSLEY 87-B, LTD.	169.09	29.06	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	179.24	35.75	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	336.93	31.33	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	240.50	23.60	

PARKER & PARSLEY 88-A CONV., L.P.	208.54	30.01
PARKER & PARSLEY 88-A, L.P.	208.53	30.56
PARKER & PARSLEY 88-B CONV., L.P.	273.58	35.94
PARKER & PARSLEY 88-B, L.P.	273.59	36.14
PARKER & PARSLEY 88-C CONV., L.P.	234.36	32.56
PARKER & PARSLEY 88-C, L.P.	234.36	30.68
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	282.67	63.21
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	291.12	35.32
PARKER & PARSLEY 89-A CONV., L.P.	281.55	36.53
PARKER & PARSLEY 89-A, L.P.	281.55	37.29
PARKER & PARSLEY 89-B CONV., L.P.	242.33	34.15
PARKER & PARSLEY 89-B, L.P.	241.90	34.29
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	231.26	28.68
PARKER & PARSLEY 90-A CONV., L.P.	205.94	28.32
PARKER & PARSLEY 90-A, L.P.	205.95	28.92
PARKER & PARSLEY 90-B CONV., L.P.	231.19	27.15
PARKER & PARSLEY 90-B, L.P.	231.34	27.34
PARKER & PARSLEY 90-C CONV., L.P.	211.02	27.86
PARKER & PARSLEY 90-C, L.P.	211.02	27.15
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	267.23	31.80
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	250.03	24.12
PARKER & PARSLEY 91-A, L.P.	346.03	37.71
PARKER & PARSLEY 91-B, L.P.	382.48	40.51

TABLE 4

OWNERSHIP PERCENTAGE AND MERGER VALUE ATTRIBUTABLE TO
NONMANAGING GENERAL PARTNERS OTHER THAN PIONEER USA
AS OF MARCH 31, 2001

	NONMANAGING GENERAL PARTNERS(a)		NONMANAGING GENERAL PARTNERS' MERG VALUE AS A PERCENTAGE
	OWNERSHIP PERCENTAGE(b)	AGGREGATE MERGER VALUE(c)	AGGREGATE MERGER VAL FOR THE PARTNERSHIP(d
PARKER & PARSLEY 81-I, LTD.	2.00%	$ 16,195	1.87
PARKER & PARSLEY 81-II, LTD.	1.00%	5,948	0.94
PARKER & PARSLEY 82-I, LTD.	1.13%	13,776	1.08
PARKER & PARSLEY 82-II, LTD.	0.84%	12,591	0.80
PARKER & PARSLEY 82-III, LTD.	0.94%	9,856	0.91
PARKER & PARSLEY 83-A, LTD.	1.05%	36,351	1.02
PARKER & PARSLEY 83-B, LTD.	1.05%	46,876	1.01
PARKER & PARSLEY 84-A, LTD.	1.13%	54,433	1.09

(a) Represents four unaffiliated individuals' partnership interests as limited partners of each nonmanaging general partner. Excludes Pioneer USA's partnership interests as general partner of each nonmanaging general partner.

(b) Percentage owned is based upon ownership within the partnership as set forth in the revenue sharing provisions of the partnership agreement for the partnership.

(c) See "Method of Determining Merger Value for Each Partnership and Amount of Pioneer Common Stock and Cash Offered."

(d) Represents the dollar amount in the nonmanaging general partners' aggregate merger value column divided by the aggregate merger value for the partnership as set forth in Table 2.

TABLE 5

OWNERSHIP PERCENTAGE AND MERGER VALUE
ATTRIBUTABLE TO PIONEER USA IN ITS CAPACITIES AS
GENERAL PARTNER, NONMANAGING GENERAL PARTNER AND LIMITED PARTNER
AS OF MARCH 31, 2001

	PIONEER USA(a)	
	OWNERSHIP PERCENTAGE(b)	AGGREGATE MERGER VALUE(c)
PARKER & PARSLEY 81-I, LTD.	27.38%	$ 224,965
PARKER & PARSLEY 81-II, LTD.	24.41%	145,382
PARKER & PARSLEY 82-I, LTD.	31.92%	394,878
PARKER & PARSLEY 82-II, LTD.	26.92%	404,903
PARKER & PARSLEY 82-III, LTD.	28.54%	302,259
PARKER & PARSLEY 83-A, LTD.	26.55%	922,900
PARKER & PARSLEY 83-B, LTD.	26.76%	1,201,169
PARKER & PARSLEY 84-A, LTD.	25.49%	1,236,369
PARKER & PARSLEY 85-A, LTD.	2.93%	40,356
PARKER & PARSLEY 85-B, LTD.	1.72%	19,800
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	3.38%	47,205
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	2.69%	24,312
PARKER & PARSLEY 86-A, LTD.	1.34%	23,089
PARKER & PARSLEY 86-B, LTD.	1.74%	65,880
PARKER & PARSLEY 86-C, LTD.	1.31%	41,460
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	1.00%	12,414
PARKER & PARSLEY 87-A CONV., LTD.	1.90%	13,894
PARKER & PARSLEY 87-A, LTD.	1.60%	87,422
PARKER & PARSLEY 87-B CONV., LTD.	1.20%	11,819
PARKER & PARSLEY 87-B, LTD.	1.22%	49,125
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	1.35%	35,767
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	2.59%	58,764

PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	1.00%	27,958
PARKER & PARSLEY 88-A CONV., L.P.	2.31%	21,067
PARKER & PARSLEY 88-A, L.P.	2.32%	72,602
PARKER & PARSLEY 88-B CONV., L.P.	1.54%	17,558
PARKER & PARSLEY 88-B, L.P.	2.04%	57,127
PARKER & PARSLEY 88-C CONV., L.P.	1.29%	11,866
PARKER & PARSLEY 88-C, L.P.	1.20%	7,833
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	1.69%	33,093
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	1.00%	32,842
PARKER & PARSLEY 89-A CONV., L.P.	1.00%	8,987
PARKER & PARSLEY 89-A, L.P.	2.25%	60,264
PARKER & PARSLEY 89-B CONV., L.P.	1.31%	23,144
PARKER & PARSLEY 89-B, L.P.	2.03%	39,272
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	1.56%	28,935
PARKER & PARSLEY 90-A CONV., L.P.	1.59%	8,862
PARKER & PARSLEY 90-A, L.P.	3.14%	50,684
PARKER & PARSLEY 90-B CONV., L.P.	1.67%	51,712
PARKER & PARSLEY 90-B, L.P.	1.25%	105,775
PARKER & PARSLEY 90-C CONV., L.P.	1.39%	25,338
PARKER & PARSLEY 90-C, L.P.	1.22%	35,557
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	1.54%	51,077
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	1.00%	14,400
PARKER & PARSLEY 91-A, L.P.	1.38%	62,309
PARKER & PARSLEY 91-B, L.P.	1.09%	52,293

(a) Represents Pioneer USA's partnership interests in each partnership as: (1) the sole or managing general partner of the partnership; (2) a limited partner of the partnership; and (3) the sole general partner of each nonmanaging general partner. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership. However, as a result of the merger of each participating partnership, Pioneer USA will own 100% of the properties of the partnership including properties attributable to its partnership interests in the partnership.

(b) Percentage owned is based upon ownership within the partnership as set forth in the revenue sharing provisions of the partnership agreement for the partnership.

(c) See "Method of Determining Merger Value for Each Partnership and Amount of Pioneer Common Stock and Cash Offered."

(d) Represents the dollar amount in Pioneer USA's aggregate merger value column divided by the aggregate merger value for the partnership as set forth in Table 2.

TABLE 6

VOTING PERCENTAGE AND INITIAL INVESTMENT OWNED BY PIONEER USA
IN ITS CAPACITY AS A LIMITED PARTNER
AS OF MARCH 31, 2001

	PIONEER USA VOTING PERCENTAGE(a)(b)	INITIAL INVEST OWNED BY PIONEER USA((IN THOUSAND
PARKER & PARSLEY 81-I, LTD.	5.84%	$
PARKER & PARSLEY 81-II, LTD.	0.55%	
PARKER & PARSLEY 82-I, LTD.	10.73%	1,
PARKER & PARSLEY 82-II, LTD.	3.69%	
PARKER & PARSLEY 82-III, LTD.	5.97%	
PARKER & PARSLEY 83-A, LTD.	3.47%	
PARKER & PARSLEY 83-B, LTD.	3.75%	
PARKER & PARSLEY 84-A, LTD.	2.16%	
PARKER & PARSLEY 85-A, LTD.(c)	0.00%	
PARKER & PARSLEY 85-B, LTD.(c)	0.00%	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.(c)	0.00%	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.(c)	0.00%	
PARKER & PARSLEY 86-A, LTD.	0.35%	
PARKER & PARSLEY 86-B, LTD.	0.74%	
PARKER & PARSLEY 86-C, LTD.	0.31%	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.(c)	0.00%	
PARKER & PARSLEY 87-A CONV., LTD.	0.91%	
PARKER & PARSLEY 87-A, LTD.	0.61%	
PARKER & PARSLEY 87-B CONV., LTD.	0.20%	
PARKER & PARSLEY 87-B, LTD.	0.22%	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	0.35%	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	1.61%	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	0.00%	
PARKER & PARSLEY 88-A CONV., L.P.	1.32%	
PARKER & PARSLEY 88-A, L.P.	1.34%	
PARKER & PARSLEY 88-B CONV., L.P.	0.55%	
PARKER & PARSLEY 88-B, L.P.	1.05%	
PARKER & PARSLEY 88-C CONV., L.P.	0.29%	
PARKER & PARSLEY 88-C, L.P.	0.21%	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	0.70%	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	0.00%	
PARKER & PARSLEY 89-A CONV., L.P.	0.00%	
PARKER & PARSLEY 89-A, L.P.	1.26%	
PARKER & PARSLEY 89-B CONV., L.P.	0.32%	
PARKER & PARSLEY 89-B, L.P.	1.04%	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	0.57%	
PARKER & PARSLEY 90-A CONV., L.P.	0.59%	
PARKER & PARSLEY 90-A, L.P.	2.16%	
PARKER & PARSLEY 90-B CONV., L.P.	0.67%	
PARKER & PARSLEY 90-B, L.P.	0.26%	
PARKER & PARSLEY 90-C CONV., L.P.	0.40%	
PARKER & PARSLEY 90-C, L.P.	0.22%	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	0.55%	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	0.00%	
PARKER & PARSLEY 91-A, L.P.(c)	0.00%	
PARKER & PARSLEY 91-B, L.P.(c)	0.00%	

(a) Represents Pioneer USA's partnership interests in each partnership as a limited partner of the partnership. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership. However, as a result of the merger of each participating partnership, Pioneer USA will own 100% of the properties of the partnership including properties attributable to its partnership interests in the partnership.

(b) Represents percentage of limited partners' vote that Pioneer USA is entitled to vote. The voting percentage is calculated by dividing (1) Pioneer USA's ownership percentage of the partnership interests held as a limited partner, by (2) the percentage of partnership interests held by all limited partners in the partnership. For example, if the limited partners of a partnership represent 99% of the partnership and Pioneer USA owns 5% of the partnership interests as a limited partner in that partnership, Pioneer USA's voting percentage is 5.05%.

(c) Pioneer USA is not entitled to vote partnership interests it holds as limited partner in this partnership.

(d) Represents Pioneer USA's share of the initial investment by limited partners as shown on Table 1.

TABLE 7

HISTORICAL QUARTERLY PARTNERSHIP DISTRIBUTIONS TO THE LIMITED PARTNERS
PER $1,000 INVESTMENT
FROM INCEPTION THROUGH MARCH 31, 2001

	QUARTERLY DISTRIBU TO LIMITED PARTN PER $1,000 INVESTM		
	INCEPTION TO 12/31/98	QUARTER ENDED 3/31/99	QUARTER ENDED 6/30/99
PARKER & PARSLEY 81-I, LTD.	$ 616.71	$ 0.69	$ -
PARKER & PARSLEY 81-II, LTD.	808.37	--	0.3
PARKER & PARSLEY 82-I, LTD.	946.73	0.62	0.5
PARKER & PARSLEY 82-II, LTD.	1,099.24	0.83	-
PARKER & PARSLEY 82-III, LTD.	924.16	--	1.6
PARKER & PARSLEY 83-A, LTD.	1,264.54	--	-
PARKER & PARSLEY 83-B, LTD.	1,458.60	0.96	1.7
PARKER & PARSLEY 84-A, LTD.	1,384.63	0.80	2.7
PARKER & PARSLEY 85-A, LTD.	678.73	0.83	1.4
PARKER & PARSLEY 85-B, LTD.	876.32	--	3.1
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	997.86	3.16	5.2
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	872.24	1.66	-
PARKER & PARSLEY 86-A, LTD.	1,279.93	0.79	2.2

PARKER & PARSLEY 86-B, LTD.	1,469.69	1.53	5.0
PARKER & PARSLEY 86-C, LTD.	1,401.81	0.82	2.3
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	1,525.50	1.23	1.2
PARKER & PARSLEY 87-A CONV., LTD.	1,228.63	1.83	2.2
PARKER & PARSLEY 87-A, LTD.	1,228.70	1.83	2.2
PARKER & PARSLEY 87-B CONV., LTD.	1,154.18	1.85	2.2
PARKER & PARSLEY 87-B, LTD.	1,154.25	1.85	2.2
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	889.65	1.49	0.8
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	956.04	3.97	1.0
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	1,457.32	2.20	4.0
PARKER & PARSLEY 88-A CONV., L.P.	991.51	3.16	3.0
PARKER & PARSLEY 88-A, L.P.	991.61	3.16	3.0
PARKER & PARSLEY 88-B CONV., L.P.	966.33	3.44	2.8
PARKER & PARSLEY 88-B, L.P.	966.37	3.44	2.8
PARKER & PARSLEY 88-C CONV., L.P.	913.42	3.92	2.3
PARKER & PARSLEY 88-C, L.P.	913.01	3.92	2.3
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	1,075.69	6.51	4.0
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	1,031.07	3.57	6.6
PARKER & PARSLEY 89-A CONV., L.P.	911.13	2.66	2.7
PARKER & PARSLEY 89-A, L.P.	911.19	2.66	2.7
PARKER & PARSLEY 89-B CONV., L.P.	787.19	3.26	1.2
PARKER & PARSLEY 89-B, L.P.	787.20	3.26	1.2
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	689.19	1.02	1.8
PARKER & PARSLEY 90-A CONV., L.P.	784.83	3.18	1.6
PARKER & PARSLEY 90-A, L.P.	784.89	3.18	1.6
PARKER & PARSLEY 90-B CONV., L.P.	600.45	2.10	1.8
PARKER & PARSLEY 90-B, L.P.	600.53	2.10	1.8
PARKER & PARSLEY 90-C CONV., L.P.	537.51	0.95	-
PARKER & PARSLEY 90-C, L.P.	537.52	0.95	-
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	673.63	2.14	3.1
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	632.08	3.71	3.0
PARKER & PARSLEY 91-A, L.P.	663.47	3.99	6.3
PARKER & PARSLEY 91-B, L.P.	526.98	3.95	7.0

	QUARTERLY DISTRIBUTI TO LIMITED PARTN PER $1,000 INVESTMEN			
	QUARTER ENDED 3/31/00	QUARTER ENDED 6/30/00	QUARTER ENDED 9/30/00	QUART ENDE 12/31
PARKER & PARSLEY 81-I, LTD.	$ 4.24	$ 5.53	$ 4.53	$ 5
PARKER & PARSLEY 81-II, LTD.	2.01	2.99	5.00	5
PARKER & PARSLEY 82-I, LTD.	3.93	4.77	6.70	4
PARKER & PARSLEY 82-II, LTD.	4.98	6.07	4.58	6
PARKER & PARSLEY 82-III, LTD.	7.49	7.80	9.38	8
PARKER & PARSLEY 83-A, LTD.	7.22	7.30	9.04	10
PARKER & PARSLEY 83-B, LTD.	8.70	9.68	11.28	10

PARKER & PARSLEY 84-A, LTD.	8.28	11.17	12.41	13
PARKER & PARSLEY 85-A, LTD.	7.09	11.26	9.94	10
PARKER & PARSLEY 85-B, LTD.	7.95	9.04	9.26	12
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	15.51	20.44	16.65	16
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	9.18	11.68	12.92	12
PARKER & PARSLEY 86-A, LTD.	8.66	11.38	12.54	13
PARKER & PARSLEY 86-B, LTD.	10.40	13.08	14.24	15
PARKER & PARSLEY 86-C, LTD.	8.35	9.67	12.04	12
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	14.07	9.36	17.03	15
PARKER & PARSLEY 87-A CONV., LTD.	11.58	15.18	13.96	12
PARKER & PARSLEY 87-A, LTD.	11.58	15.18	13.96	12
PARKER & PARSLEY 87-B CONV., LTD.	10.07	12.58	13.53	12
PARKER & PARSLEY 87-B, LTD.	10.07	12.58	13.53	12
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	10.92	13.50	12.12	14
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	18.53	24.65	26.75	26
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	12.55	13.19	14.14	16
PARKER & PARSLEY 88-A CONV., L.P.	12.48	15.67	17.33	16
PARKER & PARSLEY 88-A, L.P.	12.48	15.67	17.33	16
PARKER & PARSLEY 88-B CONV., L.P.	18.22	20.69	22.63	25
PARKER & PARSLEY 88-B, L.P.	18.22	20.69	22.63	25
PARKER & PARSLEY 88-C CONV., L.P.	16.38	18.34	19.83	21
PARKER & PARSLEY 88-C, L.P.	16.38	18.34	19.83	21
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	21.95	19.09	18.82	21
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	15.99	19.23	23.09	21
PARKER & PARSLEY 89-A CONV., L.P.	17.96	18.39	20.40	23
PARKER & PARSLEY 89-A, L.P.	17.96	18.39	20.40	23
PARKER & PARSLEY 89-B CONV., L.P.	14.28	18.94	20.23	20
PARKER & PARSLEY 89-B, L.P.	14.28	18.94	20.23	20
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	13.32	15.00	16.66	20
PARKER & PARSLEY 90-A CONV., L.P.	12.70	14.52	17.43	19
PARKER & PARSLEY 90-A, L.P.	12.70	14.52	17.43	19
PARKER & PARSLEY 90-B CONV., L.P.	14.98	15.20	19.51	19
PARKER & PARSLEY 90-B, L.P.	14.98	15.20	19.51	19
PARKER & PARSLEY 90-C CONV., L.P.	13.62	14.90	19.01	17
PARKER & PARSLEY 90-C, L.P.	13.62	14.90	19.01	17
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	15.05	18.11	20.29	25
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	16.68	13.98	14.00	13
PARKER & PARSLEY 91-A, L.P.	20.76	23.19	26.03	30
PARKER & PARSLEY 91-B, L.P.	21.87	26.88	33.92	35

(a) Past cash distributions to limited partners are not necessarily indicative of future cash distributions. Limited partners should not assume that any nonparticipating partnership will continue to make cash distributions at levels similar to those shown. See "The Merger of Each Partnership - Distribution of Pioneer Common Stock and Cash Payment."

TABLE 8

ANNUAL REPURCHASE PRICES AND AGGREGATE ANNUAL REPURCHASE PAYMENTS

	2001		2000		
	REPURCHASE PRICE PER $1,000 INVESTMENT	AGGREGATE ANNUAL REPURCHASE PAYMENTS	REPURCHASE PRICE PER $1,000 INVESTMENT	AGGREGATE ANNUAL REPURCHASE PAYMENTS	REP P PER INV
PARKER & PARSLEY 82-I, LTD.	$ 137.97	(a)	$ 71.89	$ 4,745	$
PARKER & PARSLEY 82-II, LTD.	133.72	(a)	102.38	1,024	
PARKER & PARSLEY 82-III, LTD.	150.59	(a)	109.73	1,097	
PARKER & PARSLEY 83-A, LTD.	196.67	(a)	137.59	9,494	
PARKER & PARSLEY 83-B, LTD.	210.15	(a)	153.89	3,078	
PARKER & PARSLEY 84-A, LTD.	267.03	(a)	175.78	7,031	
				$ 26,469	

(a) Payments will not be made until the second quarter of 2001.

TABLE 9

PARTICIPATION IN COSTS AND REVENUES
OF EACH PARTNERSHIP

	CAPITAL COSTS			
	GENERAL PARTNER(a)	NONMANAGING GENERAL PARTNERS(a)	LIMITED PARTNERS(a)	GE PAR
PARKER & PARSLEY 81-I, LTD.	8%	2%	90%	
PARKER & PARSLEY 81-II, LTD.	8%	2%	90%	
PARKER & PARSLEY 82-I, LTD.	8%	2%	90%	
PARKER & PARSLEY 82-II, LTD.	8%	2%	90%	
PARKER & PARSLEY 82-III, LTD.	8%	2%	90%	
PARKER & PARSLEY 83-A, LTD.(b)	8%	2%	90%	
PARKER & PARSLEY 83-B, LTD.(b)	8%	2%	90%	
PARKER & PARSLEY 84-A, LTD.(b)	8%	2%	90%	
PARKER & PARSLEY 85-A, LTD.	1%	--	99%	
PARKER & PARSLEY 85-B, LTD.	1%	--	99%	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	1%	--	99%	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	1%	--	99%	
PARKER & PARSLEY 86-A, LTD.	1%	--	99%	

PARKER & PARSLEY 86-B, LTD.	1%	--	99%
PARKER & PARSLEY 86-C, LTD.	1%	--	99%
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	1%	--	99%
PARKER & PARSLEY 87-A CONV., LTD.	1%	--	99%
PARKER & PARSLEY 87-A, LTD.	1%	--	99%
PARKER & PARSLEY 87-B CONV., LTD.	1%	--	99%
PARKER & PARSLEY 87-B, LTD.	1%	--	99%
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	1%	--	99%
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	1%	--	99%
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	1%	--	99%
PARKER & PARSLEY 88-A CONV., L.P.	1%	--	99%
PARKER & PARSLEY 88-A, L.P.	1%	--	99%
PARKER & PARSLEY 88-B CONV., L.P.	1%	--	99%
PARKER & PARSLEY 88-B, L.P.	1%	--	99%
PARKER & PARSLEY 88-C CONV., L.P.	1%	--	99%
PARKER & PARSLEY 88-C, L.P.	1%	--	99%
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	1%	--	99%
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	1%	--	99%
PARKER & PARSLEY 89-A CONV., L.P.	1%	--	99%
PARKER & PARSLEY 89-A, L.P.	1%	--	99%
PARKER & PARSLEY 89-B CONV., L.P.	1%	--	99%
PARKER & PARSLEY 89-B, L.P.	1%	--	99%
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	1%	--	99%
PARKER & PARSLEY 90-A CONV., L.P.	1%	--	99%
PARKER & PARSLEY 90-A, L.P.	1%	--	99%
PARKER & PARSLEY 90-B CONV., L.P.	1%	--	99%
PARKER & PARSLEY 90-B, L.P.	1%	--	99%
PARKER & PARSLEY 90-C CONV., L.P.	1%	--	99%
PARKER & PARSLEY 90-C, L.P.	1%	--	99%
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	1%	--	99%
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	1%	--	99%
PARKER & PARSLEY 91-A, L.P.	1%	--	99%
PARKER & PARSLEY 91-B, L.P.	1%	--	99%

(a) These percentages represent the sharing ownerships as set forth in the prospectus for each partnership. Includes Pioneer USA's partnership interests in each partnership as: (1) the sole or managing general partner of the partnership; (2) a limited partner of the partnership; and (3) the sole general partner of each nonmanaging general partner. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership.

(b) Incremental direct costs 100% to limited partners.

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TABLE 10

AVERAGE OIL, NATURAL GAS LIQUIDS AND GAS SALES PRICES AND PRODUCTION COSTS FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000 AND THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

	AVERAGE SALES PRICE		
	OIL (PER BBL)		
	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE DEC
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.	$ 27.16	$ 29.26	$
PARKER & PARSLEY 81-II, LTD.	27.34	29.26	
PARKER & PARSLEY 82-I, LTD.	27.23	29.39	
PARKER & PARSLEY 82-II, LTD.	27.27	29.47	
PARKER & PARSLEY 82-III, LTD.	27.64	29.67	
PARKER & PARSLEY 83-A, LTD.	27.44	29.54	
PARKER & PARSLEY 83-B, LTD.	27.66	29.69	
PARKER & PARSLEY 84-A, LTD.	27.61	29.55	
PARKER & PARSLEY 85-A, LTD.	27.40	29.38	
PARKER & PARSLEY 85-B, LTD.	28.65	30.02	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	27.36	30.19	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	27.34	29.59	
PARKER & PARSLEY 86-A, LTD.	27.46	28.87	
PARKER & PARSLEY 86-B, LTD.	27.60	29.45	
PARKER & PARSLEY 86-C, LTD.	27.56	29.43	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	27.55	29.45	
PARKER & PARSLEY 87-A CONV., LTD.	27.18	29.46	
PARKER & PARSLEY 87-A, LTD.	27.18	29.46	
PARKER & PARSLEY 87-B CONV., LTD.	27.69	29.31	
PARKER & PARSLEY 87-B, LTD.	27.69	29.31	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	27.47	29.34	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	27.54	29.36	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	27.10	29.56	
PARKER & PARSLEY 88-A CONV., L.P.	27.90	29.28	
PARKER & PARSLEY 88-A, L.P.	27.90	29.28	
PARKER & PARSLEY 88-B CONV., L.P.	26.41	29.29	
PARKER & PARSLEY 88-B, L.P.	26.41	29.29	
PARKER & PARSLEY 88-C CONV., L.P.	26.37	29.33	
PARKER & PARSLEY 88-C, L.P.	26.37	29.33	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	27.98	29.44	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	27.22	29.45	
PARKER & PARSLEY 89-A CONV., L.P.	27.48	29.59	
PARKER & PARSLEY 89-A, L.P.	27.48	29.59	
PARKER & PARSLEY 89-B CONV., L.P.	27.13	29.21	
PARKER & PARSLEY 89-B, L.P.	27.13	29.21	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	26.78	29.00	
PARKER & PARSLEY 90-A CONV., L.P.	27.38	29.32	
PARKER & PARSLEY 90-A, L.P.	27.38	29.32	
PARKER & PARSLEY 90-B CONV., L.P.	27.70	29.23	
PARKER & PARSLEY 90-B, L.P.	27.70	29.23	
PARKER & PARSLEY 90-C CONV., L.P.	27.16	29.34	
PARKER & PARSLEY 90-C, L.P.	27.16	29.34	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	27.27	29.35	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	26.83	29.17	
PARKER & PARSLEY 91-A, L.P.	27.88	29.90	
PARKER & PARSLEY 91-B, L.P.	28.53	30.09	

	AVERAGE SALES PRICE		
	NGL (PER BBL)		
	FOR THE THREE MONTHS ENDED MARCH 31,		FOR T D
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.	$ 14.58	$ 14.60	$
PARKER & PARSLEY 81-II, LTD.	17.54	15.59	
PARKER & PARSLEY 82-I, LTD.	12.67	14.44	
PARKER & PARSLEY 82-II, LTD.	13.18	15.01	
PARKER & PARSLEY 82-III, LTD.	12.20	13.86	
PARKER & PARSLEY 83-A, LTD.	14.18	15.58	
PARKER & PARSLEY 83-B, LTD.	13.48	15.47	
PARKER & PARSLEY 84-A, LTD.	12.70	14.00	
PARKER & PARSLEY 85-A, LTD.	12.16	14.20	
PARKER & PARSLEY 85-B, LTD.	14.41	15.96	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	13.27	15.22	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	13.50	15.52	
PARKER & PARSLEY 86-A, LTD.	13.90	14.94	
PARKER & PARSLEY 86-B, LTD.	13.37	15.00	
PARKER & PARSLEY 86-C, LTD.	13.64	15.06	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	13.33	15.01	
PARKER & PARSLEY 87-A CONV., LTD.	15.12	16.01	
PARKER & PARSLEY 87-A, LTD.	15.12	16.01	
PARKER & PARSLEY 87-B CONV., LTD.	15.18	16.90	
PARKER & PARSLEY 87-B, LTD.	15.18	16.90	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	11.93	12.12	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	14.93	16.68	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	14.77	16.17	
PARKER & PARSLEY 88-A CONV., L.P.	13.93	15.30	
PARKER & PARSLEY 88-A, L.P.	13.93	15.30	
PARKER & PARSLEY 88-B CONV., L.P.	14.34	16.02	
PARKER & PARSLEY 88-B, L.P.	14.34	16.02	
PARKER & PARSLEY 88-C CONV., L.P.	14.26	15.83	
PARKER & PARSLEY 88-C, L.P.	14.26	15.83	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	13.03	14.28	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	14.02	15.61	
PARKER & PARSLEY 89-A CONV., L.P.	13.84	15.42	
PARKER & PARSLEY 89-A, L.P.	13.84	15.42	
PARKER & PARSLEY 89-B CONV., L.P.	14.82	15.56	
PARKER & PARSLEY 89-B, L.P.	14.82	15.56	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	11.59	14.86	
PARKER & PARSLEY 90-A CONV., L.P.	13.78	15.62	
PARKER & PARSLEY 90-A, L.P.	13.78	15.62	
PARKER & PARSLEY 90-B CONV., L.P.	13.89	15.45	
PARKER & PARSLEY 90-B, L.P.	13.89	15.45	
PARKER & PARSLEY 90-C CONV., L.P.	12.95	14.91	
PARKER & PARSLEY 90-C, L.P.	12.95	14.91	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	14.06	15.82	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	14.49	15.56	
PARKER & PARSLEY 91-A, L.P.	13.65	14.94	
PARKER & PARSLEY 91-B, L.P.	15.13	16.50	

	AVERAGE SALES PRICE		
	GAS (PER MCF)		
	FOR THE THREE MONTHS ENDED MARCH 31,		FOR T D
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.	$ 1.83	$ 3.22	$
PARKER & PARSLEY 81-II, LTD.	1.26	3.07	
PARKER & PARSLEY 82-I, LTD.	2.33	3.29	
PARKER & PARSLEY 82-II, LTD.	1.90	2.98	
PARKER & PARSLEY 82-III, LTD.	1.60	2.54	
PARKER & PARSLEY 83-A, LTD.	1.76	3.02	
PARKER & PARSLEY 83-B, LTD.	1.76	2.83	
PARKER & PARSLEY 84-A, LTD.	1.54	2.49	
PARKER & PARSLEY 85-A, LTD.	1.71	2.66	
PARKER & PARSLEY 85-B, LTD.	1.84	2.92	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	1.58	2.65	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	1.70	2.77	
PARKER & PARSLEY 86-A, LTD.	1.63	2.56	
PARKER & PARSLEY 86-B, LTD.	1.76	2.82	
PARKER & PARSLEY 86-C, LTD.	1.62	2.78	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	1.81	2.90	
PARKER & PARSLEY 87-A CONV., LTD.	1.75	2.86	
PARKER & PARSLEY 87-A, LTD.	1.75	2.86	
PARKER & PARSLEY 87-B CONV., LTD.	1.75	2.98	
PARKER & PARSLEY 87-B, LTD.	1.75	2.98	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	1.84	2.56	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	1.78	2.88	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	1.86	2.99	
PARKER & PARSLEY 88-A CONV., L.P.	1.73	2.99	
PARKER & PARSLEY 88-A, L.P.	1.73	2.99	
PARKER & PARSLEY 88-B CONV., L.P.	1.73	2.87	
PARKER & PARSLEY 88-B, L.P.	1.73	2.87	
PARKER & PARSLEY 88-C CONV., L.P.	1.70	2.82	
PARKER & PARSLEY 88-C, L.P.	1.70	2.82	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	1.53	2.55	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	1.75	2.82	
PARKER & PARSLEY 89-A CONV., L.P.	1.91	3.07	
PARKER & PARSLEY 89-A, L.P.	1.91	3.07	
PARKER & PARSLEY 89-B CONV., L.P.	1.79	2.90	
PARKER & PARSLEY 89-B, L.P.	1.79	2.90	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	1.56	2.73	
PARKER & PARSLEY 90-A CONV., L.P.	1.82	2.94	
PARKER & PARSLEY 90-A, L.P.	1.82	2.94	
PARKER & PARSLEY 90-B CONV., L.P.	1.68	2.84	
PARKER & PARSLEY 90-B, L.P.	1.68	2.84	
PARKER & PARSLEY 90-C CONV., L.P.	1.71	2.89	
PARKER & PARSLEY 90-C, L.P.	1.71	2.89	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	1.77	2.90	

PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	1.68	2.91
PARKER & PARSLEY 91-A, L.P.	1.81	3.06
PARKER & PARSLEY 91-B, L.P.	1.73	2.93

	AVERAGE PRODUCTION COS		
	COST PER EQUIVALENT		
	FOR THE THREE MONTHS ENDED MARCH 31,		FOR
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.	$ 8.77	$ 9.52	
PARKER & PARSLEY 81-II, LTD.	16.26	11.46	
PARKER & PARSLEY 82-I, LTD.	10.27	11.91	
PARKER & PARSLEY 82-II, LTD.	9.34	10.25	
PARKER & PARSLEY 82-III, LTD.	7.80	9.20	
PARKER & PARSLEY 83-A, LTD.	10.68	10.52	
PARKER & PARSLEY 83-B, LTD.	8.42	9.12	
PARKER & PARSLEY 84-A, LTD.	7.95	8.64	
PARKER & PARSLEY 85-A, LTD.	9.78	9.66	
PARKER & PARSLEY 85-B, LTD.	9.21	10.19	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	7.02	7.78	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	8.91	9.43	
PARKER & PARSLEY 86-A, LTD.	8.67	8.86	
PARKER & PARSLEY 86-B, LTD.	8.77	8.87	
PARKER & PARSLEY 86-C, LTD.	10.72	10.31	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	10.78	10.84	
PARKER & PARSLEY 87-A CONV., LTD.	8.31	9.11	
PARKER & PARSLEY 87-A, LTD.	8.31	9.11	
PARKER & PARSLEY 87-B CONV., LTD.	7.45	8.63	
PARKER & PARSLEY 87-B, LTD.	7.45	8.63	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	10.34	12.48	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	8.79	8.42	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	9.30	9.13	
PARKER & PARSLEY 88-A CONV., L.P.	10.22	8.85	
PARKER & PARSLEY 88-A, L.P.	10.22	8.85	
PARKER & PARSLEY 88-B CONV., L.P.	6.52	7.84	
PARKER & PARSLEY 88-B, L.P.	6.52	7.84	
PARKER & PARSLEY 88-C CONV., L.P.	7.37	8.10	
PARKER & PARSLEY 88-C, L.P.	7.37	8.10	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	9.70	9.69	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	8.20	7.57	
PARKER & PARSLEY 89-A CONV., L.P.	7.97	8.23	
PARKER & PARSLEY 89-A, L.P.	7.97	8.23	
PARKER & PARSLEY 89-B CONV., L.P.	8.45	8.59	
PARKER & PARSLEY 89-B, L.P.	8.45	8.59	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	8.91	8.99	
PARKER & PARSLEY 90-A CONV., L.P.	7.92	9.43	
PARKER & PARSLEY 90-A, L.P.	7.92	9.43	
PARKER & PARSLEY 90-B CONV., L.P.	8.57	8.68	

PARKER & PARSLEY 90-B, L.P.	8.57	8.68
PARKER & PARSLEY 90-C CONV., L.P.	9.49	8.83
PARKER & PARSLEY 90-C, L.P.	9.49	8.83
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	7.39	8.22
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	9.35	8.97
PARKER & PARSLEY 91-A, L.P.	7.38	7.38
PARKER & PARSLEY 91-B, L.P.	7.18	6.88

(a) Gas production is converted to oil equivalents at the rate of six mcf per barrel, representing the relative energy content of natural gas and oil.

TABLE 11

PROVED RESERVES ATTRIBUTABLE TO PIONEER USA,
NONMANAGING GENERAL PARTNERS AND LIMITED PARTNERS
AS OF DECEMBER 31, 2000

	TOTAL PROVED RESERVE		
	PIONEER USA(a)		GE
	OIL & NGL (Bbls)	GAS (Mcf)	OIL NGL (Bbl
PARKER & PARSLEY 81-I, LTD.	57,816	116,841	4
PARKER & PARSLEY 81-II, LTD.	49,524	72,494	2
PARKER & PARSLEY 82-I, LTD.	114,245	257,041	4
PARKER & PARSLEY 82-II, LTD.	109,901	167,908	3
PARKER & PARSLEY 82-III, LTD.	88,780	85,126	2
PARKER & PARSLEY 83-A, LTD.	275,918	409,246	10
PARKER & PARSLEY 83-B, LTD.	340,686	554,365	13
PARKER & PARSLEY 84-A, LTD.	344,084	570,471	15
PARKER & PARSLEY 85-A, LTD.	11,187	15,154	
PARKER & PARSLEY 85-B, LTD.	5,233	7,901	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	11,095	12,053	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	6,238	10,351	
PARKER & PARSLEY 86-A, LTD.	6,075	11,653	
PARKER & PARSLEY 86-B, LTD.	16,246	21,064	
PARKER & PARSLEY 86-C, LTD.	11,745	16,465	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	3,174	4,960	
PARKER & PARSLEY 87-A CONV., LTD.	3,451	5,510	
PARKER & PARSLEY 87-A, LTD.	21,378	34,166	
PARKER & PARSLEY 87-B CONV., LTD.	2,988	4,431	
PARKER & PARSLEY 87-B, LTD.	12,411	18,405	

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	9,632	9,615	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	13,937	22,316	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	7,631	9,691	
PARKER & PARSLEY 88-A CONV., L.P.	5,253	7,315	
PARKER & PARSLEY 88-A, L.P.	18,059	25,149	
PARKER & PARSLEY 88-B CONV., L.P.	4,220	5,515	
PARKER & PARSLEY 88-B, L.P.	13,722	17,933	
PARKER & PARSLEY 88-C CONV., L.P.	2,870	4,039	
PARKER & PARSLEY 88-C, L.P.	1,908	2,685	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	7,216	9,530	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	7,708	9,375	
PARKER & PARSLEY 89-A CONV., L.P.	2,027	2,852	
PARKER & PARSLEY 89-A, L.P.	13,556	19,075	
PARKER & PARSLEY 89-B CONV., L.P.	5,782	7,927	
PARKER & PARSLEY 89-B, L.P.	9,810	13,454	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	7,311	7,715	
PARKER & PARSLEY 90-A CONV., L.P.	2,145	2,701	
PARKER & PARSLEY 90-A, L.P.	12,362	15,527	
PARKER & PARSLEY 90-B CONV., L.P.	12,549	16,252	
PARKER & PARSLEY 90-B, L.P.	25,709	33,227	
PARKER & PARSLEY 90-C CONV., L.P.	6,507	6,522	
PARKER & PARSLEY 90-C, L.P.	9,158	9,179	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	12,668	12,480	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	4,177	3,814	
PARKER & PARSLEY 91-A, L.P.	13,541	19,696	
PARKER & PARSLEY 91-B, L.P.	11,335	13,334	
TOTAL(D)	1,732,968	2,702,523	56

	TOTAL PROVED RESERV		
	LIMITED PARTNERS(c)		
	OIL & NGL (Bbls)	GAS (Mcf)	OIL NG (Bb
PARKER & PARSLEY 81-I, LTD.	149,140	301,399	21
PARKER & PARSLEY 81-II, LTD.	151,342	221,535	20
PARKER & PARSLEY 82-I, LTD.	239,586	539,046	35
PARKER & PARSLEY 82-II, LTD.	294,856	450,483	40
PARKER & PARSLEY 82-III, LTD.	219,396	210,367	31
PARKER & PARSLEY 83-A, LTD.	752,434	1,116,022	1,03
PARKER & PARSLEY 83-B, LTD.	918,850	1,495,154	1,27
PARKER & PARSLEY 84-A, LTD.	990,507	1,642,204	1,34
PARKER & PARSLEY 85-A, LTD.	371,156	502,769	38
PARKER & PARSLEY 85-B, LTD.	299,222	451,758	30
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	317,553	344,957	32
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	225,761	374,615	23
PARKER & PARSLEY 86-A, LTD.	446,620	856,663	45
PARKER & PARSLEY 86-B, LTD.	919,385	1,192,033	93
PARKER & PARSLEY 86-C, LTD.	886,520	1,242,812	89

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	314,198	491,002	31
PARKER & PARSLEY 87-A CONV., LTD.	178,340	284,684	18
PARKER & PARSLEY 87-A, LTD.	1,313,604	2,099,440	1,33
PARKER & PARSLEY 87-B CONV., LTD.	245,753	364,425	24
PARKER & PARSLEY 87-B, LTD.	1,003,438	1,487,986	1,01
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	704,591	703,402	71
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	523,830	838,757	53
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	755,457	959,391	76
PARKER & PARSLEY 88-A CONV., L.P.	222,619	310,018	22
PARKER & PARSLEY 88-A, L.P.	758,976	1,056,963	77
PARKER & PARSLEY 88-B CONV., L.P.	269,028	351,572	27
PARKER & PARSLEY 88-B, L.P.	659,140	861,434	67
PARKER & PARSLEY 88-C CONV., L.P.	219,589	308,985	22
PARKER & PARSLEY 88-C, L.P.	156,634	220,398	15
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	420,265	555,001	42
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	763,081	928,143	77
PARKER & PARSLEY 89-A CONV., L.P.	200,631	282,306	20
PARKER & PARSLEY 89-A, L.P.	588,978	828,781	60
PARKER & PARSLEY 89-B CONV., L.P.	434,277	595,395	44
PARKER & PARSLEY 89-B, L.P.	474,439	650,677	48
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	461,062	486,555	46
PARKER & PARSLEY 90-A CONV., L.P.	132,990	167,459	13
PARKER & PARSLEY 90-A, L.P.	381,738	479,494	39
PARKER & PARSLEY 90-B CONV., L.P.	740,794	959,455	75
PARKER & PARSLEY 90-B, L.P.	2,023,300	2,615,035	2,04
PARKER & PARSLEY 90-C CONV., L.P.	460,152	461,213	46
PARKER & PARSLEY 90-C, L.P.	741,036	742,738	75
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	809,113	797,112	82
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	413,544	377,597	41
PARKER & PARSLEY 91-A, L.P.	965,302	1,404,059	97
PARKER & PARSLEY 91-B, L.P.	1,030,441	1,212,237	1,04
TOTAL(D)	25,548,668	34,823,531	27,33

(a) Represents Pioneer USA's partnership interests in each partnership as: (1) the sole or managing general partner of the partnership; (2) a limited partner of the partnership; and (3) the sole general partner of each nonmanaging general partner. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership. However, as a result of the merger of each participating partnership, Pioneer USA will acquire 100% of the properties of the partnership including properties attributable to its partnership interests in the partnerships.

(b) Represents four unaffiliated individuals' partnership interests as limited partners of each nonmanaging general partner. Excludes Pioneer USA's partnership interests as general partner of each nonmanaging general partner.

(c) Represents the partnership interests of unaffiliated limited partners of each partnership. Excludes Pioneer USA's partnership interests as a limited partner of any partnership.

(d) Corresponds to amounts in the reserve report prepared by Williamson Petroleum Consultants, Inc. as of December 31, 2000.

TABLE 12

PROVED RESERVES ATTRIBUTABLE TO PIONEER USA,
NONMANAGING GENERAL PARTNERS AND LIMITED PARTNERS
AS OF MARCH 31, 2001

	TOTAL PROVED RESERV		
	PIONEER USA(a)		GE
	OIL & NGL (Bbls)	GAS (Mcf)	OIL NGL (Bbl
PARKER & PARSLEY 81-I, LTD.	44,015	89,859	3
PARKER & PARSLEY 81-II, LTD.	34,163	51,620	1
PARKER & PARSLEY 82-I, LTD.	82,220	182,248	2
PARKER & PARSLEY 82-II, LTD.	83,829	124,152	2
PARKER & PARSLEY 82-III, LTD.	70,421	67,391	2
PARKER & PARSLEY 83-A, LTD.	214,832	320,743	8
PARKER & PARSLEY 83-B, LTD.	275,618	448,098	1
PARKER & PARSLEY 84-A, LTD.	285,567	482,485	12
PARKER & PARSLEY 85-A, LTD.	8,498	11,656	
PARKER & PARSLEY 85-B, LTD.	3,895	5,745	
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	9,600	10,166	
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	5,008	8,464	
PARKER & PARSLEY 86-A, LTD.	4,687	8,889	
PARKER & PARSLEY 86-B, LTD.	13,080	17,075	
PARKER & PARSLEY 86-C, LTD.	8,652	11,999	
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	2,479	3,864	
PARKER & PARSLEY 87-A CONV., LTD.	2,683	4,348	
PARKER & PARSLEY 87-A, LTD.	16,718	27,103	
PARKER & PARSLEY 87-B CONV., LTD.	2,359	3,531	
PARKER & PARSLEY 87-B, LTD.	9,798	14,667	
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	7,415	7,413	
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	11,686	18,860	
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	6,337	8,010	
PARKER & PARSLEY 88-A CONV., L.P.	4,229	5,872	
PARKER & PARSLEY 88-A, L.P.	14,541	20,192	
PARKER & PARSLEY 88-B CONV., L.P.	3,480	4,558	
PARKER & PARSLEY 88-B, L.P.	11,314	14,819	
PARKER & PARSLEY 88-C CONV., L.P.	2,345	3,297	
PARKER & PARSLEY 88-C, L.P.	1,559	2,192	
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	6,055	7,923	
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	6,543	7,829	
PARKER & PARSLEY 89-A CONV., L.P.	1,698	2,414	
PARKER & PARSLEY 89-A, L.P.	11,359	16,152	
PARKER & PARSLEY 89-B CONV., L.P.	4,604	6,368	
PARKER & PARSLEY 89-B, L.P.	7,808	10,804	
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	5,909	6,237	

PARKER & PARSLEY 90-A CONV., L.P.	1,744	2,199	
PARKER & PARSLEY 90-A, L.P.	9,949	12,544	
PARKER & PARSLEY 90-B CONV., L.P.	10,224	13,186	
PARKER & PARSLEY 90-B, L.P.	20,923	26,947	
PARKER & PARSLEY 90-C CONV., L.P.	5,218	5,187	
PARKER & PARSLEY 90-C, L.P.	7,344	7,301	
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	10,449	10,006	
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	3,482	3,172	
PARKER & PARSLEY 91-A, L.P.	11,647	16,716	
PARKER & PARSLEY 91-B, L.P.	9,825	11,641	
TOTAL	1,375,809	2,145,942	44

	TOTAL PROVED RESER		
	LIMITED PARTNERS(c)		
	OIL & NGL (Bbls)	GAS (Mcf)	OI N (B
PARKER & PARSLEY 81-I, LTD.	119,464	242,599	1
PARKER & PARSLEY 81-II, LTD.	106,202	158,535	1
PARKER & PARSLEY 82-I, LTD.	174,292	386,652	2
PARKER & PARSLEY 82-II, LTD.	229,733	344,629	3
PARKER & PARSLEY 82-III, LTD.	176,244	171,833	2
PARKER & PARSLEY 83-A, LTD.	585,852	874,674	8
PARKER & PARSLEY 83-B, LTD.	743,358	1,208,548	1,0
PARKER & PARSLEY 84-A, LTD.	822,057	1,388,920	1,1
PARKER & PARSLEY 85-A, LTD.	281,965	386,713	2
PARKER & PARSLEY 85-B, LTD.	222,731	328,479	2
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	274,765	290,970	2
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	181,256	306,332	1
PARKER & PARSLEY 86-A, LTD.	344,581	653,460	3
PARKER & PARSLEY 86-B, LTD.	740,201	966,261	7
PARKER & PARSLEY 86-C, LTD.	653,081	905,703	6
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	245,444	382,576	2
PARKER & PARSLEY 87-A CONV., LTD.	138,639	224,665	1
PARKER & PARSLEY 87-A, LTD.	1,027,295	1,665,437	1,0
PARKER & PARSLEY 87-B CONV., LTD.	193,991	290,404	1
PARKER & PARSLEY 87-B, LTD.	792,129	1,185,806	8
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	542,443	542,313	5
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	439,208	708,847	4
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	627,335	792,961	6
PARKER & PARSLEY 88-A CONV., L.P.	179,233	248,890	1
PARKER & PARSLEY 88-A, L.P.	611,107	848,608	6
PARKER & PARSLEY 88-B CONV., L.P.	221,815	290,537	2
PARKER & PARSLEY 88-B, L.P.	543,481	711,836	5
PARKER & PARSLEY 88-C CONV., L.P.	179,408	252,233	1
PARKER & PARSLEY 88-C, L.P.	127,978	179,932	1
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	352,641	461,401	3

PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	647,747	775,098	6
PARKER & PARSLEY 89-A CONV., L.P.	168,085	239,019	1
PARKER & PARSLEY 89-A, L.P.	493,498	701,759	5
PARKER & PARSLEY 89-B CONV., L.P.	345,765	478,251	3
PARKER & PARSLEY 89-B, L.P.	377,628	522,545	3
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	372,674	393,332	3
PARKER & PARSLEY 90-A CONV., L.P.	108,108	136,309	1
PARKER & PARSLEY 90-A, L.P.	307,219	387,363	3
PARKER & PARSLEY 90-B CONV., L.P.	603,559	778,404	6
PARKER & PARSLEY 90-B, L.P.	1,646,642	2,120,743	1,6
PARKER & PARSLEY 90-C CONV., L.P.	369,034	366,832	3
PARKER & PARSLEY 90-C, L.P.	594,276	590,739	6
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	667,438	639,137	6
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	344,669	314,060	3
PARKER & PARSLEY 91-A, L.P.	830,236	1,191,626	8
PARKER & PARSLEY 91-B, L.P.	893,203	1,058,325	9
TOTAL	20,647,710	28,094,296	22,0

(a) Represents Pioneer USA's partnership interests in each partnership as: (1) the sole or managing general partner of the partnership; (2) a limited partner of the partnership; and (3) the sole general partner of each nonmanaging general partner. Pioneer USA will not receive any Pioneer common stock or cash payment for its partnership interests in any participating partnership. However, as a result of the merger of each participating partnership, Pioneer USA will acquire 100% of the properties of the partnership including properties attributable to its partnership interests in the partnerships.

(b) Represents four unaffiliated individuals' partnership interests as limited partners of each nonmanaging general partner. Excludes Pioneer USA's partnership interests as general partner of each nonmanaging general partner.

(c) Represents the partnership interests of unaffiliated limited partners of each partnership. Excludes Pioneer USA's partnership interests as a limited partner of any partnership.

TABLE 13

OIL, NATURAL GAS LIQUIDS AND GAS PRODUCTION
FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000 AND
THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

OIL & NGL (Bb

	FOR THE THREE MONTHS ENDED MARCH 31,		
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.		3,619	13,97
PARKER & PARSLEY 81-II, LTD.		2,737	13,92
PARKER & PARSLEY 82-I, LTD.		6,243	24,15
PARKER & PARSLEY 82-II, LTD.		6,483	24,92
PARKER & PARSLEY 82-III, LTD.		5,615	20,64
PARKER & PARSLEY 83-A, LTD.		16,424	66,67
PARKER & PARSLEY 83-B, LTD.		21,782	81,81
PARKER & PARSLEY 84-A, LTD.		21,791	85,48
PARKER & PARSLEY 85-A, LTD.		7,435	27,45
PARKER & PARSLEY 85-B, LTD.		4,993	20,80
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.		4,692	17,61
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.		3,625	15,69
PARKER & PARSLEY 86-A, LTD.		7,966	31,78
PARKER & PARSLEY 86-B, LTD.		15,880	62,33
PARKER & PARSLEY 86-C, LTD.		16,610	66,32
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.		5,424	20,93
PARKER & PARSLEY 87-A CONV., LTD.		3,368	13,09
PARKER & PARSLEY 87-A, LTD.		25,185	97,82
PARKER & PARSLEY 87-B CONV., LTD.		4,280	16,01
PARKER & PARSLEY 87-B, LTD.		17,478	65,40
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.		13,873	53,65
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.		10,018	33,11
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.		9,329	35,24
PARKER & PARSLEY 88-A CONV., L.P.		3,496	14,60
PARKER & PARSLEY 88-A, L.P.		11,946	49,80
PARKER & PARSLEY 88-B CONV., L.P.		4,667	18,57
PARKER & PARSLEY 88-B, L.P.		11,503	45,72
PARKER & PARSLEY 88-C CONV., L.P.		3,815	15,45
PARKER & PARSLEY 88-C, L.P.		2,729	11,02
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.		6,060	26,97
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.		10,892	46,28
PARKER & PARSLEY 89-A CONV., L.P.		3,150	13,09
PARKER & PARSLEY 89-A, L.P.		9,366	38,92
PARKER & PARSLEY 89-B CONV., L.P.		7,859	30,95
PARKER & PARSLEY 89-B, L.P.		8,656	34,08
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.		7,721	30,73
PARKER & PARSLEY 90-A CONV., L.P.		2,527	9,87
PARKER & PARSLEY 90-A, L.P.		7,290	28,51
PARKER & PARSLEY 90-B CONV., L.P.		12,969	53,38
PARKER & PARSLEY 90-B, L.P.		35,197	144,80
PARKER & PARSLEY 90-C CONV., L.P.		7,745	32,77
PARKER & PARSLEY 90-C, L.P.		12,449	52,68
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.		13,108	52,91
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.		5,652	22,59
PARKER & PARSLEY 91-A, L.P.		16,199	64,12
PARKER & PARSLEY 91-B, L.P.		17,038	69,55
TOTAL		456,884	1,816,40

GAS (Mcf

	FOR THE THREE MONTHS ENDED MARCH 31,		
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.		6,102	25,90
PARKER & PARSLEY 81-II, LTD.		1,489	15,86
PARKER & PARSLEY 82-I, LTD.		12,235	45,98
PARKER & PARSLEY 82-II, LTD.		9,151	35,90
PARKER & PARSLEY 82-III, LTD.		6,304	21,48
PARKER & PARSLEY 83-A, LTD.		22,988	94,61
PARKER & PARSLEY 83-B, LTD.		35,379	132,10
PARKER & PARSLEY 84-A, LTD.		35,071	138,61
PARKER & PARSLEY 85-A, LTD.		11,812	41,54
PARKER & PARSLEY 85-B, LTD.		7,429	30,90
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.		5,061	20,90
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.		5,393	22,98
PARKER & PARSLEY 86-A, LTD.		14,461	56,54
PARKER & PARSLEY 86-B, LTD.		20,435	79,85
PARKER & PARSLEY 86-C, LTD.		21,750	95,61
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.		7,936	33,57
PARKER & PARSLEY 87-A CONV., LTD.		5,425	20,35
PARKER & PARSLEY 87-A, LTD.		40,626	152,07
PARKER & PARSLEY 87-B CONV., LTD.		6,437	23,68
PARKER & PARSLEY 87-B, LTD.		26,331	96,74
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.		9,135	45,87
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.		14,555	49,38
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.		11,546	48,30
PARKER & PARSLEY 88-A CONV., L.P.		4,685	21,39
PARKER & PARSLEY 88-A, L.P.		15,987	72,96
PARKER & PARSLEY 88-B CONV., L.P.		5,699	21,78
PARKER & PARSLEY 88-B, L.P.		14,019	53,62
PARKER & PARSLEY 88-C CONV., L.P.		4,769	19,61
PARKER & PARSLEY 88-C, L.P.		3,392	13,97
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.		9,789	37,93
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.		15,649	59,53
PARKER & PARSLEY 89-A CONV., L.P.		4,757	20,05
PARKER & PARSLEY 89-A, L.P.		14,142	59,63
PARKER & PARSLEY 89-B CONV., L.P.		11,218	42,17
PARKER & PARSLEY 89-B, L.P.		12,352	46,45
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.		6,473	30,03
PARKER & PARSLEY 90-A CONV., L.P.		3,430	13,36
PARKER & PARSLEY 90-A, L.P.		9,897	38,57
PARKER & PARSLEY 90-B CONV., L.P.		15,621	64,78
PARKER & PARSLEY 90-B, L.P.		42,382	175,69
PARKER & PARSLEY 90-C CONV., L.P.		6,434	30,42
PARKER & PARSLEY 90-C, L.P.		10,341	48,90
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.		12,754	49,48
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.		3,949	22,12
PARKER & PARSLEY 91-A, L.P.		22,979	94,31
PARKER & PARSLEY 91-B, L.P.		19,802	85,55
TOTAL		607,571	2,451,23

	TOTAL (BOE)(		
	FOR THE THREE MONTHS ENDED MARCH 31,		
	2001	2000	2000
PARKER & PARSLEY 81-I, LTD.		4,636	18,29
PARKER & PARSLEY 81-II, LTD.		2,985	16,56
PARKER & PARSLEY 82-I, LTD.		8,282	31,82
PARKER & PARSLEY 82-II, LTD.		8,008	30,90
PARKER & PARSLEY 82-III, LTD.		6,666	24,22
PARKER & PARSLEY 83-A, LTD.		20,255	82,44
PARKER & PARSLEY 83-B, LTD.		27,679	103,83
PARKER & PARSLEY 84-A, LTD.		27,636	108,58
PARKER & PARSLEY 85-A, LTD.		9,404	34,38
PARKER & PARSLEY 85-B, LTD.		6,231	25,96
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.		5,536	21,10
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.		4,524	19,52
PARKER & PARSLEY 86-A, LTD.		10,376	41,21
PARKER & PARSLEY 86-B, LTD.		19,286	75,64
PARKER & PARSLEY 86-C, LTD.		20,235	82,26
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.		6,747	26,53
PARKER & PARSLEY 87-A CONV., LTD.		4,272	16,48
PARKER & PARSLEY 87-A, LTD.		31,956	123,17
PARKER & PARSLEY 87-B CONV., LTD.		5,353	19,96
PARKER & PARSLEY 87-B, LTD.		21,867	81,52
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.		15,396	61,30
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.		12,444	41,34
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.		11,253	43,29
PARKER & PARSLEY 88-A CONV., L.P.		4,277	18,17
PARKER & PARSLEY 88-A, L.P.		14,611	61,96
PARKER & PARSLEY 88-B CONV., L.P.		5,617	22,20
PARKER & PARSLEY 88-B, L.P.		13,840	54,66
PARKER & PARSLEY 88-C CONV., L.P.		4,610	18,72
PARKER & PARSLEY 88-C, L.P.		3,294	13,35
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.		7,692	33,29
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.		13,500	56,20
PARKER & PARSLEY 89-A CONV., L.P.		3,943	16,43
PARKER & PARSLEY 89-A, L.P.		11,723	48,86
PARKER & PARSLEY 89-B CONV., L.P.		9,729	37,98
PARKER & PARSLEY 89-B, L.P.		10,715	41,83
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.		8,800	35,74
PARKER & PARSLEY 90-A CONV., L.P.		3,099	12,10
PARKER & PARSLEY 90-A, L.P.		8,940	34,94
PARKER & PARSLEY 90-B CONV., L.P.		15,573	64,18
PARKER & PARSLEY 90-B, L.P.		42,261	174,08
PARKER & PARSLEY 90-C CONV., L.P.		8,817	37,84
PARKER & PARSLEY 90-C, L.P.		14,173	60,83
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.		15,234	61,16
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.		6,310	26,28
PARKER & PARSLEY 91-A, L.P.		20,029	79,84
PARKER & PARSLEY 91-B, L.P.		20,338	83,80
TOTAL		558,152	2,224,94

(a) Gas production is converted to oil equivalents at the rate of six mcf per barrel, representing the relative energy content of natural gas and oil.

TABLE 14

PRODUCTIVE WELLS AND DEVELOPED ACREAGE
AS OF DECEMBER 31, 2000

	PRODUCTIVE OIL AND GAS WELLS		DEVE
	GROSS(A)	NET(B)	GROSS(A
PARKER & PARSLEY 81-I, LTD.	16	9.13	2,32
PARKER & PARSLEY 81-II, LTD.	12	8.40	1,56
PARKER & PARSLEY 82-I, LTD.	17	16.19	1,70
PARKER & PARSLEY 82-II, LTD.	16	15.38	1,88
PARKER & PARSLEY 82-III, LTD.	13	11.63	2,01
PARKER & PARSLEY 83-A, LTD.	42	36.59	5,15
PARKER & PARSLEY 83-B, LTD.	41	40.66	5,22
PARKER & PARSLEY 84-A, LTD.	38	37.55	4,92
PARKER & PARSLEY 85-A, LTD.	21	17.05	2,08
PARKER & PARSLEY 85-B, LTD.	17	13.05	2,53
PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.	11	7.78	1,20
PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.	12	9.23	1,28
PARKER & PARSLEY 86-A, LTD.	26	21.86	1,68
PARKER & PARSLEY 86-B, LTD.	43	35.65	2,70
PARKER & PARSLEY 86-C, LTD.	53	44.36	4,43
PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.	14	12.37	1,68
PARKER & PARSLEY 87-A CONV., LTD.	73	7.06	6,49
PARKER & PARSLEY 87-A, LTD.	73	52.76	6,49
PARKER & PARSLEY 87-B CONV., LTD.	49	8.31	4,46
PARKER & PARSLEY 87-B, LTD.	49	33.94	4,46
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	85	40.35	10,57
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	34	20.52	4,30
PARKER & PARSLEY PRIVATE INVESTMENT 87, LTD.	24	19.65	1,68
PARKER & PARSLEY 88-A CONV., L.P.	39	8.01	3,28
PARKER & PARSLEY 88-A, L.P.	39	25.98	3,28
PARKER & PARSLEY 88-B CONV., L.P.	41	7.65	2,76
PARKER & PARSLEY 88-B, L.P.	41	18.82	2,76
PARKER & PARSLEY 88-C CONV., L.P.	41	6.97	2,75
PARKER & PARSLEY 88-C, L.P.	41	4.97	2,75

PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	23	18.69	1,68
PARKER & PARSLEY PRIVATE INVESTMENT 88, L.P.	22	19.18	1,87
PARKER & PARSLEY 89-A CONV., L.P.	32	5.87	2,81
PARKER & PARSLEY 89-A, L.P.	32	17.45	2,81
PARKER & PARSLEY 89-B CONV., L.P.	33	13.72	2,99
PARKER & PARSLEY 89-B, L.P.	33	15.12	2,99
PARKER & PARSLEY PRIVATE INVESTMENT 89, L.P.	19	13.87	1,91
PARKER & PARSLEY 90-A CONV., L.P.	25	4.56	2,04
PARKER & PARSLEY 90-A, L.P.	25	13.17	2,04
PARKER & PARSLEY 90-B CONV., L.P.	103	23.18	9,72
PARKER & PARSLEY 90-B, L.P.	103	62.92	9,72
PARKER & PARSLEY 90-C CONV., L.P.	42	13.68	1,02
PARKER & PARSLEY 90-C, L.P.	42	21.99	1,02
PARKER & PARSLEY PRIVATE INVESTMENT 90, L.P.	27	20.65	2,33
PARKER & PARSLEY 90 SPRABERRY PRIVATE DEV., L.P.	12	9.00	1,01
PARKER & PARSLEY 91-A, L.P.	47	24.71	4,38
PARKER & PARSLEY 91-B, L.P.	29	21.97	1,92
TOTAL	1,670	911.60	150,85

(a) A "gross well" or "gross acre" is a well or an acre in which a working interest is owned. The number of gross wells or acres represents the sum of the wells or acres in which a working interest is owned.

(b) A "net well" or "net acre" is deemed to exist when the sum of the fractional working interests in gross wells or acres equals one. The number of net wells or acres is the sum of the fractional working interests in gross wells or acres.

TABLE 15

RECENT TRADES OF PARTNERSHIP INTERESTS (A)
PER $1,000 INVESTMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND THE YEARS ENDED
DECEMBER 31, 2000 AND 1999

	PER $1,000 INVESTMENT		
	FOR THE THREE MONTHS ENDED MARCH 31,		
	SALES PRICE		NUMBER
	HIGH	LOW	OF SALES
PARKER & PARSLEY 82-I, LTD.			
PARKER & PARSLEY 82-II, LTD.			
PARKER & PARSLEY 83-A, LTD.			
PARKER & PARSLEY 83-B, LTD.			

PARKER & PARSLEY 84-A, LTD.
PARKER & PARSLEY 85-A, LTD.
PARKER & PARSLEY 85-B, LTD.
PARKER & PARSLEY 86-A, LTD.
PARKER & PARSLEY 86-B, LTD.
PARKER & PARSLEY 86-C, LTD.
PARKER & PARSLEY 87-A, LTD.
PARKER & PARSLEY 87-B, LTD.
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.
PARKER & PARSLEY 88-A, L.P.
PARKER & PARSLEY 88-B, L.P.
PARKER & PARSLEY 88-C, L.P.
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.
PARKER & PARSLEY 89-A, L.P.
PARKER & PARSLEY 89-B, L.P.
PARKER & PARSLEY 90-A, L.P.
PARKER & PARSLEY 90-B, L.P.
PARKER & PARSLEY 90-C, L.P.
PARKER & PARSLEY 91-A, L.P.
PARKER & PARSLEY 91-B, L.P.

	PER $1,000 INVESTMENT		
	FOR THE YEAR ENDED DECEMBER 31, 2		
	SALES PRICE		
	HIGH	LOW	NUMBER OF SALES
PARKER & PARSLEY 82-I, LTD.	$ 47.75	$ 37.50	5
PARKER & PARSLEY 82-II, LTD.	89.00	45.00	6
PARKER & PARSLEY 83-A, LTD.	112.50	94.00	6
PARKER & PARSLEY 83-B, LTD.	135.00	96.11	5
PARKER & PARSLEY 84-A, LTD.	165.00	101.11	8
PARKER & PARSLEY 85-A, LTD.	--	--	--
PARKER & PARSLEY 85-B, LTD.	135.00	100.00	4
PARKER & PARSLEY 86-A, LTD.	160.00	65.00	4
PARKER & PARSLEY 86-B, LTD.	160.00	97.00	8
PARKER & PARSLEY 86-C, LTD.	135.00	95.45	4
PARKER & PARSLEY 87-A, LTD.	163.75	78.00	12
PARKER & PARSLEY 87-B, LTD.	179.25	105.66	14
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	280.00	184.00	2
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	310.00	146.00	3
PARKER & PARSLEY 88-A, L.P.	205.00	135.00	6
PARKER & PARSLEY 88-B, L.P.	188.12	128.00	3
PARKER & PARSLEY 88-C, L.P.	175.00	138.20	4
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	--	--	--
PARKER & PARSLEY 89-A, L.P.	221.00	140.00	7
PARKER & PARSLEY 89-B, L.P.	215.00	215.00	1
PARKER & PARSLEY 90-A, L.P.	230.00	126.11	3
PARKER & PARSLEY 90-B, L.P.	211.12	100.00	19
PARKER & PARSLEY 90-C, L.P.	210.00	112.30	12
PARKER & PARSLEY 91-A, L.P.	259.00	212.00	2
PARKER & PARSLEY 91-B, L.P.	235.11	235.11	1

	PER $1,000 INVESTMENT		
	FOR THE YEAR ENDED DECEMBER 31, 199		
	SALES PRICE		
	HIGH	LOW	NUMBER OF SALES
PARKER & PARSLEY 82-I, LTD.	$ 15.00	$ 4.17	2
PARKER & PARSLEY 82-II, LTD.	30.83	10.50	3
PARKER & PARSLEY 83-A, LTD.	54.00	36.75	10
PARKER & PARSLEY 83-B, LTD.	63.11	43.00	2
PARKER & PARSLEY 84-A, LTD.	72.00	44.00	8
PARKER & PARSLEY 85-A, LTD.	61.00	10.00	5
PARKER & PARSLEY 85-B, LTD.	75.00	75.00	2
PARKER & PARSLEY 86-A, LTD.	55.00	10.00	2
PARKER & PARSLEY 86-B, LTD.	111.00	62.34	9
PARKER & PARSLEY 86-C, LTD.	80.00	45.00	5
PARKER & PARSLEY 87-A, LTD.	112.00	65.00	10
PARKER & PARSLEY 87-B, LTD.	101.67	10.00	12
PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.	175.00	112.00	4
PARKER & PARSLEY PRODUCING PROPERTIES 87-B, LTD.	170.00	128.00	3
PARKER & PARSLEY 88-A, L.P.	105.11	57.00	3
PARKER & PARSLEY 88-B, L.P.	111.00	62.00	4
PARKER & PARSLEY 88-C, L.P.	56.00	56.00	1
PARKER & PARSLEY PRODUCING PROPERTIES 88-A, L.P.	225.00	225.00	1
PARKER & PARSLEY 89-A, L.P.	138.00	86.00	5
PARKER & PARSLEY 89-B, L.P.	146.11	105.00	5
PARKER & PARSLEY 90-A, L.P.	92.00	84.33	2
PARKER & PARSLEY 90-B, L.P.	175.00	90.00	12
PARKER & PARSLEY 90-C, L.P.	136.33	60.51	8
PARKER & PARSLEY 91-A, L.P.	121.00	88.00	2
PARKER & PARSLEY 91-B, L.P.	135.00	135.00	1

(a) This table contains historical information about recent trades of partnership interests on a per $1,000 investment as determined from "The Partnership Spectrum." The price information represents the prices reported to have been paid to the sellers net of commissions paid by buyers. This information should not be relied upon as any indication of the price at which the partnership interests may trade. There may have been other secondary sale transactions in the partnership interests, although no information regarding any such transactions is available to Pioneer USA. Because the information regarding sale transactions in the partnership interests in this table is provided without verification by Pioneer USA and because the information provided does not reflect sufficient activity to cause the prices shown to be representative of the market values of the partnership interests, the information should not be relied upon as indicative of the ability of limited partners to sell their partnership interests in secondary sale transactions or as to the prices at which the partnership interests may be sold.

APPENDIX B
TO
PROXY STATEMENT/PROSPECTUS

SUMMARY RESERVE REPORT OF
WILLIAMSON PETROLEUM CONSULTANTS, INC.
FOR THE PARTNERSHIPS

April 10, 2001

Pioneer Natural Resources USA, Inc.
5205 North O'Connor Boulevard, Suite 1400
Irving, Texas 75039

Attention Board of Directors

Gentlemen:

Subject: Letter Report Including 46 Reports Prepared
by Williamson Petroleum Consultants, Inc.
for Pioneer Natural Resources USA, Inc.
to the Interests of Limited Partners
or the Converted Limited Partners
in Various Parker & Parsley Partnerships
Managed by Pioneer Natural Resources USA, Inc.
Effective December 31, 2000
for Disclosure to the
Securities and Exchange Commission
Williamson Project 0.8839

In accordance with your request, Williamson Petroleum Consultants, Inc. (Williamson) has prepared this summary letter for inclusion in the proxy statement to be distributed to the limited partners of the referenced partnerships by Pioneer Natural Resources USA, Inc. (Pioneer USA). This letter includes 46 Williamson reports prepared for Pioneer USA to the interests of the limited partners or the converted limited partners in various Parker & Parsley partnerships managed by Pioneer USA effective December 31, 2000 for disclosure to the Securities and Exchange Commission (SEC). A listing of the 46 Williamson reports is included as Exhibit I.

I. ESTIMATED RESERVES AND ESTIMATED FUTURE NET REVENUES

The total Williamson estimated net proved reserves that are attributable to the evaluated interests of the 46 partnership reports are shown in Exhibit II and were based on economic parameters and operating condition considered applicable as of December 31, 2000 and may be used in disclosure to the SEC.

The present values of the estimated future net revenues from proved reserves were calculated using a discount rate of 10.00 percent per annum and were computed in accordance with the financial reporting requirements of the SEC and are presented in Exhibit II.

At the request of Pioneer USA, Williamson used the Landmark graphics and reserves and economics evaluation software, Aries, to prepare this summary report. In evaluations of these properties prior to December 31, 1991, Williamson utilized its proprietary software programs. No comparative tests have been performed to determine the difference in evaluation results of either reserves or revenue quantities that may occur solely as a result of the differences in the programs nor has Williamson performed tests to determine the accuracy of Aries. However, in accordance with the request made by Pioneer USA and the general acceptance of Aries by the oil and gas industry, Williamson has used Aries to prepare this report.

II. DEFINITIONS OF SEC RESERVES(1)

The estimated reserves presented in this summary letter are net proved reserves, including proved developed producing, proved developed nonproducing, and proved undeveloped reserves, and were computed in accordance with the financial reporting requirements of the SEC. In preparing these evaluations, no attempt has been made to quantify the element of uncertainty associated with any category. Reserves were assigned to each category as warranted. The definitions of oil and gas reserves pursuant to the requirements of the Securities Exchange Act are:

Proved Reserves(2)

Proved reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under the economic criteria employed and existing operating conditions, i.e., prices and costs as of the date the estimate is made. Prices and costs include consideration of changes provided only by contractual arrangements but not on escalations based upon an estimate of future conditions.

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(1) For evaluations prepared for disclosure to the Securities and Exchange Commission, see SEC Accounting Rules. Commerce Clearing House, Inc. October 1981, Paragraph 290, Regulation 210.4-10, p. 329.

(2) Any variations to these definitions will be clearly stated in the report.

A. Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes:

1. that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and

2. the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

B. Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

C. Estimates of proved reserves do not include the following:

1. oil that may become available from known reservoirs but is classified separately as "indicated additional reserves";

2. crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors;

3. crude oil, natural gas, and natural gas liquids, that may occur in undrilled prospects; and

4. crude oil, natural gas, and natural gas liquids, that may be recovered from oil shales, coal(3), gilsonite, and other such sources.

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(3) According to Staff Accounting Bulletin 85, excluding certain coalbed methane gas.

Proved Developed Reserves(4)

Proved developed reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary recovery should be included as "proved developed reserves" only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

Proved Undeveloped Reserves

Proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances should estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

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(4) Williamson Petroleum Consultants, Inc. separates proved developed reserves into proved developed producing and proved developed nonproducing reserves. This is to identify proved developed producing reserves as those to be recovered from actively producing wells; proved developed nonproducing reserves as those to be recovered from wells or intervals within wells, which are completed but shut in waiting on equipment or pipeline connections, or wells where a relatively minor expenditure is required for recompletion to another zone.

III. DISCUSSION OF SEC RESERVES

The properties evaluated in this report are located in the states of Oklahoma and Texas with the majority of the value in the Spraberry (Trend Area) field, Texas.

The individual projections of lease reserves and economics prepared to produce this summary report include data that describe the production forecasts and associated evaluation parameters such as interests, taxes, product prices, operating costs, investments, salvage values, abandonment costs, and net profit interests.

Net income to the evaluated interests is the future net revenue after consideration of royalty revenue payable to others, taxes, operating expenses, investments, salvage values, abandonment costs, and net profit interests, as applicable. The future net revenue is before federal income tax and excludes consideration of any encumbrances against the properties if such exist.

The future net revenue values presented in this report were based on projections of oil and gas production. It was assumed there would be no significant delay between the date of oil and gas production and the receipt of the associated revenue for this production. No opinion is expressed by Williamson in this report as to a fair market value of the evaluated properties.

Unless specifically identified and documented by Pioneer USA as having curtailment problems, gas production trends have been assumed to be a function of well productivity and not of market conditions. The effect of "take or pay" clauses in gas contracts was not considered.

Oil and natural gas liquids (NGL) reserves are expressed in thousands of United States (U.S.) barrels (MBBL) of 42 U.S. gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at 60 degrees Fahrenheit and at the legal pressure base that prevails in the state which the reserves are located. No adjustment of the individual gas volumes to a common pressure base has been made.

This report includes only those costs and revenues which are considered by Pioneer USA to be directly attributable to individual leases and areas. There could exist other revenues, overhead costs, or other costs associated with Pioneer USA or the Limited Partners/Converted Limited Partners which are not included in this report. Such additional costs and revenues are outside the scope of this report. This report is not a financial statement for Pioneer USA or the Limited Partners/Converted Limited Partners and should not be used as the sole basis for any transaction concerning Pioneer USA, the Limited Partners/Converted Limited Partners, or the evaluated properties.

The reserves projections in this report are based on the use of the available data and accepted industry engineering methods. Future changes in any operational or economic parameters or production characteristics of the evaluated properties could increase or decrease their reserves. Unforeseen changes in market demand or allowables set by various regulatory agencies could also cause actual production rates to vary from those projected. Williamson reserves the right to alter any of the reserves projections and the associated economics included in this evaluation in any future evaluations based on additional data that may be acquired.

All data utilized in the preparation of this report with respect to interests, reversionary status, oil and gas prices, gas categories, gas contract terms, operating expenses, investments, salvage values, abandonment costs, net profit interests, well information, and current operating conditions, as applicable, were provided by Pioneer USA. Production data provided by Pioneer USA were utilized. The production data was generally through October 2000. All data have been reviewed for reasonableness and, unless obvious errors were detected, have been accepted as correct. It should be emphasized that revisions to the projections of reserves and economics included in this report may be required if the provided data are revised for any reason. No inspection of the properties was made as this was not considered within the scope of this evaluation. No investigation was made of any environmental liabilities that might apply to the evaluated properties, and no costs are included for any possible related expenses.

Since sufficient production history and other data were available, the estimates of reserves contained in this report were determined by extrapolation of historical production trends and in accordance with the Definitions of SEC Reserves included in this summary letter report.

Prices for oil sold as of December 31, 2000 were provided by Pioneer USA to be used at the effective date. These prices include adjustments for API gravity, transportation, and any bonus paid. These adjustments were made by Pioneer USA. After the effective date, prices were held constant for the life of the properties. No attempt has been made to account for oil price fluctuations which have occurred in the market subsequent to the effective date of this report.

Prices for gas sold as of December 31, 2000 were provided by Pioneer USA to be used at the effective date. These prices include adjustments for British thermal unit content, shrinkage due to NGL removal, transportation and handling charges, and any other known differences between sales and produced volumes. These adjustments were made by Pioneer USA. After the effective date, prices were held constant for the life of the properties unless Pioneer USA indicated

that changes were provided for by contract. All gas prices were applied to projected wellhead volumes.

Prices for NGL sold as of December 31, 2000 were provided by Pioneer USA to be used at the effective date. NGL reserves were projected as a separate stream using a constant ratio (barrels of NGL/thousand cubic feet of gas) based on historical yields. After the effective date, prices were held constant for the life of the properties. No attempt has been made to account for price fluctuations which have occurred in the market subsequent to the effective date of this report.

It should be emphasized that with the current economic uncertainties, fluctuation in market conditions could significantly change the economics of the properties included in this report.

Operating expenses were provided by Pioneer USA and represented, when possible, the latest available 12-month average of all recurring expenses which are billable to the working interest owners. These expenses included, but were not limited to, all direct operating expenses, field overhead costs, and any ad valorem taxes not deducted separately. Expenses for workovers, well stimulations, and other maintenance were not included in the operating expenses unless such work was expected on a recurring basis. Judgments for the exclusion of the nonrecurring expenses were made by Pioneer USA. Operating costs were held constant for the life of the properties.

State production and county ad valorem taxes have been deducted at the published rates as provided by Pioneer USA. A 7.5 percent severance tax exemption was applied until September 2001 for qualifying wells.

IV. CONSENT AND DECLARATION OF INDEPENDENT STATUS

We understand that our estimates are to be included in a Schedule 13e-3 under the Securities Exchange Act of 1934 to be filed by you with the SEC and in the proxy statement included as an exhibit to such Schedule 13e-3. We understand further that the estimates may be used by you to establish merger values for the Partnerships. With this understanding in mind, we have consistently applied the generally accepted petroleum engineering and evaluation principles in estimating the proved oil and gas reserves and in computing the future net revenues derived from such reserves for each property attributable to the interests held by the Partnerships.

Based on information supplied by Pioneer USA, neither capital costs nor salvage values were included in the projections of reserves and economics in this report. Williamson is an independent consulting firm and does not own any interests in the oil and gas properties covered by this report. No employee, officer, or director of Williamson is an employee, officer, or director of Pioneer USA or any of the subject partnerships. Neither the employment of nor the compensation received by Williamson is contingent upon the values assigned to the properties covered by this report.

Yours very truly,

/s/ Williamson Petroleum Consultants, Inc.

WILLIAMSON PETROLEUM CONSULTANTS, INC.

JDS/chk

Enclosures

EXHIBIT I

LETTER REPORT INCLUDING 46 REPORTS PREPARED
BY WILLIAMSON PETROLEUM CONSULTANTS, INC.
FOR PIONEER NATURAL RESOURCES USA, INC.
TO THE INTERESTS OF LIMITED PARTNERS
OR THE CONVERTED LIMITED PARTNERS
IN VARIOUS PARKER & PARSLEY PARTNERSHIPS
MANAGED BY PIONEER NATURAL RESOURCES USA, INC.
EFFECTIVE DECEMBER 31, 2000
FOR DISCLOSURE TO THE
SECURITIES AND EXCHANGE COMMISSION
WILLIAMSON PROJECT 0.8839

LIST OF WILLIAMSON PETROLEUM CONSULTANTS, INC. REPORTS
EFFECTIVE DECEMBER 31, 2000

"Evaluation of Oil and Gas Reserves to the Interests of the Limited Partners in Parker & Parsley 81-I, Ltd. Managed by Pioneer Natural Resources USA, Inc. Effective December 31, 2000 for Disclosure to the Securities and Exchange Commission Summary Report Utilizing Aries Software Williamson Project 0.8839"

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WILLIAMSON PROJECT 0.8839

NET RESERVES AND FUTURE NET REVENUE
FROM REPORTS PREPARED BY WILLIAMSON PETROLEUM CONSULTANTS, INC.
EFFECTIVE DECEMBER 31, 2000

	TOTAL PROVED DEVELOPED PRODUC			
				FUTU
	NET RESERVES TO THE EVALUATED INTERESTS			
PIONEER FUNDS	OIL/CONDENSATE (MBBL)	LIQUID (MBBL)	GAS (MMCF)	UNDISCOU
Parker & Parsley 81-I, Ltd	99.997	58.388	320.081	2,810
Parker & Parsley 81-II, Ltd.	84.731	67.440	222.749	1,977
Parker & Parsley 82-I, Ltd.	194.780	73.613	603.859	4,656
Parker & Parsley 82-II, Ltd.	211.725	94.426	467.740	4,879
Parker & Parsley 82-III, Ltd.	164.851	68.468	223.717	2,916
Parker & Parsley 83-A, Ltd.	497.915	281.533	1,156.089	11,168
Parker & Parsley 83-B, Ltd.	608.901	345.775	1,553.450	14,112
Parker & Parsley 84-A, Ltd.	608.956	403.376	1,678.388	15,623
Parker & Parsley 85-A, Ltd.	243.615	134.904	512.744	5,195
Parker & Parsley 85-B, Ltd.	201.444	99.966	455.062	4,490
Parker & Parsley Private Investment 85-A, Ltd.	228.363	96.999	353.440	5,194

Parker & Parsley Selected 85 Private Investment, Ltd.	130.193	99.486	381.116	3,650
Parker & Parsley 86-A, Ltd.	250.327	197.841	859.633	7,179
Parker & Parsley 86-B, Ltd.	618.084	308.191	1,200.966	14,120
Parker & Parsley 86-C, Ltd.	563.752	325.531	1,246.684	11,898
Parker & Parsley Private Investment 86, Ltd.	208.138	106.060	491.002	4,920
Parker & Parsley 87-A Conv., Ltd.	113.696	66.277	287.292	2,873
Parker & Parsley 87-A, Ltd.	834.588	487.044	2,112.270	21,154
Parker & Parsley 87-B Conv., Ltd.	157.541	88.713	365.167	3,907
Parker & Parsley 87-B, Ltd.	643.391	362.299	1,491.327	15,958
Parker & Parsley Producing Properties 87-A, Ltd.	553.134	153.947	705.887	9,228
Parker & Parsley Producing Properties 87-B, Ltd.	348.562	183.827	852.462	9,400
Parker & Parsley Private Investment 87, Ltd.	525.646	229.811	959.391	12,336
Parker & Parsley 88-A Conv., L.P.	144.189	81.404	314.160	3,480
Parker & Parsley 88-A, L.P.	491.675	277.590	1,071.291	11,868
Parker & Parsley 88-B Conv., L.P.	185.600	84.916	353.516	4,354
Parker & Parsley 88-B, L.P.	457.018	209.116	870.573	10,723
Parker & Parsley 88-C Conv., L.P.	145.815	74.419	309.894	3,561

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EFFECTIVE DECEMBER 31, 2000

	TOTAL PROVED DEVELOPED PRODUC			
				FUTU
	NET RESERVES TO THE EVALUATED INTERESTS			
PIONEER FUNDS	OIL/CONDENSATE (MBBL)	LIQUID (MBBL)	GAS (MMCF)	UNDISCOU
Parker & Parsley 88-C, L.P.	103.921	53.036	220.852	2,537
Parker & Parsley Producing Properties 88-A, L.P.	273.838	149.368	558.886	6,727
Parker & Parsley Private Investment 88, L.P.	509.333	253.748	928.143	12,668
Parker & Parker 89-A Conv., L.P.	136.107	64.524	282.306	3,433
Parker & Parsley 89-A, L.P.	404.668	191.841	839.377	10,210
Parker & Parsley 89-B Conv., L.P.	276.640	159.018	597.289	6,717
Parker & Parsley 89-B, L.P.	304.369	175.038	657.490	7,386
Parker & Parsley Private Investment 89, L.P.	324.948	138.741	489.327	6,929
Parker & Parsley 90-A Conv., L.P.	86.964	46.820	168.458	2,004
Parker & Parsley 90-A, L.P.	253.836	136.323	490.071	5,806
Parker & Parsley 90-B Conv., L.P.	503.298	242.511	965.950	11,527
Parker & Parsley 90-B, L.P.	1,370.202	658.317	2,621.779	31,316
Parker & Parsley 90-C Conv., L.P.	323.794	138.198	463.058	6,302
Parker & Parsley 90-C, L.P.	520.528	222.164	744.398	10,131
Parker & Parsley Private Investment 90, L.P.	584.599	228.964	801.496	12,370
Parker & Parsley 90 Spraberry Private Development, L.P.	313.028	100.516	377.597	5,906
Parker & Parsley 91-A, L.P.	662.796	306.258	1,409.517	17,786
Parker & Parsley 91-B, L.P.	719.664	311.695	1,213.315	17,109
Total All Partnerships	17,189.160	8,638.440	35,249.259	400,514

APPENDIX C
TO
PROXY STATEMENT/PROSPECTUS

FORM OF
FAIRNESS OPINION OF ROBERT A. STANGER & CO., INC.
(SUBJECT TO CHANGE)

, 2001

Board of Directors of
Pioneer Natural Resources USA, Inc.,
As the Sole or Managing General Partner of
The Partnerships Identified on Exhibit I
1400 Williams Square West
5205 North O'Connor Boulevard
Irving, Texas 75039

Gentlemen:

Pioneer Natural Resources USA, Inc. ("Pioneer USA"), the sole or managing general partner of the partnerships identified in Exhibit I attached hereto ("the Partnerships"), has advised us that the Partnerships are contemplating a transaction (the "Transaction") pursuant to an agreement (the "Merger Agreement") in which the Partnerships will merge with and into Pioneer USA and the interests of the limited partners (the "Limited Partners") in each Partnership will be converted into the right to receive cash and shares of common stock (the "Pioneer Shares") of Pioneer Natural Resources Company ("Pioneer") equal to the estimated value of such Partnership's oil and gas reserves (the "Reserve Value") and net working capital (the "Working Capital Balance") as of March 31, 2001 (collectively, the Reserve Value and the Working Capital Balance are referred to herein as the "Merger Value"). We have been advised that the Merger Value will be allocated and paid to holders of limited partnership interests (the "Limited Partner Interests") of each Partnership in accordance with the provisions of the Partnership agreement of each Partnership relating to a liquidation of the Partnership.

We have been further advised that the Reserve Value has been established by Pioneer USA and its parent company, Pioneer, based upon the present value of estimated future net revenues (after certain expenses and charges) from each Partnership's proved oil and gas reserves as of March 31, 2001 utilizing prices for 2001, 2002, 2003, 2004 and thereafter of $26.17, $24.36, $22.83, $22.31 and $21.97 per barrel of oil and $5.18, $4.61, $4.16, $4.09 and $4.12 per thousand cubic feet of gas, and a discount rate of 13.5%. We have been further advised that the Reserve Value is based upon the reserve report of Williamson Petroleum Consultants, Inc. ("Williamson"), an independent petroleum engineering firm, as of December 31, 2000, which Pioneer and Pioneer USA have adjusted since that date through March 31, 2001 based upon a production curve consistent with the production curve used by Williamson and to which Pioneer and Pioneer USA have applied the prices previously stated (the "Reserve Analysis").

We have been advised that the Limited Partners in each Partnership will have the opportunity to approve or reject the participation by their Partnership in the Transaction pursuant

to a proxy statement/prospectus (the "Proxy Statement/Prospectus") and a Limited

Partners meeting which will be prepared and held, respectively, in connection with the Transaction, and further that Limited Partners in each Partnership, in exchange for Limited Partner Interests, will receive the allocated Merger Value, 25% in cash and 75% in Pioneer Shares, respectively. We have been advised that the value to be ascribed to each share of Pioneer, which is listed on the New York Stock Exchange ("NYSE"), shall be equal to the average closing price for such shares on the NYSE for the ten trading day period ending three business days prior to the meeting of the Limited Partners contemplated herein.

You have requested that Robert A. Stanger & Co., Inc. ("Stanger") provide an opinion as to the fairness from a financial point of view to the unaffiliated Limited Partners of each Partnership and the unaffiliated limited partners of the non-managing general partner of each applicable Partnership of the Merger Value ascribed to each Partnership and the allocation thereof to: (i) the Limited Partners of each Partnership, as a group; (ii) the general partners of each Partnership as a group; (iii) Pioneer USA, as the managing or sole general partner of each partnership; (iv) the unaffiliated Limited Partners of each Partnership, as a group; and (v) the unaffiliated limited partners of the non-managing general partner of each applicable Partnership as a group.

Stanger, founded in 1978, has provided research, investment banking and consulting services to clients located throughout the United States, including major New York Stock Exchange member firms and insurance companies and over seventy companies engaged in the management and operations of partnerships. The investment banking activities of Stanger include financial advisory services, asset and securities valuations, industry and company research and analysis, litigation support and expert witness services, and due diligence investigations in connection with both publicly registered and privately placed securities transactions.

Stanger, as part of its investment banking business, is regularly engaged in the valuation of securities in connection with mergers, acquisitions, and reorganizations and for estate, tax, corporate and other purposes. In particular, Stanger's valuation practice principally involves partnerships, partnership securities and assets typically owned through partnerships including, but not limited to, oil and gas reserves, real estate, mortgages secured by real estate, cable television systems, and equipment leasing assets.

In arriving at the opinion set forth below, we have:

- o Reviewed the Preliminary Proxy Statement/Prospectus;

- o Reviewed a draft of the Merger Agreement which Pioneer USA has indicated to be in substantially the form which will be executed in connection with the Transaction;

- o Reviewed the financial statements and forms 10K and 10Q, as applicable, of the Partnerships for the years ended December 31, 1998, 1999 and 2000, and [the three months ended March 31, 2001];

- o Reviewed the Reserve Analysis of each Partnership prepared by Pioneer USA and Pioneer as of March 31, 2001;

- o Reviewed the Reserve Report for each Partnership prepared by Williamson Petroleum Consultants, Inc. as of December 31, 2000;

- Reviewed the calculations prepared by Pioneer USA and Pioneer of the Merger Value per $1,000 original investment in each Partnership;

- Reviewed Pioneer USA's analysis of other alternatives to the Transaction including going concern value, liquidation value, royalty trust and production payment;

- Reviewed estimates prepared by Pioneer USA and Pioneer of the going-concern value and liquidation value per $1,000 original investment in each Partnership;

- Interviewed key management personnel of Pioneer USA regarding the oil and gas reserves, the financial condition of each Partnership and the terms of the Transaction;

- Reviewed the financial statements of Pioneer for the years ended December 31, 1999 and 2000 and the [three months ended March 31, 2001];

- Reviewed pro forma financial data for Pioneer assuming the completion of the transaction;

- Reviewed recent secondary market trading activity for interests in the Partnerships, as available;

- Reviewed recent trading activity in Pioneer Shares; and

- Conducted such other studies, analyses, inquiries and investigations as we deemed appropriate.

In rendering this opinion, we have relied, without independent verification, on the accuracy and completeness in all material respects of all financial and other information that was furnished or otherwise communicated to us by Pioneer USA, Pioneer and the Partnerships. We have been advised by Pioneer USA and Pioneer that the oil and gas properties owned by the Partnerships are subject to operating agreements (the "Operating Agreements") with Pioneer USA and that: (i) such Operating Agreements provide for the payment of overhead charges and that such charges are reasonable compared to amounts charged for similar services by third-party operators; and (ii) except for cause, such Operating Agreements do not provide for the termination of Pioneer USA as operator, and (iii) such Operating Agreements do not provide for the revision of overhead charges, except as escalated under the terms of such Operating Agreements. Furthermore, we have been advised by Pioneer USA and Pioneer that if each Partnership's reserves were offered for sale to a third party, a condition of such sale would be that the oil and gas reserves would continue to be subject to the Operating Agreements with Pioneer USA which provide for the payment of overhead charges, and that it would be

appropriate to assume, when estimating the value of such reserves, that such charges would continue. We have also been advised that the Reserve Value and Working Capital Balance of each Partnership has been properly allocated between Pioneer USA, the other general partners, if any, and Limited Partners of each Partnership in accordance with the Partnership Agreement with respect to a liquidation of such Partnership.

We have not performed an independent appraisal of the oil and gas reserves or other assets and liabilities of the Partnerships. We have not conducted any engineering studies and have relied on estimates of Pioneer USA and Pioneer with respect to oil and gas reserve volumes, prices, operating costs, and overhead charges.

We have relied on the assurance of Pioneer USA, Pioneer and the Partnerships that: (i) the Reserve Analysis provided to us was in the judgment of Pioneer USA and the Partnerships reasonably prepared on bases consistent with actual historical experience and reflect their best currently available estimates and good faith judgments; (ii) any estimates of costs to remediate environmental conditions included in the Reserve Analysis are based on detailed analyses and reflect the best currently available estimates and good faith judgments; (iii) any historical financial data, balance sheet data, transaction cost estimates, Merger Value analyses, going-concern value analyses and liquidation value analyses are accurate and complete in all material respects; (iv) all allocations included within the calculations of Merger Values, going-concern values and liquidation values have been made in accordance with the Partnership Agreement for each Partnership; (v) no material changes have occurred in the information reviewed or in the value of the oil and gas reserves or Working Capital Balances of each Partnership between the date the information was provided to us and the date of this letter; (vi) the relative ownership interest of the Limited Partners, unaffiliated Limited Partners, general partners, unaffiliated limited partners of the non-managing general partner of each applicable Partnership and Pioneer USA, as manager or sole general partner, is accurately included in accordance with the Partnership Agreements on the analyses provided to us by Pioneer USA; (vii) neither Pioneer or any of its affiliates has during the thirty days prior to the date hereof commenced or continued a share repurchase program or similar transaction which could affect the Pioneer Share price to be used in the Transaction; and (viii) Pioneer USA, Pioneer and the Partnerships are not aware of any information or facts regarding the Partnerships, the oil and gas properties, the Reserve Analysis or the Working Capital Balances of each Partnership that would cause the information supplied to us to be incomplete or misleading in any material respect.

We have not been requested to, and therefore did not: (i) make any recommendation to Pioneer USA, the Partnerships or the Limited Partners with respect to whether to approve or reject the Transaction; (ii) determine or negotiate the amount or form of the Merger Value to be paid for Limited Partner Interests in the Transaction; (iii) offer the assets of the Partnerships for sale to any third party; (iv) express any opinion as to: (a) the impact of the Transaction with respect to Pioneer USA or the Limited Partners of any Partnerships that do not participate in the Transaction; (b) the tax consequences of the Transaction for Pioneer USA, other general partners or the Limited Partners of any Partnership; (c) Pioneer USA's or Pioneer's ability to finance their obligations pursuant to the Merger Agreement or the impact of a failure to obtain financing on the financial performance of Pioneer USA, Pioneer or the Partnerships; (d) Pioneer USA's decision to estimate the Reserve Value of the oil and gas reserves of each Partnership based upon the continued operation of the properties by Pioneer USA and the payment of overhead charges in accordance with existing Operating Agreements or the impact, if any, on the estimated values

of the Partnerships' oil and gas reserves if Pioneer USA and Pioneer determined to offer or operate the assets subject to revised Operating Agreements; (e) whether or not alternative methods of determining the Merger Value would have also provided fair results or results substantially similar to the methodology used; (f) alternatives to the Transaction, including the offering of such assets for sale to third-party buyers; (g) the trading price of Pioneer Shares immediately following the closing of the Transaction and the distribution of Pioneer Shares in connection therewith; (h) the fairness of the termination of the repurchase obligations of Pioneer USA with respect to those partnerships wherein Pioneer USA is obligated to offer to repurchase limited partnership interests annually based upon a formula which, in certain circumstances including the repurchase offers based upon December 31, 2000 oil and gas prices, result in repurchase offer prices above the market value for the reserves of such Partnerships; or (i) any other terms of the Transaction.

This letter does not purport to be a complete description of the analyses performed or the matters considered in rendering this opinion. The analyses and the summary set forth herein must be considered as a whole, and selecting portions of such summary or analyses without considering all factors and analyses would create an incomplete view of the process underlying this opinion. In rendering this opinion, judgment was applied to a variety of complex analyses and assumptions. The assumptions made and the judgments applied in rendering the opinion are not readily susceptible to partial analysis or summary description. The fact that any specific analysis is referred to herein is not meant to indicate that such analysis was given greater weight than any other analyses.

Our opinion is based on business, economic, oil and gas market, and other conditions as of the date of our analysis and addresses the Merger Value in the context of information available as of the date of our analysis. Events occurring after that date could affect the value of the assets of the Partnerships or the assumptions used in preparing this opinion.

Based upon and subject to the foregoing, it is our opinion that, as of the date of this letter and subject to the assumptions, limitations and qualifications contained herein, the Merger Value ascribed to each Partnership in connection with the Transaction and the allocation thereof to: (i) the Limited Partners of each Partnership, as a group; (ii) the general partners of each Partnership, as a group; (iii) Pioneer USA, as the managing or sole general partner of each Partnership; (iv) the unaffiliated Limited Partners of each Partnership, as a group; and (v) the unaffiliated limited partners of the non-managing general partner of each applicable Partnership, as a group; is fair to the unaffiliated Limited Partners of each Partnership and the unaffiliated limited partners of the non-managing general partner of each applicable Partnership, from a financial point of view.

Yours truly,

Robert A. Stanger & Co., Inc.
Shrewsbury, New Jersey
, 2001

EXHIBIT I

PARTNERSHIPS

Parker & Parsley 81-I, Ltd.
Parker & Parsley 81-II, Ltd.
Parker & Parsley 82-I, Ltd.
Parker & Parsley 82-II, Ltd.

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

APPENDIX D

TO

PROXY STATEMENT/PROSPECTUS

THE MERGER PROPOSALS

The merger proposals for each partnership, except as otherwise indicated, are set forth below. For each partnership, the merger proposals include the approval of:

- the merger agreement for that partnership, pursuant to which:
  - the partnership will be merged with and into Pioneer USA, on the

terms and subject to the conditions set forth in the merger agreement as described in the proxy statement/prospectus; and

-- each partner, whether limited or general, but other than Pioneer USA, will receive Pioneer common stock and cash in an amount based on the merger value of that partnership in exchange for that partner's partnership interests;

o the merger amendment for that partnership authorizing:

-- the merger of the partnership with and into Pioneer USA, with Pioneer USA being the surviving entity; and

-- the elimination of any restrictions on the merger otherwise contained in the partnership's partnership agreement; and

o the opinion of special legal counsel for the limited partners and the selection of that counsel.

For each partnership, approval of the merger proposals requires the affirmative vote of limited partners who own or have the power to vote a majority, or 66?% for Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P., of the limited partnership interests in that partnership. The effect of an abstention or a failure to vote is the same as a vote against the merger proposals. See "The Special Meetings -- Record Date; Voting Rights and Proxies." Subject to the terms and conditions of the merger of each partnership as described in the proxy statement/prospectus under "The Merger Agreement," if the merger proposals are approved by a partnership, that participating partnership will merge with and into Pioneer USA, with Pioneer USA being the surviving entity. From and after the closing of the merger of each participating partnership, the partnership interests of the partners in that partnership will represent the right to receive an amount of Pioneer common stock and cash as described in the proxy statement/prospectus.

Generally, the partnership agreement of each partnership requires that special legal counsel for the limited partners, acceptable to the partnership, deliver a legal opinion, acceptable to the partnership, that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. of Dallas, Texas has delivered that opinion, subject to the approval of the limited partners of that opinion and the selection of special legal counsel for the limited partners. See "The Merger of Each Partnership -- Legal Opinion for Limited Partners."

APPROVAL OF MERGER FOR EACH PARTNERSHIP FORMED IN TEXAS:

RESOLVED: That, subject to receipt of a favorable opinion of special legal counsel for the limited partners as described in the proxy statement/prospectus, the partnership be merged with and into Pioneer USA, with Pioneer USA being the surviving entity, and that an amount of Pioneer common stock and cash be paid to each partner, other than Pioneer USA, in accordance with the terms set forth in the merger agreement included as Appendix E to the proxy statement/prospectus and subject to the conditions set forth therein.

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RESOLVED: That, subject to receipt of a favorable opinion of special legal counsel for the limited partners as described in the proxy statement/prospectus, the following new article shall be added to the partnership agreement of the partnership:

ARTICLE

Notwithstanding any provisions of this Agreement to the contrary, it is hereby agreed as follows:

1. Definitions. For the purposes of this Article, "Proxy Statement/Prospectus" means the proxy statement/prospectus dated , 2001 of Pioneer Natural Resources Company, a Delaware corporation ("Pioneer"), and Pioneer Natural Resources USA, Inc., a Delaware corporation ("Pioneer USA"), contained in the Registration Statement on Form S-4 of Pioneer filed with the Securities and Exchange Commission.

2. Elimination of Restrictions to Transaction. Notwithstanding anything in this Agreement to the contrary, upon the consent of limited partners holding a majority of the outstanding limited partnership interests in the partnership, which consent may or may not be the same consent to the adoption of an amendment to this Agreement, no provision of this Agreement shall prohibit, limit or prevent:

(a) the merger or consolidation of the partnership, including the merger described in the Proxy Statement/Prospectus, with any other domestic limited partnership or other entity, as those terms are defined in the Texas Revised Limited Partnership Act, and

(b) the consummation of the merger of the partnership as described in the Proxy Statement/Prospectus.

In addition, no consent of the partnership, Pioneer USA or any partner or other procedure, including the delivery of opinions of counsel, shall be required in order to enable the partnership, Pioneer USA or any partner to effect the merger.

3. Mergers. For purposes of this Agreement, each merger described in the Proxy Statement/Prospectus shall be treated as if the partnership has:

(a) disposed of all of its assets and liabilities to Pioneer USA in exchange for an amount in cash representing the merger value of the partnership, and

(b) liquidated in the manner provided in the liquidation provisions of this Agreement.

Accordingly, upon the partnership's deemed liquidation resulting from the merger, Pioneer USA will pay an amount of Pioneer common stock and cash to the partners, other than itself, in accordance with the liquidation provisions of this Agreement. For purposes of Texas law, the merger shall be a merger subject to the provisions of Section 2.11 of the Texas Revised Limited Partnership Act.

4. Authority of Pioneer USA as General Partner. By obtaining the approval of the limited partners described in Section 2 of this Article, the partnership hereby extends the power of attorney granted to Pioneer USA pursuant to this Agreement to permit Pioneer USA to execute the merger agreement described in the Proxy Statement/Prospectus and the merger amendment contemplated by this Article on behalf of the limited partners. Pioneer USA shall be

authorized, at such time in its full discretion as it deems appropriate, to execute, acknowledge, verify, deliver, file and record, for and in the name and on behalf of the partnership, Pioneer USA and the limited partners, any and all documents, agreements, certificates and instruments, and shall do and perform any and all acts required by applicable law or which Pioneer USA deems necessary or advisable in order to give effect to this Article and the transactions contemplated herein, including, but not limited to, the merger.

5. This Article Controlling. The provisions of this Article shall control over all other provisions of this Agreement.

Except as herein expressly amended, all other terms and provisions of this Agreement shall remain in full force and effect.

APPROVAL OF MERGER FOR EACH PARTNERSHIP FORMED IN DELAWARE:

RESOLVED: That, subject to receipt of a favorable opinion of special legal counsel for the limited partners as described in the proxy statement/prospectus, the partnership be merged with and into Pioneer USA, with Pioneer USA being the surviving entity, and that an amount in cash be paid to each partner, other than Pioneer USA, in accordance with the terms set forth in the merger agreement included as Appendix E to the proxy statement/prospectus and subject to the conditions set forth therein.

RESOLVED: That, subject to receipt of a favorable opinion of special legal counsel for the limited partners as described in the proxy statement/prospectus, the following new article shall be added to the partnership agreement of the partnership:

ARTICLE

Notwithstanding any provisions of this Agreement to the contrary, it is hereby agreed as follows:

1. Definitions. For the purposes of this Article, "Proxy Statement/Prospectus" means the proxy statement/prospectus dated , 2001 of Pioneer Natural Resources Company, a Delaware corporation ("Pioneer"), and Pioneer Natural Resources USA, Inc., a Delaware corporation ("Pioneer USA"), contained in the Registration Statement on Form S-4 of Pioneer filed with the Securities and Exchange Commission.

2. Elimination of Restrictions to Transaction. Notwithstanding anything in this Agreement to the contrary, upon the consent of limited partners holding a majority of the outstanding limited partnership interests in the partnership, which consent may or may not be the same consent to the adoption of an amendment to this Agreement, no provision of this Agreement shall prohibit, limit or prevent:

(a) the merger or consolidation of the partnership, including the merger described in the Proxy Statement/Prospectus, with any other domestic limited partnership or other business entity, as those terms are defined in the Delaware Revised Uniform Limited Partnership Act, and

(b) the consummation of the merger of the partnership as described in the Proxy Statement/Prospectus.

In addition, no consent of the partnership, Pioneer USA or any partner or other procedure, including the delivery of opinions of counsel, shall be required in order to enable the partnership, Pioneer USA or any partner to effect the merger.

3. Mergers. For purposes of this Agreement, each merger described in the Proxy Statement/Prospectus shall be treated as if the partnership has:

(a) disposed of all of its assets and liabilities to Pioneer USA in exchange for an amount in cash representing the merger value of the partnership, and

(b) liquidated in the manner provided in the liquidation provisions of this Agreement.

Accordingly, upon the partnership's deemed liquidation resulting from the merger, Pioneer USA will pay an amount of Pioneer common stock and cash to the partners, other than itself, in accordance with the liquidation provisions of this Agreement. For purposes of Delaware law, the merger shall be a merger subject to the provisions of Section 17.11 of the Delaware Revised Uniform Limited Partnership Act.

4. Authority of Pioneer USA as General Partner. By obtaining the approval of the limited partners described in Section 2 of this Article, the partnership hereby extends the power of attorney granted to Pioneer USA pursuant to this Agreement to permit Pioneer USA to execute the merger agreement described in the Proxy Statement/Prospectus and the merger amendment contemplated by this Article on behalf of the limited partners. Pioneer USA shall be authorized, at such time in its full discretion as it deems appropriate, to execute, acknowledge, verify, deliver, file and record, for and in the name and on behalf of the partnership, Pioneer USA and the limited partners, any and all documents, agreements, certificates and instruments, and shall do and perform any and all acts required by applicable law or which Pioneer USA deems necessary or advisable in order to give effect to this Article and the transactions contemplated herein, including, but not limited to, the merger.

5. This Article Controlling. The provisions of this Article shall control over all other provisions of this Agreement.

Except as herein expressly amended, all other terms and provisions of this Agreement shall remain in full force and effect.

APPROVAL OF COUNSEL TO LIMITED PARTNERS FOR EACH PARTNERSHIP:

RESOLVED: That the selection of _____________ of Dallas, Texas as special legal counsel for the limited partners of the partnership for the purpose of rendering the legal opinion described in the proxy statement/prospectus under "The Merger of Each Partnership -- Legal Opinion for Limited Partners" be and hereby is approved by Pioneer USA, on behalf of the partnership, and the limited partners of such partnership.

RESOLVED: That the legal opinion delivered pursuant to the partnership agreement of the partnership as described in the proxy statement/prospectus under "The Merger of Each Partnership -- Legal Opinion for Limited Partners," in form and substance as set forth in Exhibit A to these merger proposals, be and hereby is approved as in form and substance satisfactory to the limited partners of such partnership in their reasonable judgment.

EXHIBIT A

TO APPENDIX D

TO

PROXY STATEMENT/PROSPECTUS

OPINION OF

Pioneer Natural Resources USA, Inc.,
As Sole or Managing General Partner of
46 Limited Partnerships Named in the
Proxy Statement/Prospectus dated , 2001
1400 Williams Square West
5205 North O'Connor Blvd.
Irving, Texas 75039

We are of the opinion that (1) neither the grant nor the exercise of the right to approve the merger of each partnership with and into Pioneer Natural Resources USA, Inc. by the partnership's limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability.

We hereby consent to the references to our firm and this opinion contained in the proxy statement/prospectus forming a part of the registration statement on Form S-4 originally filed with the Securities and Exchange Commission by Pioneer Natural Resources Company, a Delaware corporation, on April 17, 2001 in connection with the merger of each of the limited partnerships with and into Pioneer Natural Resources USA, Inc., a Delaware corporation.

APPENDIX E

TO

PROXY STATEMENT/PROSPECTUS

FORM OF

AGREEMENT AND PLAN OF MERGER
(DRILLING AND INCOME FUNDS)

THIS AGREEMENT AND PLAN OF MERGER dated as of , 2001 (this "Merger

Agreement"), is entered into by and among Pioneer Natural Resources Company, a Delaware corporation ("Pioneer"), Pioneer Natural Resources USA, Inc., a Delaware corporation and wholly-owned subsidiary of Pioneer ("Pioneer USA"), and each of the limited partnerships referred to below (each, a "Partnership" and collectively, the "Partnerships").

RECITALS

A. Pioneer USA is the sole or managing general partner of each of the following Partnerships:

PARTNERSHIP NAME	STATE OF FORMATION
Parker & Parsley 81-I, Ltd.	Texas
Parker & Parsley 81-II, Ltd.	Texas
Parker & Parsley 82-I, Ltd.	Texas
Parker & Parsley 82-II, Ltd.	Texas
Parker & Parsley 82-III, Ltd.	Texas
Parker & Parsley 83-A, Ltd.	Texas
Parker & Parsley 83-B, Ltd.	Texas
Parker & Parsley 84-A, Ltd.	Texas
Parker & Parsley 85-A, Ltd.	Texas
Parker & Parsley 85-B, Ltd.	Texas
Parker & Parsley Private Investment 85-A, Ltd.	Texas
Parker & Parsley Selected 85 Private Investment, Ltd.	Texas
Parker & Parsley 86-A, Ltd.	Texas
Parker & Parsley 86-B, Ltd.	Texas
Parker & Parsley 86-C, Ltd.	Texas
Parker & Parsley Private Investment 86, Ltd.	Texas
Parker & Parsley 87-A Conv., Ltd.	Texas
Parker & Parsley 87-A , Ltd.	Texas
Parker & Parsley 87-B Conv., Ltd.	Texas
Parker & Parsley 87-B, Ltd.	Texas
Parker & Parsley Producing Properties 87-A, Ltd.	Texas
Parker & Parsley Producing Properties 87-B, Ltd.	Texas
Parker & Parsley Private Investment 87, Ltd.	Texas
Parker & Parsley 88-A Conv., L.P.	Delaware
Parker & Parsley 88-A, L.P.	Delaware
Parker & Parsley 88-B Conv., L.P.	Delaware
Parker & Parsley 88-B, L.P.	Delaware
Parker & Parsley 88-C Conv., L.P.	Delaware
Parker & Parsley 88-C, L.P.	Delaware
Parker & Parsley Producing Properties 88-A, L.P.	Delaware
Parker & Parsley Private Investment 88, L.P.	Delaware
Parker & Parsley 89-A Conv., L.P.	Delaware
Parker & Parsley 89-A, L.P.	Delaware
Parker & Parsley 89-B Conv., L.P.	Delaware
Parker & Parsley 89-B, L.P.	Delaware

STATE OF

PARTNERSHIP NAME	FORMATION
Parker & Parsley Private Investment 89, L.P.	Delaware
Parker & Parsley 90-A Conv., L.P.	Delaware
Parker & Parsley 90-A, L.P.	Delaware
Parker & Parsley 90-B Conv., L.P.	Delaware
Parker & Parsley 90-B, L.P.	Delaware
Parker & Parsley 90-C Conv., L.P.	Delaware
Parker & Parsley 90-C, L.P.	Delaware
Parker & Parsley Private Investment 90, L.P.	Delaware
Parker & Parsley 90 Spraberry Private Development, L.P.	Delaware
Parker & Parsley 91-A, L.P.	Delaware
Parker & Parsley 91-B, L.P.	Delaware

B. Each of Parker & Parsley Employees 81-I, Ltd., a Texas limited partnership, Parker & Parsley Employees 81-II, Ltd., a Texas limited partnership, Parker & Parsley Employees 82-I, Ltd., a Texas limited partnership, Parker & Parsley Employees 82-II, Ltd., a Texas limited partnership, Parker & Parsley Employees 82-III, Ltd., a Texas limited partnership, Parker & Parsley Employees 83-A, Ltd., a Texas limited partnership, Parker & Parsley Employees 83-B, Ltd., a Texas limited partnership, and Parker & Parsley Employees 84-A, Ltd., a Texas limited partnership (individually, the "Nonmanaging General Partner" and collectively, the "Nonmanaging General Partners"), is the nonmanaging general partner of Parker & Parsley 81-I, Ltd., Parker & Parsley 81-II, Ltd., Parker & Parsley 82-I, Ltd., Parker & Parsley 82-II, Ltd., Parker & Parsley 82-III, Ltd., Parker & Parsley 83-A, Ltd. Parker & Parsley 83-B, Ltd. and Parker & Parsley 84-A, Ltd., respectively.

C. Pioneer USA is the sole general partner of each of the Nonmanaging General Partners and in such capacity has authority (i) to cause the Nonmanaging General Partner to perform its obligations under the partnership agreement of the respective Partnership; and (ii) to exercise on behalf of the Nonmanaging General Partner all of the rights and elections granted to such Nonmanaging General Partner by the respective Partnership.

D. The board of directors of each of Pioneer and Pioneer USA has determined that it is in the best interests of Pioneer and Pioneer USA (in its individual capacity, as the sole or managing general partner of each Partnership and as the sole general partner of each Nonmanaging General Partner) to merge each Partnership with and into Pioneer USA and each such board of directors has approved the merger of each Partnership referred to below, upon the terms and subject to the conditions contained herein.

E. Pioneer USA intends to solicit the vote of the limited partners of each Partnership holding at least a majority (or with respect to Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. (each, a "Super-Majority Partnership"), at least 66?%) of the outstanding limited partnership interests of the Partnership to approve the merger of the Partnership. Subject to certain limitations, upon consummation of the merger of each Partnership, the partners, other than Pioneer USA, will have the right to receive a number of shares of common stock, par value $0.01 per share, of Pioneer (the "Pioneer Common Stock") and an amount of cash.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
THE MERGER OF EACH PARTNERSHIP

1.1 Merger of Each Partnership. At the Effective Time (as defined in Section 1.4), each Partnership shall be merged with and into Pioneer USA, the separate existence of the Partnership shall cease, and Pioneer USA, as the surviving corporation, shall continue to exist by virtue of and shall be governed by the laws of the State of Delaware.

1.2 Merger Value for Each Partnership; Pioneer Common Stock and Cash Offered.

(a) At the Effective Time, by virtue of the merger of each Partnership and without any action on the part of Pioneer USA or the other partners of the Partnership, each partnership interest outstanding immediately prior thereto shall be converted into the right to receive a portion of the amount of Pioneer Common Stock and cash allocated to the Partnership, which portion shall be determined in accordance with the merger value assigned to the Partnership pursuant to the procedures set forth herein and in the Proxy Statement/Prospectus (as defined in Section 4.3) and the procedures set forth in the Partnership's partnership agreement for allocating liquidation distributions as though the assets of the Partnership were sold for the merger value of the Partnership. The merger value for each Partnership is equal to the sum of the present value of estimated future net revenues from the Partnership's oil and gas reserves and its net working capital, in each case as of March 31, 2001 and determined as described in the Proxy Statement/Prospectus. The merger value for each Partnership will not be adjusted as of the Closing Date. The number of shares of Pioneer Common Stock to be issued for each partnership interest of each Partnership will be based on (i) 75% of the Partnership's merger value divided by (ii) the average closing price of the Pioneer Common Stock, as reported by the New York Stock Exchange, for the ten trading days ending three business days before the date of the special meeting for the Partnership. The remaining portion will be paid in cash. For purposes of illustration in the Proxy Statement/Prospectus, Pioneer and Pioneer USA calculated the aggregate number of shares of Pioneer Common Stock to be offered based on $18.00 per share of Pioneer Common Stock. Pioneer and Pioneer USA shall update the aggregate number of shares of Pioneer Common Stock to be issued based on the average closing price as described in clause (ii) above before the date of the special meeting for each Partnership. The merger value assigned to each Partnership and the amount of Pioneer Common Stock and cash offered with respect to each $1,000 investment by the limited partners in the Partnership pursuant to the merger of the Partnership are set forth in the table entitled "Summary Table - Merger Value and Amount of Initial Limited Partner Investment Repaid" in the Proxy Statement/Prospectus.

(b) All partnership interests of each Partnership, when converted into the right to receive Pioneer Common Stock and cash, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate representing any such partnership interests shall cease to have any rights with respect thereto, except the right to receive the amount of Pioneer Common Stock and cash to be delivered in consideration therefor.

(c) The partnership interests, whether general or limited, in each Partnership held directly or indirectly by Pioneer USA shall be cancelled without any consideration being received therefor; provided, however, that as a result of the merger of each Partnership, Pioneer USA will own 100% of the properties of the Partnership, including properties attributable to its partnership interests in the Partnership.

(d) No fractional shares of Pioneer Common Stock will be issued. Each fractional share of Pioneer Common Stock to be issued to a partner of a Partnership will be rounded up to the nearest whole share. The cash payment to that partner will be reduced by the value of the fractional share required to complete a whole share multiplied by the price per share of Pioneer common stock used to determine the number of shares to be issued.

(e) All cash payments shall be rounded to the nearest cent, with .5 cent being rounded to one cent.

(f) When any person has partnership interests in more than one Partnership that merges with Pioneer USA, Pioneer USA and Pioneer may, at their sole discretion, aggregate the number of shares of Pioneer Common Stock or the cash payments, or both, to that person before making the rounding and other adjustments provided in the preceding clauses (d) and (e).

1.3 Closing. The closing of the merger of each Partnership (the "Closing") shall take place at the offices of Vinson & Elkins L.L.P., 3700 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, as soon as practicable after the fulfillment of the conditions referred to in Article 4, or at such other time and place as the parties shall agree (the date of such Closing being the "Closing Date").

1.4 Effective Time of Merger of Each Partnership. Upon satisfaction of the conditions set forth in Article 4 hereof and as soon as practicable after the Closing, this Merger Agreement, or a certificate of merger setting forth the information required by, and otherwise in compliance with, Section 263 of the General Corporation Law of the

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State of Delaware (the "DGCL") and, if applicable, Section 17-211 of the Revised Uniform Limited Partnership Act of the State of Delaware (the "DRULPA") with respect to the merger of each Partnership, shall be delivered for filing with the Secretary of State of the State of Delaware. At such time, if applicable, a certificate of merger with respect to the merger of each Partnership setting forth the information required by, and otherwise in compliance with, Section 2.11 the Revised Limited Partnership Act of the State of Texas (the "TRLPA") shall be delivered for filing with the Secretary of State of the State of Texas. The merger of each Partnership shall become effective upon the later of (a) the day and at the time the Secretary of State of the State of Delaware files this Merger Agreement or such certificate of merger in compliance with Section 263 of the DGCL and, if applicable, Section 17-211 of the DRULPA, and (b) if applicable, the day and at the time the Secretary of State of the State of Texas files such certificate of merger in compliance with Section 2.11 of the TRLPA (the time of such effectiveness is herein called the "Effective Time"). Notwithstanding the foregoing, by action of its board of directors, either Pioneer or Pioneer USA, in its individual capacity or as the sole general partner of each Partnership, may terminate this Merger Agreement at any time prior to the earlier of (a) the filing of this Merger Agreement or the certificate of merger with respect to the merger of the Partnership in compliance with Section 263 of the DGCL and, if applicable, Section 17-211 of the DRULPA with the Secretary of State of the State of Delaware and (b) if applicable, the filing of the certificate of merger with respect to the merger of the Partnership in compliance with Section 2.11 of the TRLPA with Secretary of State of the State of Texas.

1.5 Effect of Merger of Each Partnership. At the Effective Time of the merger of each Partnership, Pioneer USA, without further action, as provided by the laws of the State of Delaware and the State of Texas, as the case may be, shall succeed to and possess all the rights, privileges, powers, and franchises, of a public as well as of a private nature, of the Partnership; and all property, real, personal and mixed, and all debts due on whatsoever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to the Partnership shall be deemed to be vested in Pioneer USA without further act or deed; and the title to any real estate, or any interest therein, vested in Pioneer USA or the Partnership shall not revert or be in any way impaired by reason of the merger of the Partnership. Such transfer to and vesting in Pioneer USA shall be deemed to occur by operation of law, and no consent or approval of any other person shall be required in connection with any such transfer or vesting unless such consent or approval is specifically required in the event of merger or consolidation by law or express provision in any contract, agreement, decree, order, or other instrument to which Pioneer USA or the Partnership is a party or by which either of them is bound. At and after the Effective Time, Pioneer USA shall be responsible and liable for all debts, liabilities, and duties of each Partnership, including franchise taxes, if any, which may be enforced against Pioneer USA to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it. Neither the rights of creditors nor any liens upon the property of any Partnership or Pioneer USA shall be impaired by the merger of any Partnership.

1.6 Certificate of Incorporation and Bylaws. The certificate of incorporation of Pioneer USA before the merger of each Partnership shall be and remain the certificate of incorporation of Pioneer USA after the Effective Time, until the same shall thereafter be altered, amended, or repealed in accordance with law and Pioneer USA's certificate of incorporation. The bylaws of Pioneer USA as in effect at the Effective Time shall be and remain the bylaws of Pioneer USA, as the surviving corporation, until the same shall thereafter be altered, amended, or repealed in accordance with law, Pioneer USA's certificate of incorporation or such bylaws.

1.7 Pioneer USA Common Stock. At the Effective Time, each outstanding share of common stock of Pioneer USA shall remain outstanding and shall continue to represent one share of common stock of Pioneer USA.

1.8 Officers and Directors. At the Effective Time, each of the persons who was serving as an officer of Pioneer USA immediately prior to the Effective Time shall continue to be an officer of Pioneer USA and shall continue to serve in such capacity at the pleasure of the board of directors of Pioneer USA or, if earlier, until their respective death or resignation. At the Effective Time, each of the persons who was serving as a director of Pioneer USA immediately prior to the Effective Time shall continue to be a director of Pioneer USA, and each shall serve in such capacity until the next annual meeting of stockholders of Pioneer USA and until his or her successor is elected and qualified or, if earlier, until his death, resignation, or removal from office.

1.9 Exchange of Partnership Interests for Pioneer Common Stock and Cash.

(a) Pioneer USA shall mail certificates representing shares of Pioneer Common Stock and checks to the partners of record, other than Pioneer USA, of each Partnership promptly following the Closing Date in

payment of the merger consideration. Limited partners and Nonmanaging General Partners of each Partnership will not be required to surrender partnership interest certificates to receive the Pioneer Common Stock and the cash payment.

(b) After the Closing Date, there shall not be any further registration of transfers on the transfer books of any Partnership of the partnership interests that were issued and outstanding immediately before the Closing Date and were converted into the right to receive Pioneer Common Stock and cash. If, after the Closing Date, certificates representing partnership interests of a Partnership are presented, they shall be exchanged for Pioneer Common Stock and cash, all as provided in this Article.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Each Partnership. Each Partnership hereby represents and warrants to Pioneer and Pioneer USA as follows:

(a) Formation; Qualification. The Partnership is a limited partnership duly formed under the DRULPA or TRLPA, as applicable, and is validly existing and in good standing under the laws of the State of Delaware or the State of Texas, as applicable. The Partnership has all requisite partnership power and authority to own, operate or lease its properties and to carry on its business as now being conducted. The Partnership is duly qualified to do business as a foreign limited partnership and is in good standing in each jurisdiction where the character of its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary.

(b) Capitalization. All of the outstanding partnership interests of the Partnership are free of all liens, encumbrances, defects and preemptive rights and are fully paid. Except as described in the Proxy Statement/Prospectus, there are no outstanding subscriptions, options or other arrangements or commitments obligating the Partnership to issue any additional partnership interests.

(c) No Conflicts. Assuming this Merger Agreement is approved by the requisite vote of the limited partners of the Partnership (with respect to Parker & Parsley 85-A, Ltd., Parker & Parsley 85-B, Ltd., Parker & Parsley Private Investment 85-A, Ltd., Parker & Parsley Selected 85 Private Investment, Ltd., Parker & Parsley Private Investment 86, Ltd., Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P. (each, a "Special Vote Partnership"), excluding Pioneer USA and its affiliates), consummation of the transactions contemplated hereby and compliance with the terms and provisions of this Merger Agreement will not conflict with, result in a breach of, require notice under or constitute a default under (i) its certificate of limited partnership or partnership agreement, (ii) any material judgment, order, injunction, decree or ruling of any court or governmental authority or (iii) any material agreement, indenture or instrument to which the Partnership is a party.

(d) Authority, Authorization and Enforceability. The Partnership has all requisite power and authority to enter into and perform the provisions of this Merger Agreement. The execution and delivery of this Merger Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary partnership action on the part of the Partnership other than the approval of its limited partners (with respect to each Special Vote Partnership, excluding Pioneer USA and its affiliates). Subject to such approval, this Merger Agreement has been duly executed and delivered by the Partnership and constitutes a valid and binding obligation of the Partnership enforceable in accordance with its terms.

(e) SEC Reports; Financial Statements.

(i) With respect to each of Reporting Partnership (as defined below), the Partnership's (A) Annual Report on Form 10-K for the year ended December 31, 2000, (B) Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, and (C) all other reports or registration statements filed with the Securities and Exchange Commission (the "SEC") since December 31, 2000 (collectively, the "Partnership's SEC Reports") (1) were prepared in accordance with the applicable requirements of the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"), and (2) as of their respective dates, did not contain any untrue statement of a material fact or omit to

state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(ii) Each of the financial statements of the Partnership for the year ended December 31, 2000 and for the three months ended March 31, 2001 contained in the Partnership's supplement to the Proxy Statement/Prospectus and, with respect to each Reporting Partnership, in the Partnership's SEC Reports has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and each fairly presents the financial position of the Partnership as of the respective dates thereof and the results of operations and cash flows of the Partnership for the periods indicated, except that the unaudited interim financial statements are subject to normal and recurring year-end adjustments that are not expected to be material in amount.

(iii) For purposes hereof, the term "Reporting Partnership" means: Parker & Parsley 82-I, Ltd., Parker & Parsley 82-II, Ltd., Parker & Parsley 83-A, Ltd., Parker & Parsley 83-B, Ltd., Parker & Parsley 84-A, Ltd., Parker & Parsley 85-A, Ltd., Parker & Parsley 85-B, Ltd., Parker & Parsley 86-A, Ltd., Parker & Parsley 86-B, Ltd., Parker & Parsley 86-C, Ltd., Parker & Parsley 87-A, Ltd., Parker & Parsley 87-B, Ltd., Parker & Parsley Producing Properties 87-A, Ltd., Parker & Parsley Producing Properties 87-B, Ltd., Parker & Parsley 88-A, L.P., Parker & Parsley 88-B, L.P., Parker & Parsley Producing Properties 88-A, L.P., Parker & Parsley 89-A, L.P., Parker & Parsley 90-A L.P., Parker & Parsley 90-B Conv., L.P., Parker & Parsley 90-B, L.P., Parker & Parsley 90-C Conv., L.P., Parker & Parsley 90-C, L.P., Parker & Parsley 91-A, L.P. and Parker & Parsley 91-B, L.P.

(f) No Material Adverse Change. Since March 31, 2001, the Partnership has conducted its operations in the ordinary and usual course of business and has paid all of its obligations as they have become due; and the business of the Partnership has not undergone any material adverse change since such date.

(g) Accuracy of Information. None of the information supplied or to be supplied by the Partnership for inclusion in the Proxy Statement/Prospectus, as amended or supplemented, will, at the time of the mailing of the Proxy Statement/Prospectus, the time of the special meeting of the limited partners of the Partnership (each, a "Special Meeting") or the Closing Date, be false or misleading with respect to any material fact, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2.2 Representations and Warranties of Pioneer USA. Pioneer USA hereby represents and warrants to Pioneer and each Partnership as follows:

(a) Organization; Qualification. Pioneer USA is a corporation duly formed under the DGCL and is validly existing and in good standing under the laws of the State of Delaware. Pioneer USA has all requisite corporate power and authority to own, operate or lease its properties and to carry on its business as now being conducted. Pioneer USA is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary.

(b) No Conflicts. Consummation of the transactions contemplated hereby and compliance with the terms and provisions of this Merger Agreement will not conflict with, result in a breach of, require notice under or constitute a default under (i) its certificate of incorporation or bylaws, (ii) any material judgment, order, injunction, decree or ruling of any court or governmental authority or (iii) any material agreement, indenture or instrument to which Pioneer USA is a party.

(c) Authority, Authorization and Enforceability. Pioneer USA has all requisite corporate power and authority to execute and deliver this Merger Agreement and to perform the provisions of this Merger Agreement. The execution and delivery of this Merger Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Pioneer USA. This Merger Agreement has been duly executed and delivered by Pioneer USA and constitutes a valid and binding obligation of Pioneer USA enforceable in accordance with its terms.

(d) No Material Adverse Change. Since March 31, 2001, Pioneer USA has conducted its operations in the ordinary and usual course of business and has paid all of its obligations as they have become due; and the business of Pioneer USA has not undergone any material adverse change since such date.

(e) Accuracy of Information. None of the information supplied or to be supplied by Pioneer USA for inclusion in the Proxy Statement/Prospectus, as amended or supplemented, will, at the time of the mailing of the Proxy Statement/Prospectus, the time of the Special Meeting of each Partnership or the Closing Date, be false or misleading with respect to any material fact, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Capacity as General Partner. Pioneer USA is the sole or managing general partner of each Partnership and is the sole general partner of each Nonmanaging General Partner.

2.3 Representations and Warranties of Pioneer. Pioneer hereby represents and warrants to Pioneer USA and each Partnership as follows:

(a) Organization; Qualification. Pioneer is a corporation duly formed under the DGCL and is validly existing and in good standing under the laws of the State of Delaware. Pioneer has all requisite corporate power and authority to own, operate or lease its properties and to carry on its business as now being conducted. Pioneer is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary.

(b) No Conflicts. Consummation of the transactions contemplated hereby and compliance with the terms and provisions of this Merger Agreement will not conflict with, result in a breach of, require notice under or constitute a default under (i) its certificate of incorporation or bylaws, (ii) any material judgment, order, injunction, decree or ruling of any court or governmental authority or (iii) any material agreement, indenture or instrument to which Pioneer is a party.

(c) Authority, Authorization and Enforceability. Pioneer has all requisite corporate power and authority to execute and deliver this Merger Agreement and to perform the provisions of this Merger Agreement. The execution and delivery of this Merger Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Pioneer. This Merger Agreement has been duly executed and delivered by Pioneer and constitutes a valid and binding obligation of Pioneer enforceable in accordance with its terms. When issued in accordance with this Merger Agreement, the shares of Pioneer Common Stock will be validly issued, fully paid and nonassessable and not subject to preemptive rights.

(d) SEC Reports; Financial Statements.

(i) Pioneer's (A) Annual Report on Form 10-K for the year ended December 31, 2000, (B) Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, and (C) all other reports or registration statements filed with the SEC since December 31, 2000 (collectively, "Pioneer's SEC Reports") (1) were prepared in accordance with the applicable requirements of the Securities Act and the Exchange Act, and (2) as of their respective dates, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(ii) Each of the financial statements of Pioneer for the year ended December 31, 2000 and for the three months ended March 31, 2001 contained in Pioneer's SEC Reports has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and each fairly presents the financial position of Pioneer as of the respective dates thereof and the results of operations and cash flows of Pioneer for the periods indicated, except that the unaudited interim financial statements are subject to normal and recurring year-end adjustments that are not expected to be material in amount.

(e) No Material Adverse Change. Since March 31, 2001, Pioneer has conducted its operations in the ordinary and usual course of business and has paid all of its obligations as they have become due; and the business of Pioneer has not undergone any material adverse change since such date.

(f) Accuracy of Information. None of the information supplied or to be supplied by Pioneer for inclusion in the Proxy Statement/Prospectus, as amended or supplemented, will, at the time of the mailing of the Proxy Statement/Prospectus, the time of the Special Meeting of each Partnership or the Closing Date, be false or misleading with respect to any material fact, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE 3
CONDITIONS PRECEDENT TO THE MERGER OF EACH PARTNERSHIP

3.1 Conditions to Each Party's Obligations to Effect the Merger of Each Partnership. The respective obligations of each party to effect the merger of each Partnership shall be subject to the fulfillment (or waiver in whole or in part by the intended beneficiary thereof in its sole discretion) at or prior to the Closing Date of the following conditions:

(a) This Merger Agreement, an amendment to the partnership agreement of each Partnership to permit the merger of such Partnership (the "Merger Amendment"), the selection of special counsel for the limited partners and that counsel's legal opinion referred to in Section 3.1(c) shall have been approved by the limited partners (with respect to each Special Vote Partnership, excluding Pioneer USA and its affiliates) holding at least a majority (or, with respect to each Super-Majority Partnership, at least 66?%) of the outstanding limited partnership interests voting in person or by proxy at the Special Meetings at which a quorum is present, with respect to each merger.

(b) Pioneer USA shall have received from Robert A. Stanger & Co., Inc. a written opinion for inclusion in the Proxy Statement/Prospectus satisfactory in form and substance to Pioneer USA and substantially to the effect that, as of the date of that opinion, the merger value for each Partnership and the allocation of the merger value of the Partnership (1) to the limited partners of the Partnership as a group, (2) to the general partners of the Partnership as a group, (3) to Pioneer USA as the managing or sole general partner of the Partnership, (4) to the unaffiliated limited partners of the Partnership as a group and (5) to the unaffiliated limited partners of the Nonmanaging General Partner, if any, of the Partnership as a group, is fair to the unaffiliated limited partners of the Partnership and the unaffiliated limited partners of the Nonmanaging General Partner, if any, of the Partnership, from a financial point of view. Such opinion shall not have been withdrawn prior to the Closing Date, unless a replacement opinion or opinions of an investment banking firm or firms satisfactory to Pioneer USA to a similar effect has been received by Pioneer USA and has not been withdrawn.

(c) The receipt, on or prior to the Closing Date, by Pioneer USA of the opinion of special legal counsel for the limited partners pursuant to the partnership agreement of each Partnership.

(d) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the merger of any Partnership and the transactions related thereto.

(e) No suit, action or proceeding shall have been filed or otherwise be pending against Pioneer, Pioneer USA or any officer, director or affiliate of Pioneer or Pioneer USA challenging the legality or any aspect of the merger of any Partnership or the transactions related thereto.

(f) The shares of Pioneer Common Stock issuable upon the merger of each Partnership pursuant to this Merger Agreement shall have been authorized for listing on the New York Stock Exchange and the Toronto Stock Exchange upon official notice of issuance.

(g) The parties to the merger of each Partnership having made all filings and registrations with, and notifications to, all third parties, including, without limitation, lenders and all appropriate regulatory authorities, required for consummation of the transactions contemplated by this Merger Agreement (other than the filing and recordation of appropriate merger documents required by the DGCL, the DRULPA and the TRLPA, as applicable),

and all approvals and authorizations and consents of all third parties, including, without limitation, lenders and all regulatory authorities, required for consummation of the transactions contemplated by this Merger Agreement shall have been received and shall be in full force and effect, except for such filings, registrations, notifications, approvals, authorizations and consents, the failure of which to make or obtain would not have a material adverse effect on the business or financial condition of Pioneer, Pioneer USA or any Partnership.

(h) The absence of any opinion of counsel that the exercise by the limited partners of any Partnership of the right to approve the merger of such Partnership is not permitted under applicable state law.

3.2 Conditions to Obligations of Pioneer to Effect the Merger of Each Partnership. The obligations of Pioneer to effect the merger of each Partnership shall be subject to the fulfillment (or waiver in whole or in part by the intended beneficiary thereof in its sole discretion), at or prior to the Closing Date, of the following additional conditions:

(a) Pioneer USA and each Partnership shall have performed in all material respects their respective agreements contained in this Merger Agreement required to be performed at or prior to the Closing Date.

(b) The representations and warranties of Pioneer USA and each Partnership contained in this Merger Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time unless they relate to another specified time.

3.3 Conditions to Obligations of Pioneer USA and Each Partnership to Effect the Merger of Such Partnership. The obligations of Pioneer USA and each Partnership to effect the merger of such Partnership shall be subject to the fulfillment (or waiver in whole or in part by the intended beneficiary thereof in its sole discretion) at or prior to the Closing Date of the following additional conditions:

(a) Pioneer shall have performed in all material respects its agreements contained in this Merger Agreement required to be performed at or prior to the Closing Date.

(b) The representations and warranties of Pioneer contained in this Merger Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time unless they relate to another specific time.

ARTICLE 4
ADDITIONAL AGREEMENTS

4.1 Conduct of Business Pending the Merger of Each Partnership. Each Partnership covenants and agrees that, between the date of this Merger Agreement and the Closing Date, unless the other parties shall otherwise agree in writing or as otherwise contemplated in this Merger Agreement, it shall conduct its businesses only in the ordinary course of business and in a manner consistent with past practice, and it shall not take any action except for actions consistent with such practice. Each Partnership shall use its reasonable best efforts to preserve intact its business organization, to keep available the services of its present officers, employees and consultants, and to preserve its relationships with customers, suppliers and other persons with which it has significant business dealings.

4.2 Special Meetings; Proxies. As soon as reasonably practicable after the execution of this Merger Agreement, Pioneer USA will take all action necessary to duly call, give notice of, convene and hold the Special Meetings to consider and vote upon approval of this Merger Agreement, the Merger Amendment, the selection of special legal counsel for the limited partners, that counsel's legal opinion referred to in Section 3.1(c) and the transactions contemplated hereby and thereby. Pioneer USA will use its reasonable best efforts to solicit from the limited partners proxies in favor of this Merger Agreement, the Merger Amendment, the selection of special legal counsel for the limited partners, that counsel's legal opinion referred to in Section 3.1(c) and the transactions contemplated hereby and thereby, and to take all other action necessary or advisable to secure any vote or consent of the limited partners of each Partnership required by the partnership agreement of the Partnership or this Merger Agreement or applicable law to effect the merger of the Partnership.

4.3 Proxy Statement/Prospectus. Pioneer and Pioneer USA shall file with the SEC under the Exchange Act a preliminary proxy statement/prospectus for each Special Meeting (the definitive form of such proxy

statement/prospectus is referred to as the "Proxy Statement/Prospectus"). Pioneer and Pioneer USA shall use all reasonable commercial efforts to have the Proxy Statement/Prospectus cleared with the SEC as promptly as practicable. Pioneer and Pioneer USA shall cause the Proxy Statement/Prospectus to be mailed to the limited partners of each Partnership as soon as practicable in accordance with applicable federal and state law.

4.4 Authorization for Shares and Stock Exchange Listing. Prior to the Effective Time, Pioneer and Pioneer USA shall have taken all action necessary to permit Pioneer to issue the number of shares of Pioneer Common Stock required to be issued pursuant to this Merger Agreement. Each of Pioneer and Pioneer USA shall use its commercially reasonable efforts to cause the shares of Pioneer Common Stock to be issued in the merger of each Partnership to be approved for listing on the New York Stock Exchange and the Toronto Stock Exchange, subject to official notice of issuance, prior to the Closing Date.

4.5 Additional Agreements. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all reasonable commercial efforts to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to use all reasonable commercial efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to consummate and make effective as promptly as practicable the transactions contemplated by this Merger Agreement.

ARTICLE 5
TERMINATION

5.1 Termination. This Merger Agreement may be terminated and the merger of any Partnership contemplated hereby may be abandoned, in whole or in part, at any time prior to the Effective Time, whether before or after approval of the merger of the Partnership by its limited partners (with respect to each Special

Vote Partnership, excluding Pioneer USA and its affiliates):

(a) By mutual written consent of the parties;

(b) By any party, if:

(i) there shall be any applicable law, rule or regulation that makes consummation of the merger of any Partnership illegal or otherwise prohibited or if any judgment, injunction, order or decree enjoining any party from consummating the merger of any Partnership is entered and such judgment, injunction, order or decree shall have become final and non-appealable;

(ii) at the Special Meeting of each Partnership or at any adjournment or postponement thereof, the approval of the limited partners of the Partnership referred to in Section 3.1(a) shall not have been obtained by reason of the failure to obtain the requisite vote; or

(iii) there shall be any pending suit, action or proceeding filed against Pioneer, Pioneer USA, any Partnership or any officer, director or affiliate of Pioneer or Pioneer USA challenging the legality or any aspect of the merger of any Partnership or the transactions related thereto;

(c) By Pioneer, if either Pioneer USA or any Partnership shall have failed to perform its agreements and covenants contained herein, which failure has a material adverse effect on Pioneer USA or such Partnership, as the case may be, or materially and adversely affects the transactions contemplated by this Merger Agreement;

(d) By Pioneer USA or any Partnership with respect to the Partnership's merger, if Pioneer shall have failed to perform its agreements and covenants contained herein, which failure has a material adverse effect on Pioneer USA or such Partnership, as the case may be, or materially and adversely affects the transactions contemplated by this Merger Agreement;

(e) By Pioneer or Pioneer USA, pursuant to Section 1.4 hereof;

(f) By Pioneer USA, if Pioneer USA, after considering the written advice of outside legal counsel, determines in good faith that termination of this Merger Agreement is required for Pioneer USA's board of directors to comply with its fiduciary duties to its sole stockholder or to any Partnership imposed by applicable law; or

(g) By Pioneer, if there shall have occurred any event, circumstance, condition, development or occurrence causing, resulting in or having, or reasonably expected to cause, result in or have, a material adverse effect (i) on any Partnership's business, operations, properties (taken as a whole), condition (financial or otherwise), results of operations, assets (taken as a whole), liabilities, cash flows or prospects, (ii) on market prices for oil and gas prevailing generally in the oil and gas industry since the date of determination of the oil and gas commodity prices used in the determination of the merger value for each Partnership, (iii) on the price of Pioneer Common Stock or (iv) on the oil and gas industry generally.

5.2 Effect of Termination. In the event of termination of this Merger Agreement by a party as provided in Section 5.1, written notice thereof shall promptly be given to the other parties and this Merger Agreement shall forthwith terminate without further action by any of the parties hereto. If this Merger Agreement is terminated as so provided, there shall be no liabilities or obligations hereunder on the part of any party hereto except as provided in Section 6.13 and except that nothing herein shall relieve any party hereto from liability for any breach of this Merger Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Headings. The headings contained in this Merger Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Merger Agreement.

6.2 Amendment. This Merger Agreement may be supplemented, amended or modified by an instrument in writing signed by Pioneer and Pioneer USA (on behalf of itself and as (a) the sole or managing general partner of each Partnership, (b) the sole general partner of each Nonmanaging General Partner and (c) attorney-in-fact for the limited partners of each Partnership) at any time prior to the Closing Date; provided, however, that after approval by the limited partners of each Partnership (with respect to each Special Vote Partnership, excluding Pioneer USA and its affiliates) of this Merger Agreement, the Merger Amendment, the selection of special legal counsel for the limited partners and that counsel's legal opinion referred to in Section 3.1(c), no amendment may be made which would adversely change the type or amount of, or the method for determining, the consideration to be received upon consummation of the merger of each Partnership or which would in any other way materially and adversely affect the rights of such limited partners (other than a termination of this Merger Agreement or abandonment of the merger of any Partnership).

6.3 Waiver. At any time prior to the Closing Date, the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall not operate as an extension or waiver of, or estoppel with respect to, any subsequent failure of compliance or other failure. Any agreement on the part of a party hereto to any such extension or waiver shall be valid against such party if set forth in an instrument in writing signed by such party.

6.4 Expiration of Representations and Warranties. All representations and warranties made pursuant to this Merger Agreement shall expire with, and be terminated and extinguished by, the merger of each Partnership on the Closing Date.

6.5 Notices. All notices and other communications to be given or made hereunder by any party shall be delivered by first class mail, or by personal delivery, postage or fees prepaid, (a) to Pioneer at 1400 Williams Square West, 5205 North O'Connor Boulevard, Irving, Texas 75039, Attn: Scott D. Sheffield, with a copy to Vinson & Elkins L.L.P., 3700 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, Attn: Robert L. Kimball, and (b) to the other parties at Pioneer Natural Resources USA, Inc., 1400 Williams Square West, 5205 North O'Connor Boulevard, Irving, Texas 75039, Attn: Mark L. Withrow, with a copy to Sayles, Lidji & Werbner, 4400 Renaissance Tower, 1201 Elm Street, Dallas, Texas 75270, Attn: Brian M. Lidji.

6.6 Counterparts. This Merger Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

6.7 Severability. If any term or other provision of this Merger Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Merger Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party.

6.8 Entire Agreement. This Merger Agreement, including the documents and instruments referred to herein, constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

6.9 Remedies. Except as otherwise expressly provided herein, this Merger Agreement is not intended to confer upon any other person any rights or remedies hereunder.

6.10 Assignment. This Merger Agreement shall not be assigned by operation of law or otherwise without the consent of all parties hereto.

6.11 No Implied Waiver. Except as expressly provided in this Merger Agreement, no course of dealing among the parties hereto and no delay by any of them in exercising any right, power or remedy conferred herein or now or hereafter existing at law or in equity, by statute or otherwise, shall operate as a waiver of, or otherwise prejudice, any such right, power or remedy.

6.12 Governing Law. Except to the extent that TRLPA is mandatorily applicable, this Merger Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters.

6.13 Expenses. Except as otherwise provided herein, Pioneer shall pay all costs and expenses incurred in connection with this Merger Agreement and the transactions contemplated hereby, whether or not the merger of each Partnership is completed.

6.14 Liquidation. Each Partnership, Pioneer and Pioneer USA intend and agree that the merger of each Partnership shall be treated as a liquidation of the Partnership into Pioneer USA pursuant to Section 332 of the Internal Revenue Code of 1986, as amended, and shall make all declarations and filings necessary to accomplish such intent and liquidation.

[Signature pages follow.]

IN WITNESS WHEREOF, each of the parties hereto has executed this Merger Agreement as of the date first written above.

PIONEER NATURAL RESOURCES COMPANY

By:

Name:

Title:

PIONEER NATURAL RESOURCES USA, INC.

By:

Mark L. Withrow
Executive Vice President, General
Counsel and Secretary

PARTNERSHIPS:

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

Parker & Parsley 90-A Conv., L.P.
Parker & Parsley 90-A, L.P.
Parker & Parsley 90-B Conv., L.P.

Parker & Parsley 90-B, L.P.
Parker & Parsley 90-C Conv., L.P.
Parker & Parsley 90-C, L.P.
Parker & Parsley Private Investment 90, L.P.
Parker & Parsley 90 Spraberry Private Development, L.P.
Parker & Parsley 91-A, L.P.
Parker & Parsley 91-B, L.P.

By: Pioneer Natural Resources USA, Inc., as the sole or managing general partner of each Partnership

By: ---
Mark L. Withrow
Executive Vice President, General Counsel and Secretary

By: Pioneer Natural Resources USA, Inc., as the sole general partner of each Nonmanaging General Partner

By: ---
Mark L. Withrow
Executive Vice President, General Counsel and Secretary

By: Pioneer Natural Resources USA, Inc., as attorney-in-fact for the limited partners of each Partnership

By: ---
Mark L. Withrow
Executive Vice President, General Counsel and Secretary

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 81-I, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 81-I, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 81-I, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 81-I, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 81-I, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 81-I, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	
ASSETS		
Current assets:		
Cash	$ 38,546	$
Accounts receivable - oil and gas sales	63,269	
Total current assets	101,815	
Oil and gas properties - at cost, based on the successful efforts accounting method	5,245,144	
Accumulated depletion	(5,142,190)	(
Net oil and gas properties	102,954	
	$ 204,769	$
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 8,817	$
Partners' capital:		
General partners	45,564	
Limited partners (1,482 interests)	150,388	
	195,952	

	$ 204,769	$

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 416,230	$ 260,652	$ 199,789
Interest	3,071	1,858	2,462
Gain on disposition of assets	--	--	67
	419,301	262,510	202,318
Costs and expenses:			
Oil and gas production	174,233	165,810	157,631
General and administrative	15,697	13,087	8,892
Impairment of oil and gas properties	--	--	50,343
Depletion	8,759	11,881	116,799
	198,689	190,778	333,665

Net income (loss)	$ 220,612	$ 71,732	$(131,347)
Allocation of net income (loss):			
General partners	$ 56,242	$ 19,205	$ (7,775)
Limited partners	$ 164,370	$ 52,527	$(123,572)
Net income (loss) per limited partnership interest	$ 110.91	$ 35.44	$ (83.38)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	L p
Partners' capital at January 1, 1998	$ 52,826	$
Distributions	(10,054)	
Net loss	(7,775)	
Partners' capital at December 31, 1998	34,997	
Distributions	(15,981)	
Net income	19,205	
Partners' capital at December 31, 1999	38,221	
Distributions	(48,899)	
Net income	56,242	

Partners' capital at December 31, 2000	$ 45,564	$

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	
Cash flows from operating activities:		
Net income (loss)	$ 220,612	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment of oil and gas properties	-	
Depletion	8,759	
Gain on disposition of assets	-	
Changes in assets and liabilities:		
Accounts receivable	(28,929)	
Accounts payable	(1,224)	
Net cash provided by operating activities	199,218	
Cash flows from investing activities:		

Additions to oil and gas properties	(4,512)	
Proceeds from asset dispositions	-	
Net cash provided by (used in) investing activities	(4,512)	
Cash flows used in financing activities:		
Cash distributions to partners	(194,876)	
Net increase (decrease) in cash	(170)	
Cash at beginning of year	38,716	
Cash at end of year	$ 38,546	$

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 81-I, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $50,343 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $308,345 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	
Net income (loss) per statements of operations	$ 220,612	$
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	6,157	
Impairment of oil and gas properties for financial reporting purposes	-	
Other, net	(447)	
Net income per Federal income tax returns	$ 226,322	$

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	
Property acquisition costs	$ 4,512	$

Capitalized oil and gas properties consist of the following:

Proved properties:	
Property acquisition costs	$
Completed wells and equipment	
Accumulated depletion	
Net oil and gas properties	$

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

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	2000	
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 78,719	$
Reimbursement of general and administrative expenses	$ 12,487	$

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 60% and the remaining portion is owned by former affiliates.

The costs and revenues of the Partnership are allocated as follows:

	General partners
Revenues:	
Proceeds from property dispositions prior to cost recovery	10%
All other Partnership revenues	25%
Costs and expenses:	
Lease acquisition costs, drilling and completion costs and all other costs	10%
Operating costs, direct costs and general and administrative expenses	25%

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	131,090	275,544
Revisions	(70,930)	(119,307)
Production	(13,937)	(24,638)
Net proved reserves at December 31, 1998	46,223	131,599
Revisions	160,567	219,656
Production	(14,970)	(28,708)
Net proved reserves at December 31, 1999	191,820	322,547
Revisions	33,336	130,129
Production	(13,976)	(25,901)
Net proved reserves at December 31, 2000	211,180	426,775

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64

per barrel of oil, $13.30 per barrel of NGLs and $7.65 per mcf of gas, discounted at 10% was approximately $1,915,000 and undiscounted was $3,748,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years e	
	2000	
		(in
Oil and gas producing activities:		
Future cash inflows	$ 7,853	$
Future production costs	(4,105)	
	3,748	
10% annual discount factor	(1,833)	
Standardized measure of discounted future net cash flows	$ 1,915	$

	For the years e	
	2000	
		(in
Oil and Gas Producing Activities:		
Oil and gas sales, net of production costs	$ (242)	$
Net changes in prices and production costs	888	
Revisions of previous quantity estimates	415	
Accretion of discount	96	
Changes in production rates, timing and other	(206)	
Change in present value of future net revenues	951	
Balance, beginning of year	964	
Balance, end of year	$ 1,915	$

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000
Plains Marketing, L.P.	54%
Genesis Crude Oil, L.P.	-
Western Gas Resources, Inc.	-
Exxon Corporation	8%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $19,892 which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $7,410,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

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

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 60% to $416,230 for 2000 as compared to $260,652 in 1999. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 2000, 8,793 barrels of oil, 5,183 barrels of natural gas liquids ("NGLs") and 25,901 mcf of gas were sold, or 18,293 barrel of oil equivalents ("BOEs"). In 1999, 9,249 barrels of oil, 5,721 barrels of NGLs and 28,708 mcf of gas were sold, or 19,755 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 increased $12.32, or 73%, from

$16.94 in 1999 to $29.26 in 2000. The average price received per barrel of NGLs increased $5.38, or 58%, from $9.22 in 1999 to $14.60 in 2000. The average price received per mcf of increased 81% from $1.78 in 1999 to $3.22 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $198,689 as compared to $190,778 in 1999, an increase of $7,911, or 4%. The increase was primarily due to an increase in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $174,233 in 2000 and $165,810 in 1999, resulting in an $8,423 increase, or 5%. The increase was primarily due to higher production taxes associated with higher oil and gas prices, offset by less well maintenance 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 20% from $13,087 in 1999 to $15,697 in 2000, 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. The Partnership paid the managing general partner $12,487 in 2000 and $7,820 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $8,759 in 2000 as compared to $11,881 in 1999, representing a decrease of $3,122, or 26%. This decrease was primarily due to a 20,821 barrels of oil increase in proved reserves during 2000 as a result of the higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 30% to $260,652 from $199,789 in 1998. The increase in revenues resulted from higher average prices received and an increase in production. In 1999, 9,249 barrels of oil, 5,721 barrels of NGLs and 28,708 mcf of gas were sold, or 19,755 BOEs. In 1998, 9,634 barrels of oil, 4,303 barrels of NGLs and 24,638 mcf of gas were sold, or 18,043 BOEs.

The average price received per barrel of oil increased $3.61, or 27%, from $13.33 in 1998 to $16.94 in 1999. The average price received per barrel of NGLs increased $2.82, or 44%, from $6.40 in 1998 to $9.22 in 1999. The average price received per mcf of gas remained unchanged at $1.78 in 1998 and 1999.

Total costs and expenses decreased in 1999 to $190,778 as compared to $333,665 in 1998, a decrease of $142,887, or 43%. The decrease was primarily due to declines in depletion and the impairment of oil and gas properties, offset by an increase in production costs and G&A.

Production costs were $165,810 in 1999 and $157,631 in 1998, resulting in an $8,179 increase, or 5%. The increase was due to additional well maintenance costs incurred to stimulate well production and an increase in production taxes due to increased oil and gas revenues, offset by a decline in ad valorem taxes.

During this period, G&A increased 47% from $8,892 in 1998 to $13,087 in 1999 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. The Partnership paid the managing general partner $7,820 in 1999 and $6,250 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $50,343 related to its oil and gas properties during 1998.

Depletion was $11,881 in 1999 compared to $116,799 in 1998, representing a decrease of $104,918, or 90%. This decrease was the result of a combination of factors that included an increase in proved reserves of 104,672 barrels of oil during 1999 as a result of the higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 385 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $124,224 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $156,791, offset by increases in production costs paid of $8,423, G&A expenses paid of $2,610 and working capital of $21,534. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $187,015 to oil and gas receipts, offset by $30,224 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices, offset by lower well maintenance costs. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 included expenditures related to upgrades of equipment on various oil and gas properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $194,876, of which $48,899 was distributed to the general partners and $145,977 to the limited partners. In 1999, cash distributions to the partners were $63,186, of which $15,981 was distributed to the general partners and $47,205 to the limited partners.

PARKER & PARSLEY 81-I, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 94,181	$ 416,230	$ 260,652	$ 199,789
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 50,343
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 49,539	$ 220,612	$ 71,732	$ (131,347)
Allocation of net income (loss):					

Managing general partner	$	$ 12,628	$ 56,242	$ 19,205	$ (7,775)
Limited partners	$	$ 36,911	$ 164,370	$ 52,527	$ (123,572)
Limited partners' net income (loss) per limited partnership interest	$	$ 24.91	$ 110.91	$ 35.44	$ (83.38)
Limited partners' cash distributions per limited partnership interest	$	$ 21.18	$ 98.50	$ 31.85	$ 30.85
At year end:					
Total assets	$	$ 187,763	$ 204,769	$ 180,257	$ 168,805

(a) Including litigation settlement per limited partnership interest of $20.66 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 81-II Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 81-II Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 81-II LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$

Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax status or classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 81-II, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 81-II, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 81-II, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 29,376	$ 30,160
Accounts receivable - oil and gas sales	64,821	27,908
Total current assets	94,197	58,068
Oil and gas properties - at cost, based on the successful efforts accounting method	5,345,296	5,338,113
Accumulated depletion	(4,821,914)	(4,776,074)
Net oil and gas properties	523,382	562,039
	$617,579	$ 620,107
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 9,253	$ 10,581
Partners' capital:		
General partners	61,405	58,558
Limited partners (1,153 interests)	546,921	550,968
	608,326	609,526
	$ 617,579	$ 620,107

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 387,180	$ 204,717	$ 209,110
Interest	2,775	1,395	1,725
Gain on disposition of assets	-	240	-
	389,955	206,352	210,835
Costs and expenses:			
Oil and gas production	189,764	140,847	173,960
General and administrative	13,791	9,864	7,867
Impairment of oil and gas properties	-	-	30,131
Depletion	45,840	49,409	95,466
	249,395	200,120	307,424
Net income (loss)	$ 140,560	$ 6,232	$ (96,589)
Allocation of net income (loss):			
General partners	$ 41,791	$ 8,423	$ (5,308)
Limited partners	$ 98,769	$ (2,191)	$ (91,281)
Net income (loss) per limited partnership interest	$ 85.66	$ (1.90)	$ (79.17)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 76,354	$706,525	$782,879
Distributions	(11,831)	(34,220)	(46,051)
Net loss	(5,308)	(91,281)	(96,589)
Partners' capital at December 31, 1998	59,215	581,024	640,239
Distributions	(9,080)	(27,865)	(36,945)
Net income (loss)	8,423	(2,191)	6,232
Partners' capital at December 31, 1999	58,558	550,968	609,526
Distributions	(38,944)	(102,816)	(141,760)
Net income	41,791	98,769	140,560
Partners' capital at December 31, 2000	$ 61,405	$546,921	$608,326

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$140,560	$ 6,232	$(96,589)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	-	-	30,131
Depletion	45,840	49,409	95,466
Gain on disposition of assets	-	(240)	-
Changes in assets and liabilities:			
Accounts receivable	(36,913)	(3,325)	15,443
Accounts payable	(1,328)	3,022	(3,482)
Net cash provided by operating activities	148,159	55,098	40,969
Cash flows from investing activities:			
Additions to oil and gas properties	(7,183)	(4,254)	(8,322)
Proceeds from asset dispositions	-	690	-
Net cash used in investing activities	(7,183)	(3,564)	(8,322)
Cash flows used in financing activities:			
Cash distributions to partners	(141,760)	(36,945)	(46,051)
Net increase (decrease) in cash	(784)	14,589	(13,404)
Cash at beginning of year	30,160	15,571	28,975
Cash at end of year	$ 29,376	$30,160	$ 15,571

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 81-II, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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

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in the industry. As a result, the Partnership recognized a non-cash impairment provision of $30,131 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $172,373 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998

Net income (loss) per statements of operations	$ 140,560	$ 6,232	$ (96,589)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	41,011	44,867	91,653
Impairment of oil and gas properties for financial reporting purposes	-	-	30,131
Other, net	(482)	(178)	454
Net income per Federal income tax returns	$181,089	$ 50,921	$ 25,649

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 7,183	$ 4,254	$ 8,322

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 210,548	$ 210,548
Completed wells and equipment	5,134,748	5,127,565
	5,345,296	5,338,113
Accumulated depletion	(4,821,914)	(4,776,074)
Net oil and gas properties	$ 523,382	$ 562,039

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 75,129	$ 61,684	$ 82,817
Reimbursement of general and administrative expenses	$ 11,615	$ 6,142	$ 6,273

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 80% and the remaining portion is owned by former affiliates.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs	Gas

	(bbls)	(mcf)
Net proved reserves at January 1, 1998	203,263	321,961
Revisions	(93,478)	(131,045)
Production	(16,033)	(22,439)
Net proved reserves at December 31, 1998	93,752	168,477
Revisions	118,281	224,790
Production	(13,232)	(19,167)
Net proved reserves at December 31, 1999	198,801	374,100
Revisions	18,015	(61,237)
Production	(13,921)	(15,864)
Net proved reserves at December 31, 2000	202,895	296,999

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $14.08 per barrel of NGLs and $7.91 per mcf of gas, discounted at 10% was approximately $1,416,000 and undiscounted was $2,636,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

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	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 6,624	$ 4,915	$ 1,020
Future production costs	(3,988)	(3,116)	(849)
	2,636	1,799	171
10% annual discount factor	(1,220)	(799)	(47)
Standardized measure of discounted future net cash flows	$ 1,416	$ 1,000	$ 124

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (197)	$ (64)	$ (35)
Net changes in prices and production costs	530	471	(544)
Revisions of previous quantity estimates	45	781	(94)
Accretion of discount	100	12	76
Changes in production rates, timing and other	(62)	(324)	(40)
Change in present value of future net revenues	416	876	(637)
Balance, beginning of year	1,000	124	761
Balance, end of year	$ 1,416	$ 1,000	$ 124

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	56%	48%	-
LG&E Natural Marketing, Inc.	13%	17%	19%
NGTS LLC	11%	14%	-
Western Gas Processing	2%	4%	13%
Genesis Crude Oil, L.P.	4%	1%	43%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P., LG&E Natural Marketing, Inc. and NGTS LLC were $26,794, $10,707 and $4,029, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $5,765,000. During 1983, the Partnership received a total of $675,000 from its limited partnership in response to an assessment by the managing general partner. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

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

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 89% to $387,180 for 2000 as compared to $204,717 in 1999. The increase in revenues resulted from higher average prices received and a slight increase in production. In 2000, 8,885 barrels of oil, 5,036 barrels of natural gas liquids ("NGLs") and 15,864 mcf of gas were sold, or 16,565 barrel of oil equivalents ("BOEs"). In 1999, 6,860 barrels of oil, 6,372 barrels of NGLs and 19,167 mcf of gas were sold, or 16,427 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 increased $12.59, or 76%, from $16.67 in 1999 to $29.26 in 2000. The average price received per barrel of NGLs increased $6.89, or 79%, from $8.70 in 1999 to $15.59 in 2000. The average price received per mcf of gas increased 69% from $1.82 in 1999 to $3.07 in 2000. 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 in 2000.

Gain on disposition of assets of $240 was recognized during 1999 from equipment credits received on one fully depleted well.

Total costs and expenses increased in 2000 to $249,395 as compared to $200,120 in 1999, an increase of $49,275, or 25%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $189,764 in 2000 and $140,847 in 1999, resulting in a $48,917 increase, or 35%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher production taxes associated with higher oil and gas 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 40% from $9,864 in 1999 to $13,791 in 2000, 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. The Partnership paid the managing general partner $11,615 in 2000 and $6,142 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $45,840 in 2000 as compared to $49,409 in 1999, representing a decrease of $3,569, or 7%. This decrease was primarily due to an 18,828 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices, offset by an increase in oil production of 2,025 barrels for the period ended December 31, 2000 compared to the same period in 1999.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues decreased 2% to $204,717 from $209,110 in 1998. The decrease in revenues resulted from a decline in production, offset by higher average prices received. In 1999, 6,860 barrels of oil, 6,372 barrels of NGLs and 19,167 mcf of gas were sold, or 16,427 BOEs. In 1998, 9,451 barrels of oil, 6,582 barrels of NGLs and 22,439 mcf of gas were sold, or 19,773 BOEs.

The average price received per barrel of oil increased $3.51, or 27%, from $13.16 in 1998 to $16.67 in 1999. The average price received per barrel of NGLs increased $1.97, or 29%, from $6.73 in 1998 to $8.70 in 1999. The average price received per mcf of gas increased slightly from $1.80 in 1998 to $1.82 in 1999.

Gain on disposition of assets of $240 was recognized during 1999 from equipment credits received on one fully depleted well.

Total costs and expenses decreased in 1999 to $200,120 as compared to $307,424 in 1998, a decrease of $107,304, or 35%. The decrease was primarily due to declines in depletion, production costs and the impairment of oil and gas properties, offset by an increase in G&A.

Production costs were $140,847 in 1999 and $173,960 in 1998, resulting in a $33,113 decrease, or 19%. The decrease was due to declines in well maintenance costs, ad valorem taxes and production taxes.

During this period, G&A increased 25% from $7,867 in 1998 to $9,864 in 1999 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. The Partnership paid the managing general partner $6,142 in 1999 and $6,273 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $30,131 related to its oil and gas properties during 1998.

Depletion was $49,409 in 1999 compared to $95,466 in 1998, representing a decrease of $46,057, or 48%. This decrease was the result of a combination of factors that included an increase in proved reserves of 59,807 barrels of oil during 1999 as a result of higher commodity prices, a decline in oil production of 2,591 barrels for the period ended December 31, 1999 compared to the same period in 1998 and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum Industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $93,061 during the year ended December 31, 2000 from 1999. This increase was due to increases in oil and gas sales receipts of $183,843, offset by increases in production costs paid of $48,917, G&A expenses paid of $3,927 and working capital of $37,938. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $65,846 to oil and gas receipts and $117,997 resulted from an increase in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 2000 and 1999 included expenditures related to upgrades of equipment on various oil and gas properties.

Proceeds from asset dispositions of $690 were received during 1999 for the sale of equipment on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $141,760, of which $38,944 was distributed to the general partners and $102,816 to the limited partners. In 1999, cash distributions to the partners were $36,945, of which $9,080 was distributed to the general partners and $27,865 to the limited partners.

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PARKER & PARSLEY 81-II, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Oil and gas sales	$	$ 70,001	$ 387,180	$ 204,717	$ 209,110
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 30,131
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 7,922	$ 140,560	$ 6,232	$ (96,589)
Allocation of net income (loss):					
Managing general partner	$	$ 3,743	$ 41,791	$ 8,423	$ (5,308)
Limited partners	$	$ 4,179	$ 98,769	$ (2,191)	$ (91,281)
Limited partners' net income (loss) per limited partnership interest	$	$ 3.62	$ 85.66	$ (1.90)	$ (79.17)
Limited partners' cash distributions per limited					

partnership interest	$	$ 11.23	$ 89.17	$ 24.17	$ 29.68
At year end:					
Total assets	$	$ 611,605	$ 617,579	$ 620,107	$ 647,798

(a) Including litigation settlement per limited partnership interest of $2.85 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 82-I, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 82-I, Ltd.:

- o A table containing:
  - -- the aggregate initial investment by the limited partners
  - -- the aggregate historical limited partner distributions through March 31, 2001
  - -- the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - -- the merger value per $1,000 limited partner investment as of March 31, 2001

-- the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001

-- the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000

-- the going concern value per $1,000 limited partner investment as of March 31, 2001

-- the liquidation value per $1,000 limited partner investment as of March 31, 2001

-- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 82-I, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$

Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 2-75530A

PARKER & PARSLEY 82-I, LTD.

(Exact name of Registrant as specified in its charter)

TEXAS	75-1825545
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($2,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $8,515,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 4,891.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 82-I, Ltd. (the "Partnership") is a limited partnership organized in 1982 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA") and its co-general partner is P&P Employees 82-I, Ltd. ("EMPL"), a Texas limited partnership whose general partner is Pioneer USA. Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 4,891 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000, approximately 68% and 13% were attributable to sales made to Plains Marketing, L.P. and GPM Gas Corporation, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.

The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental and exploratory oil and gas prospects located in Texas and New Mexico were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 34 oil and gas wells. There were six dry holes from previous periods, two wells plugged and abandoned and nine wells sold. At December 31, 2000, 17 wells were producing.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 4,891 outstanding limited partnership interests held of record by 600 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $229,765 and $50,502, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	1996
Operating results:					
Oil and gas sales	$ 763,858	$ 441,997	$ 392,883	$ 608,207	$ 710
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ 43
Impairment of oil and gas properties	$ --	$ --	$ 294,610	$ 165,201	$ 2
Net income (loss)	$ 337,729	$ 17,320	$ (563,993)	$ (60,847)	$ 312
Allocation of net income (loss):					
General partners	$ 88,128	$ 18,135	$ (49,472)	$ 31,736	$ 92
Limited partners	$ 249,601	$ (815)	$ (514,521)	$ (92,583)	$ 219
Limited partners' net income (loss) per limited partnership interest	$ 51.03	$ (.17)	$ (105.20)	$ (18.93)	$ 4
Limited partners' cash distributions per limited partnership interest	$ 46.98	$ 10.33	$ 19.57	$ 47.31	$ 5
At year end:					
Identifiable assets	$ 454,904	$ 425,107	$ 474,528	$ 1,158,135	$1,526

(a) Including litigation settlement per limited partnership interest of $6.96 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 73% to $763,858 for 2000 as compared to $441,997 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 17,639 barrels of oil, 6,519 barrels of natural gas liquids ("NGLs") and 45,981 mcf of gas were sold, or 31,822 barrel of oil equivalents ("BOEs"). In 1999, 17,472 barrels of oil, 6,414 barrels of NGLs and 48,380 mcf of gas were sold, or 31,949 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 increased $12.78, or 77%, from $16.61 in 1999 to $29.39 in 2000. The average price received per barrel of NGLs increased $5.48, or 61%, from $8.96 in 1999 to $14.44 in 2000. The average price received per mcf of gas increased 69% from $1.95 in 1999 to $3.29 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $431,421 as compared to $427,526 in 1999, an increase of $3,895, or 1%. The increase was due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $378,872 in 2000 and $313,158 in 1999, resulting in an increase of $65,714, or 21%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher production taxes associated with higher oil and gas 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 39% from $18,932 in 1999 to $26,409 in 2000 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. The Partnership paid the managing general partner $22,916 in 2000 and $13,260 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $26,140 in 2000 as compared to $95,436 in 1999, representing a decrease of $69,296, or 73%. This decrease was primarily due to a 86,555 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 13% to $441,997 from $392,883 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 17,472 barrels of oil, 6,414 barrels of NGLs and 48,380 mcf of gas were sold, or 31,949 BOEs. In 1998, 19,150 barrels of oil, 6,748 barrels of NGLs and 48,971 mcf of gas were sold, or 34,060 BOEs.

The average price received per barrel of oil increased $3.29, or 25%, from $13.32 in 1998 to $16.61 in 1999. The average price received per barrel of NGLs

increased $1.76, or 24%, from $7.20 in 1998 to $8.96 in 1999. The average price received per mcf of gas increased 7% from $1.82 in 1998 to $1.95 in 1999.

A gain on disposition of assets of $199 was recognized during 1998 from post closing adjustments received from the sale of eight oil and gas wells during 1997.

Total costs and expenses decreased in 1999 to $427,526 as compared to $961,319 in 1998, a decrease of $533,793, or 56%. The decrease was primarily due to declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A expenses.

Production costs were $313,158 in 1999 and $336,406 in 1998, resulting in a $23,248 decrease, or 7%. The decrease was due to declines in well maintenance costs and ad valorem taxes.

During this period, G&A increased 30% from $14,542 in 1998 to $18,932 in 1999 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. The Partnership paid the managing general partner $13,260 in 1999 and $11,786 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $294,610 related to its oil and gas properties during 1998.

Depletion was $95,436 in 1999 compared to $315,761 in 1998, representing a decrease of $220,325, or 70%. This decrease was the result of an increase in proved reserves of 168,752 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact

on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $227,133 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $324,304, offset by increases in production costs paid of $65,714, G&A expenses paid of $7,477 and working capital of $23,980. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $325,772 to oil and gas receipts, offset by $1,468 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principle investing activities during 2000 and 1999 were related to the upgrades of oil and gas equipment on various oil and gas properties.

Proceeds from asset dispositions of $704 in 1999 were from equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $308,330, of which $78,565 was distributed to the general partners and $229,765 to the limited partners. In 1999, cash distributions to the partners were $67,767, of which $17,265 was distributed to the general partners and $50,502 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 82-I, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 82-I, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 82-I, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 57,728	$ 61,558

Accounts receivable - oil and gas sales	109,719	61,533
Total current assets	167,447	123,091
Oil and gas properties - at cost, based on the successful efforts accounting method	9,901,101	9,889,520
Accumulated depletion	(9,613,644)	(9,587,504)
Net oil and gas properties	287,457	302,016
	$ 454,904	$ 425,107

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	$ 13,712	$ 13,314
Partners' capital:		
General partners	161,365	151,802
Limited partners (4,891 interests)	279,827	259,991
	441,192	411,793
	$ 454,904	$ 425,107

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 763,858	$ 441,997	$ 392,883
Interest	5,292	2,849	4,244
Gain on disposition of assets	--	--	199
	769,150	444,846	397,326

Costs and expenses:			
Oil and gas production	378,872	313,158	336,406
General and administrative	26,409	18,932	14,542
Impairment of oil and gas properties	--	--	294,610
Depletion	26,140	95,436	315,761
	431,421	427,526	961,319
Net income (loss)	$ 337,729	$ 17,320	$(563,993)
Allocation of net income (loss):			
General partners	$ 88,128	$ 18,135	$ (49,472)
Limited partners	$ 249,601	$ (815)	$(514,521)
Net income (loss) per limited partnership interest	$ 51.03	$ (.17)	$ (105.20)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 221,119	$ 921,541	$ 1,142,660
Distributions	(20,715)	(95,712)	(116,427)
Net loss	(49,472)	(514,521)	(563,993)
Partners' capital at December 31, 1998	150,932	311,308	462,240
Distributions	(17,265)	(50,502)	(67,767)
Net income (loss)	18,135	(815)	17,320
Partners' capital at December 31, 1999	151,802	259,991	411,793

Distributions	(78,565)	(229,765)	(308,330)
Net income	88,128	249,601	337,729
Partners' capital at December 31, 2000	$ 161,365	$ 279,827	$ 441,192

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 337,729	$ 17,320	$(563,993)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	--	--	294,610
Depletion	26,140	95,436	315,761
Gain on disposition of assets	--	--	(199)
Changes in assets and liabilities:			
Accounts receivable	(48,186)	(24,834)	26,999
Accounts payable	398	1,026	(3,187)
Net cash provided by operating activities	316,081	88,948	69,991
Cash flows from investing activities:			
Additions to oil and gas properties	(11,581)	(4,754)	(6,820)
Proceeds from asset dispositions	--	704	14,397
Net cash provided by (used in) investing activities	(11,581)	(4,050)	7,577
Cash flows used in financing activities:			
Cash distributions to partners	(308,330)	(67,767)	(116,427)
Net increase (decrease) in cash	(3,830)	17,131	(38,859)
Cash at beginning of year	61,558	44,427	83,286
Cash at end of year	$ 57,728	$ 61,558	$ 44,427

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 82-I, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $294,610 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $663,714 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 337,729	$ 17,320	$(563,993)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	21,746	92,542	312,201
Impairment of oil and gas properties for financial reporting purposes	--	--	294,610
Loss on disposition of assets	--	--	(116)
Other, net	(637)	77	786
Net income per Federal income tax returns	$ 358,838	$ 109,939	$ 43,488

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 11,581	$ 4,754	$6,820

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 360,899	$ 360,899
Completed wells and equipment	9,540,202	9,528,621

	9,901,101	9,889,520
Accumulated depletion	(9,613,644)	(9,587,504)
Net oil and gas properties	$ 287,457	$ 302,016

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related

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party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$162,023	$156,380	$150,391
Reimbursement of general and administrative expenses	$ 22,916	$ 13,260	$ 11,786

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 77.5% and the remaining portion is owned by former affiliates. In addition, Pioneer USA owned 634 limited partner interests at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The

Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	321,477	448,047
Revisions	(230,755)	(305,609)
Production	(25,898)	(48,971)

Net proved reserves at December 31, 1998	64,824	93,467
Revisions	280,613	443,568
Production	(23,886)	(48,380)
Net proved reserves at December 31, 1999	321,551	488,655
Revisions	60,464	362,471
Production	(24,158)	(45,981)
Net proved reserves at December 31, 2000	357,857	805,145

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.55 per barrel of oil, $13.69 per barrel of NGLs and $8.68 per mcf of gas, discounted at 10% was approximately $3,226,000 and undiscounted was $6,208,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual

Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and gas producing activities:			
Future cash inflows	$ 15,230	$ 8,078	$ 7

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Future production costs	(9,022)	(5,386)	(6
	6,208	2,692	
10% annual discount factor	(2,982)	(1,056)	(
Standardized measure of discounted future net cash flows	$ 3,226	$ 1,636	$

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (385)	$ (128)	$ (56)
Net changes in prices and production costs	1,448	378	(898)
Revisions of previous quantity estimates	927	2,018	(164)
Accretion of discount	164	6	118
Changes in production rates, timing and other	(564)	(704)	(113)
Change in present value of future net revenues	1,590	1,570	(1,113)
Balance, beginning of year	1,636	66	1,179
Balance, end of year	$ 3,226	$ 1,636	$ 66

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NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	68%	66%	--
Genesis Crude Oil, L.P.	--	--	65%
GPM Gas Corporation	13%	14%	13%
Western Gas Resources, Inc.	1%	2%	10%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and GPM Gas Corporation were $54,651 and $30,037, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL.

Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $9,782,000. During 1985, the Partnership received a total of $1,372,500 from its limited partners in response to an assessment by the managing general partner. Additionally, $650,000 was contributed by the managing general partner for limited partnership interests on unpaid assessments of which $500,000 was paid in 1985 and $150,000 in 1986. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as

Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts

Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B.S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in

February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. Under the Partnership agreement, Pioneer USA pays 8% of the Partnership's acquisition, drilling and completion costs and 20% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 20% of the Partnership's revenues.

EMPL is a co-general partner of the Partnership. Under this arrangement, EMPL pays 2% of the Partnership's acquisition, drilling and completion costs and 5% of its operating and general and administrative expenses. In return, EMPL is allocated 5% of the Partnership's revenues. EMPL does not receive any fees or reimbursements from the Partnership.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA and EMPL respectively own 80% and 20% of the general partners' interests in the Partnership. Pioneer USA owned 634 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$162,023	$156,380	$150,391
Reimbursement of general and administrative expenses	$ 22,916	$ 13,260	$ 11,786

Under the limited partnership agreement, the general partners, Pioneer USA and EMPL, together pay 10% of the Partnership's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, they are allocated 25% of the Partnership's revenues. Twenty percent of the general partners' share of costs and revenues is allocated to EMPL and the remainder is allocated to Pioneer USA. Certain former affiliates of Pioneer USA are limited partners of EMPL. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

S I G N A T U R E S

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.

Dated: March 23, 2001

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

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ----------------------------- Scott D. Sheffield	President of Pioneer USA	March 23, 2001
/s/ Timothy L. Dove ----------------------------- Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 23, 2001
/s/ Dennis E. Fagerstone ----------------------------- Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 23, 2001
/s/ Mark L. Withrow ----------------------------- Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 23, 2001
/s/ Danny Kellum ----------------------------- Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 23, 2001

/s/ Rich Dealy ----------------------------- Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 23, 2001

PARKER & PARSLEY 82-I, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3.1	Agreement of Limited Partnership of Parker & Parsley 82-I, Ltd. incorporated by reference to Exhibit 4(e) of Partnership's Registration Statement on Form S-1 (Registration No. 2-75503A), as amended on February 4, 1982, the effective date thereof (hereinafter called, the Partnership's Registration Statement)	-
3.2	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 82-I, Ltd. incorporated by reference to Exhibit 3.2 of the Partnership's Annual Report on Form 10-K for the year ended December 31, 1983	-
4.1	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit 4(b) of the Partnership's Registration Statement	-
4.2	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4(d) of the Partnership's Registration Statement	-

PARKER & PARSLEY 82-I, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

Three months

	ended March 31,		Years ended Decem		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 172,087	$ 763,858	$ 441,997	$ 392,883
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 294,610
Net income (loss)	$	$ 73,617	$ 337,729	$ 17,320	$ (563,993)
Allocation of net income (loss):					
General partners	$	$ 19,763	$ 88,128	$ 18,135	$ (49,472)
Limited partners	$	$ 53,854	$ 249,601	$ (815)	$ (514,521)
Limited partners' net income (loss) per limited partnership interest	$	$ 11.01	$ 51.03	$ (.17)	$ (105.20)
Limited partners' cash distributions per limited partnership interest	$	$ 9.49	$ 46.98	$ 10.33	$ 19.57
At year end:					
Identifiable assets	$	$ 438,633	$ 454,904	$ 425,107	$ 474,528

(a) Including litigation settlement per limited partnership interest of $6.96 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 82-II, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 82-II, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three

months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 82-II, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$ 1
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$ 1
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($2,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $11,800,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 6,126.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

Parts I and II of this annual report on Form 10-K (the "Report") contain 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. See "Item 1. Business" for a description of various factors that could materially affect the ability of the Partnership to achieve the anticipated results described in the forward looking statements.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 82-II, Ltd. (the "Partnership") is a limited partnership organized in 1982 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA") and its co-general partner is P&P Employees 82-II, Ltd. ("EMPL"), a Texas limited partnership whose general partner is Pioneer USA. Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 6,126 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 70% was attributable to sales made to Plains Marketing, L.P. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations. The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and

ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental and exploratory oil and gas prospects located in Texas and New Mexico were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 52 oil and gas wells. At December 31, 2000, the Partnership had 16 producing oil and gas wells. Two wells were plugged and abandoned, five wells were dry holes and 29 wells have been sold.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 6,126 outstanding limited partnership interests held of record by 772 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the general partners, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $270,025 and $93,647, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	19
Operating results:					
Oil and gas sales	$ 730,936	$ 477,533	$ 379,887	$ 598,339	$ 7
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$
Impairment of oil and gas properties	$ --	$ --	$ 65,229	$ 310,732	$
Net income (loss)	$ 350,536	$ 120,353	$ (131,488)	$ (93,386)	$ 3
Allocation of net income (loss):					
General partner	$ 94,215	$ 38,680	$ 2,863	$ 30,221	$

Limited partners	$ 256,321	$ 81,673	$ (134,351)	$ (123,607)	$ 2
Limited partners' net income (loss) per limited partnership interest	$ 41.84	$ 13.33	$ (21.93)	$ (20.18)	$
Limited partners' cash distributions per limited partnership interest	$ 44.08	$ 15.29	$ (46.67)	$ 43.00	$
At year end:					
Identifiable assets	$ 960,300	$ 971,351	$ 971,390	$1,456,326	$1,8

(a) Including litigation settlement per limited partnership interest of $6.02 in 1996.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 53% to $730,936 for 2000 as compared to $477,533 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 17,293 barrels of oil, 7,629 barrels of natural gas liquids ("NGLs") and 35,900 mcf of gas were sold, or 30,905 barrel of oil equivalents ("BOEs"). In 1999, 17,967 barrels of oil, 9,587 barrels of NGLs and 42,858 mcf of gas were sold, or 34,697 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 increased $12.39, or 73%, from $17.08 in 1999 to $29.47 in 2000. The average price received per barrel of NGLs increased $5.21, or 53%, from $9.80 in 1999 to $15.01 in 2000. The average price received per mcf of gas increased 66% from $1.79 in 1999 to $2.98 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $387,226 as compared to $361,025 in 1999, an increase of $26,201, or 7%. 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 $316,735 in 2000 and $280,719 in 1999, resulting in an increase of $36,016, or 13%. The increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 28%, from $19,626 in 1999 to $25,120 in 2000 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. The Partnership paid the managing general partner $21,928 in 2000 and $14,326 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $45,371 in 2000 as compared to $60,680 in 1999, a decrease of $15,309, or 25%. This decrease was primarily due to a 21,082 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 26% to $477,533 from $379,887 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 17,967 barrels of oil, 9,587 barrels of NGLs and 42,858 mcf of gas were sold, or 34,697 BOEs. In 1998, 19,042 barrels of oil, 8,812 barrels of NGLs and 41,862 mcf of gas were sold, or

34,831 BOEs.

The average price received per barrel of oil increased $3.94, or 30%, from $13.14 in 1998 to $17.08 in 1999. The average price received per barrel of NGLs increased $2.87, or 41%, from $6.93 in 1998 to $9.80 in 1999. The average price received per mcf of gas increased 9% from $1.64 in 1998 to $1.79 in 1999.

A gain on disposition of assets of $1,281 was recognized during 1998 from post closing adjustments received from the sale of six oil and gas wells and an overriding royalty interest in one well during 1997.

Total costs and expenses decreased in 1999 to $361,025 as compared to $523,894 in 1998, a decrease of $162,869, or 31%. The decrease was primarily due to declines in depletion and the impairment of oil and gas properties, offset by increases in production costs and G&A expenses.

Production costs were $280,719 in 1999 and $274,382 in 1998, resulting in an increase of $6,337, or 2%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and an increase in production taxes due to increased oil and gas revenues, offset by a decline in ad valorem taxes.

During this period, G&A increased 45% from $13,493 in 1998 to $19,626 in 1999 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. The Partnership paid the managing general partner $14,326 in 1999 and $11,397 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $65,229 related to its oil and gas properties during 1998.

Depletion was $60,680 in 1999 compared to $170,790 in 1998, a decrease of $110,110, or 64%. This decrease was the result of an increase in proved reserves of 182,544 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization

of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $202,645 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $256,384, offset by increases in production costs paid of $36,016, G&A expenses paid of $5,494 and working capital of $12,229. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $326,338 to oil and gas receipts, offset by $69,954 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 included expenditures related to equipment upgrades on several oil and gas properties.

Proceeds from asset dispositions of $422 in 1999 were from equipment credits received on active properties. During 1998, proceeds from disposition of assets of $153,683 were primarily from the sale of six oil and gas wells during 1997.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $361,123, of which $91,098 was distributed to the general partners and $270,025 to the limited partners. In 1999, cash distributions to the partners were $124,365, of which $30,718 was distributed to the general partners and $93,647 to the limited partners.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 82-II, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 82-II, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 82-II, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 77,911	$ 91,672
Accounts receivable - oil and gas sales	107,778	68,374
Total current assets	185,689	160,046
Oil and gas properties - at cost, based on the successful efforts accounting method	8,305,901	8,297,224
Accumulated depletion	(7,531,290)	(7,485,919)
Net oil and gas properties	774,611	811,305
	$ 960,300	$ 971,351
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 12,662	$ 13,126

Partners' capital:		
General partners	121,968	118,851
Limited partners (6,126 interests)	825,670	839,374
	947,638	958,225
	$ 960,300	$ 971,351

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 730,936	$ 477,533	$ 379,887
Interest	6,826	3,845	11,238
Gain on disposition of assets	--	--	1,281
	737,762	481,378	392,406
Costs and expenses:			
Oil and gas production	316,735	280,719	274,382
General and administrative	25,120	19,626	13,493
Impairment of oil and gas properties	--	--	65,229
Depletion	45,371	60,680	170,790
	387,226	361,025	523,894
Net income (loss)	$ 350,536	$ 120,353	$(131,488)
Allocation of net income (loss):			
General partners	$ 94,215	$ 38,680	$ 2,863
Limited partners	$ 256,321	$ 81,673	$(134,351)
Net income (loss) per limited			

partnership interest	$ 41.84	$ 13.33	$ (21.93)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 167,998	$ 1,271,605	$ 1,439,603
Distributions	(59,972)	(285,906)	(345,878)
Net income (loss)	2,863	(134,351)	(131,488)
Partners' capital at December 31, 1998	110,889	851,348	962,237
Distributions	(30,718)	(93,647)	(124,365)
Net income	38,680	81,673	120,353
Partners' capital at December 31, 1999	118,851	839,374	958,225
Distributions	(91,098)	(270,025)	(361,123)
Net income	94,215	256,321	350,536
Partners' capital at December 31, 2000	$ 121,968	$ 825,670	$ 947,638

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 350,536	$ 120,353	$(131,488)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	--	--	65,229
Depletion	45,371	60,680	170,790
Gain on disposition of assets	--	--	(1,281)
Changes in assets and liabilities:			
Accounts receivable	(39,404)	(31,612)	23,310
Accounts payable	(464)	3,973	(7,570)
Net cash provided by operating activities	356,039	153,394	118,990
Cash flows from investing activities:			
Additions to oil and gas properties	(8,677)	(2,053)	(13,600)
Proceeds from asset dispositions	--	422	153,683
Net cash provided by (used in) investing activities	(8,677)	(1,631)	140,083
Cash flows used in financing activities:			
Cash distributions to partners	(361,123)	(124,365)	(345,878)
Net increase (decrease) in cash	(13,761)	27,398	(86,805)
Cash at beginning of year	91,672	64,274	151,079
Cash at end of year	$ 77,911	$ 91,672	$ 64,274

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 82-II, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $65,229 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $425,788 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 350,536	$ 120,353	$(131,488)

Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	39,685	55,288	163,319
Impairment of oil and gas properties for financial reporting purposes	--	--	65,229
Other, net	(932)	209	217
Net income per Federal income tax returns	$ 389,289	$ 175,850	$ 97,277

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 8,677	$ 2,053	$13,600

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 415,980	$ 415,980
Completed wells and equipment	7,889,921	7,881,244
	8,305,901	8,297,224
Accumulated depletion	(7,531,290)	(7,485,919)
Net oil and gas properties	$ 774,611	$ 811,305

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998

Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$143,855	$139,170	$133,844
Reimbursement of general and administrative expenses	$ 21,928	$ 14,326	$ 11,397

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 83% and the remaining portion is owned by former affiliates. In addition, Pioneer USA owned 226 limited partner interests at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	376,355	512,848
Revisions	(163,438)	(164,998)
Production	(27,854)	(41,862)
Net proved reserves at December 31, 1998	185,063	305,988
Revisions	288,622	425,997
Production	(27,554)	(42,858)

Net proved reserves at December 31, 1999	446,131	689,127
Revisions	(13,008)	(29,574)
Production	(24,922)	(35,900)
Net proved reserves at December 31, 2000	408,201	623,653

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.58 per barrel of oil, $13.60 per barrel of NGLs and $8.05 per mcf of gas, discounted at 10% was approximately $3,222,000 and undiscounted was $6,505,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and gas producing activities:			
Future cash inflows	$ 14,233	$ 11,083	$ 2,024
Future production costs	(7,728)	(6,439)	(1,464)

	6,505	4,644	560
10% annual discount factor	(3,283)	(2,235)	(228)
Standardized measure of discounted future net cash flows	$ 3,222	$ 2,409	$ 332

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (414)	$ (197)	$ (106)
Net changes in prices and production costs	1,300	807	(871)
Revisions of previous quantity estimates	(118)	1,768	(241)
Accretion of discount	240	33	147
Changes in production rates, timing and other	(195)	(334)	(72)
Change in present value of future net revenues	813	2,077	(1,143)
Balance, beginning of year	2,409	332	1,475
Balance, end of year	$ 3,222	$ 2,409	$ 332

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	70%	65%	-
Genesis Crude Oil, L.P.	-	-	66%
Western Gas Resources, Inc.	2%	5%	21%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $56,201 which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control

and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $12,252,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director

Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

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Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of

Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

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ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. Under the Partnership agreement, Pioneer USA pays 8% of the Partnership's acquisition, drilling and completion costs and 20% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 20% of the Partnership's revenues.

EMPL is a co-general partner of the Partnership. Under this arrangement, EMPL pays 2% of the Partnership's acquisition, drilling and completion costs and 5% of its operating and general and administrative expenses. In return, EMPL is allocated 5% of the Partnership's revenues. EMPL does not receive any fees or reimbursements from the Partnership.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA and EMPL respectively own 80% and 20% of the general partners' interests in the

Partnership. Pioneer USA owned 226 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the general partners during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 143,855	$ 139,170	$133,844
Reimbursement of general and administrative expenses	$ 21,928	$ 14,326	$ 11,397

Under the limited partnership agreement, the general partners, Pioneer USA and EMPL, together pay 10% of the Partnership's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, they are allocated 25% of the Partnership's revenues. Twenty percent of the general partner's share of costs and revenues is allocated to EMPL and the remainder is allocated to Pioneer USA. Certain former affiliates of the managing general partner are limited partners of EMPL. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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S I G N A T U R E S

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.

Dated: March 23, 2001

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

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ------------------------------- Scott D. Sheffield	President of Pioneer USA	March 23, 2001

/s/ Timothy L. Dove ------------------------------- Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 23, 2001
/s/ Dennis E. Fagerstone ------------------------------- Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 23, 2001
/s/ Mark L. Withrow ------------------------------- Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 23, 2001
/s/ Danny Kellum ------------------------------- Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 23, 2001
/s/ Rich Dealy ------------------------------- Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 23, 2001

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PARKER & PARSLEY 82-II, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3.1	Agreement of Limited Partnership of Parker & Parsley 82-II, Ltd. incorporated by reference to Exhibit 4(e) of Partnership's Registration Statement on Form S-1 (Registration No. 2-75503B), as amended on February 4, 1982, the effective date thereof (hereinafter called, the Partnership's Registration Statement)	-
3.2	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 82-II, Ltd. incorporated by reference to Exhibit 3.2 of the Partnership's Annual Report on Form 10-K for the year ended December 31, 1983	-
4.1	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit 4(b) of the Partnership's Registration	-

	Statement	
4.2	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4(d) of the Partnership's Registration Statement	-

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PARKER & PARSLEY 82-II, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended Decem		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 165,410	$ 730,936	$ 477,533	$ 379,887
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 65,229
Net income (loss)	$	$ 74,521	$ 350,536	$ 120,353	$ (131,488)
Allocation of net income (loss):					
General partner	$	$ 20,457	$ 94,215	$ 38,680	$ 2,863
Limited partners	$	$ 54,064	$ 256,321	$ 81,673	$ (134,351)
Limited partners' net income (loss) per limited partnership interest	$	$ 8.83	$ 41.84	$ 13.33	$ (21.93)
Limited partners' cash distributions per limited partnership interest	$	$ 9.95	$ 44.08	$ 15.29	$ (46.67)

At year end:					
Identifiable assets	$	$ 966,117	$ 960,300	$ 971,351	$ 971,390
	========	==========	==========	==========	==========

(a) Including litigation settlement per limited partnership interest of $6.02 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 82-III, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 82-III, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March

31, 2001 and as of December 31, 2000

- -- the going concern value per $1,000 limited partner investment as of March 31, 2001
- -- the liquidation value per $1,000 limited partner investment as of March 31, 2001
- -- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 82-III, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 82-III, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 82-III, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 82-III, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 46,188	$ 53,335
Accounts receivable - oil and gas sales	69,903	47,611

Total current assets	116,091	100,946
Oil and gas properties - at cost, based on the successful efforts accounting method	5,970,397	5,967,913
Accumulated depletion	(5,634,468)	(5,611,986)
Net oil and gas properties	335,929	355,927
	$ 452,020	$ 456,873
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 9,780	$ 11,302
Partners' capital:		
General partners	57,956	54,214
Limited partners (3,441 interests)	384,284	391,357
	442,240	445,571
	$ 452,020	$ 456,873

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 562,399	$ 340,246	$ 253,873
Interest	4,310	2,124	3,120
Gain on disposition of assets	-	1,922	634

	566,709	344,292	257,627
Costs and expenses:			
Oil and gas production	222,803	198,571	202,485
General and administrative	19,194	14,161	9,538
Impairment of oil and gas properties	-	-	277,671
Depletion	22,482	46,605	252,951
	264,479	259,337	742,645
Net income (loss)	$ 302,230	$ 84,955	$ (485,018)
Allocation of net income (loss):			
General partners	$ 78,705	$ 27,431	$ (41,756)
Limited partners	$ 223,525	$ 57,524	$ (443,262)
Net income (loss) per limited partnership interest	$ 64.96	$ 16.72	$ (128.82)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 106,887	$ 9 13,918	$ 1,020,805
Distributions	(16,245)	(70,235)	(86,480)

Net loss	(41,756)	(443,262)	(485,018)
Partners' capital at December 31, 1998	48,886	400,421	449,307
Distributions	(22,103)	(66,588)	(88,691)
Net income	27,431	57,524	84,955
Partners' capital at December 31, 1999	54,214	391,357	445,571
Distributions	(74,963)	(230,598)	(305,561)
Net income	78,705	223,525	302,230
Partners' capital at December 31, 2000	$ 57,956	$ 384,284	$ 442,240

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 302,230	$ 84,955	$ (485,018)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Gain on disposition of assets	-	(1,922)	(634)
Impairment of oil and gas properties	-	-	277,671
Depletion	22,482	46,605	252,951
Changes in assets and liabilities:			
Accounts receivable	(22,292)	(24,579)	19,893
Accounts payable	(1,522)	5,081	(6,865)
Net cash provided by operating activities	300,898	110,140	57,998

Cash flows from investing activities:			
Additions to oil and gas properties	(2,484)	(1,281)	(4,114)
Proceeds from disposition of assets	-	2,415	23,382
Net cash provided by (used in) investing activities	(2,484)	1,134	19,268
Cash flows used in financing activities:			
Cash distributions to partners	(305,561)	(88,691)	(86,480)
Net increase (decrease) in cash	(7,147)	22,583	(9,214)
Cash at beginning of year	53,335	30,752	39,966
Cash at end of year	$ 46,188	$ 53,335	$ 30,752

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 82-III, Ltd. (the "Partnership") is a Texas limited partnership organized in 1982 under the laws of the State of Texas. The Partnership's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 82-III, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $277,671 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $410,896 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 302,230	$ 84,955	$ (485,018)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	18,732	42,255	245,110
Impairment of oil and gas properties for financial reporting purposes	-	-	277,671
Other, net	(570)	(1,597)	787
Net income per Federal income tax returns	$ 320,392	$ 125,613	$ 38,550

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 2,484	$ 1,281	$ 4,114

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 348,798	$ 348,798
Completed wells and equipment	5,621,599	5,619,115
	5,970,397	5,967,913
Accumulated depletion	(5,634,468)	(5,611,986)
Net oil and gas properties	$ 335,929	$ 355,927

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$105,725	$102,247	$ 97,602
Reimbursement of general and administrative expenses	$16,872	$10,207	$ 7,802

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 81% and the remaining portion is owned by former affiliates. Pioneer USA owned 205.34 limited partner interests at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	290,644	256,851
Revisions	(204,881)	
Production	(19,540)	(17,680)
Net proved reserves at December 31, 1998	66,223	74,429
Revisions		243,433
312,763		
Production	(20,801)	(23,061)
Net proved reserves at December 31, 1999	288,855	364,131
Revisions	42,883	(44,362)
Production	(20,646)	(21,480)
Net proved reserves at December 31, 2000	311,092	298,289

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.66 per barrel of NGLs and $7.61 per mcf of gas, discounted at 10% was approximately $2,053,000 and undiscounted was $3,888,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 9,373	$ 7,135	$ 709
Future production costs	(5,485)	(4,540)	(606)
	3,888	2,595	103
10% annual discount factor	(1,835)	(1,113)	(26)
Standardized measure of discounted future net cash flows	$ 2,053	$ 1,482	$ 77

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (340)	$ (141)	$ (51)
Net changes in prices and production costs	711	355	(718)
Revisions of previous quantity estimates	219	1,650	(182)
Accretion of discount	148	8	102
Changes in production rates, timing and other	(167)	(467)	(96)
Change in present value of future net revenues	571	1,405	(945)
Balance, beginning of year	1,482	77	1,022
Balance, end of year	$ 2,053	$ 1,482	$ 77

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	60%	56%	-
TEPPCO Crude Oil LLC	14%	15%	-
Genesis Crude Oil, L.P.	-	-	77%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and TEPPCO Crude Oil LLC were $31,458 and $4,158, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly

by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $6,882,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

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

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 65% to $562,399 for 2000 as compared to $340,246 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 14,019 barrels of oil, 6,627 barrels of natural gas liquids ("NGLs") and 21,480 mcf of gas were sold, or 24,226 barrel of oil equivalents ("BOEs"). In 1999, 14,043 barrels of oil, 6,758 barrels of NGLs and 23,061 mcf of gas were sold, or 24,645 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 increased $12.54, or 73%, from $17.13 in 1999 to $29.67 in 2000. The average price received per barrel of NGLs

increased $4.73, or 52%, from $9.13 in 1999 to $13.86 in 2000. The average price received per mcf of gas increased 54% from $1.65 in 1999 to $2.54 in 2000. 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 in 2000.

A gain on disposition of assets of $1,922 was recognized during 1999 from equipment credits received on one fully depleted well.

Total costs and expenses increased in 2000 to $264,479 as compared to $259,337 in 1999, an increase of $5,142, or 2%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $222,803 in 2000 and $198,571 in 1999, resulting in a $24,232 increase, or 12%. The increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 36% from $14,161 in 1999 to $19,194 in 2000, 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. The Partnership paid the managing general partner $16,872 in 2000 and $10,207 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $22,482 in 2000 as compared to $46,605 in 1999, representing a decrease of $24,123, or 52%. This decrease primarily due to a 36,746 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 34% to $340,246 from $253,873 in 1998. The increase in revenues resulted from higher average prices received and an increase in production. In 1999, 14,043 barrels of oil, 6,758 barrels of NGLs and 23,061 mcf of gas were sold, or 24,645 BOEs. In 1998, 14,727 barrels of oil, 4,813 barrels of NGLs and 17,680 mcf of gas were sold, or 22,487 BOEs.

The average price received per barrel of oil increased $3.82, or 29%, from $13.31 in 1998 to $17.13 in 1999. The average price received per barrel of NGLs increased $2.71, or 42%, from $6.42 in 1998 to $9.13 in 1999. The average price received per mcf of gas increased 8% from $1.53 in 1998 to $1.65 in 1999.

A gain on disposition of assets of $1,922 and $634 was recognized during 1999 and 1998 from salvage value received on various asset dispositions.

Total costs and expenses decreased in 1999 to $259,337 as compared to $742,645 in 1998, a decrease of $483,308, or 65%. The decrease was primarily due to declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A.

Production costs were $198,571 in 1999 and $202,485 in 1998, resulting in a $3,914 decrease, or 2%. The decrease was due to declines in workover costs and ad valorem taxes, offset by an increase in production taxes due to increase oil and gas sales.

During this period, G&A increased 48% from $9,538 in 1998 to $14,161 in 1999 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. The Partnership paid the managing general partner $10,207 in 1999 and $7,802 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $277,671 related to its oil and gas properties during 1998.

Depletion was $46,605 in 1999 compared to $252,951 in 1998, representing a decrease of $206,346, or 82%. This decrease was the result of an increase in proved reserves of 164,606 barrels of oil during 2000 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $190,758 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $224,339, offset by increases in production costs paid of $24,233, G&A expenses paid of $5,032 and working capital of $4,316. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $230,886 to oil and gas receipts, offset by $6,547 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 included expenditures related to upgrades of equipment on various oil and gas properties.

Proceeds from disposition of assets of $2,415 were recognized during 1999 from salvage value received on disposition of equipment primarily on one oil and gas well.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $305,561, of which $74,963 was distributed to the general partners and $230,598 to the limited partners. In 1999, cash distributions to the partners were $88,691, of which $22,103 was distributed to the general partners and $66,588 to the limited partners.

PARKER & PARSLEY 82-III, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					

Oil and gas sales	$	$ 136,330	$ 562,399	$ 340,246	$ 253,873
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 277,671
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 74,529	$ 302,230	$ 84,955	$ (485,018)
Allocation of net income (loss):					
Managing general partner	$	$ 19,595	$ 78,705	$ 27,431	$ (41,756)
Limited partners	$	$ 54,934	$ 223,525	$ 57,524	$ (443,262)
Limited partners' net income (loss) per limited partnership interest	$	$ 15.96	$ 64.96	$ 16.72	$ (128.82)
Limited partners' cash distributions per limited partnership interest	$	$ 14.98	$ 67.01	$ 19.35	$ 20.41
At year end:					
Total assets	$	$ 463,688	$ 452,020	$ 456,873	$ 455,528

(a) Including litigation settlement per limited partnership interest of $10.65 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 83-A, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 83-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 83-A, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 2-81398A

PARKER & PARSLEY 83-A, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS	75-1891
(State or other jurisdiction of incorporation or organization)	(I.R.S. Em Identificatio
1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this

Form 10-K. /X/

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $18,829,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 19,505.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 83-A, Ltd. (the "Partnership") is a limited partnership organized in 1983 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA") and its co-general partner is P&P Employees 83-A, Ltd. ("EMPL"), a Texas limited partnership whose general partner is Pioneer USA. Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 19,505 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA is responsible for all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 53% was attributable to sales made to Plains Marketing, L.P. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations. The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that

its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend Area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 69 oil and gas wells. Two wells were dry holes from previous periods, 22 wells have been sold and three wells have been plugged and abandoned due to unprofitable operations. At December 31, 2000, 42 wells were producing.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 19,505 outstanding limited partnership interests held of record by 1,273 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $659,311 and $181,573, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997
Operating results:				
Oil and gas sales	$ 1,929,701	$ 1,176,562	$ 910,252	$ 1,402,306
Impairment of oil and gas properties	$ --	$ --	$ 430,351	$ 1,194,023
Gain on litigation settlement, net	$ --	$ --	$ --	$ --
Net income (loss)	$ 929,165	$ 229,546	$ (784,583)	$ (811,642
Allocation of net income				

(loss):				
General partners	$ 246,105	$ 82,467	$ (52,520)	$ (1,662
Limited partners	$ 683,060	$ 147,079	$ (732,063)	$ (809,980
Limited partners' net income (loss) per limited partnership interest	$ 35.02	$ 7.54	$ (37.53)	$ (41.53
Limited partners' cash distributions per limited partnership interest	$ 33.80	$ 9.31	$ 20.73	$ 24.50
At year end:				
Identifiable assets	$ 1,727,226	$ 1,684,906	$ 1,691,709	$ 3,015,116

(a) Including litigation settlement per limited partnership interest of $34.33 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 64% to $1,929,701 for 2000 as compared to $1,176,562 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 43,334 barrels of oil, 23,345 barrels of natural gas liquids ("NGLs") and 94,612 mcf of gas were sold, or 82,448 barrel of oil equivalents ("BOEs"). In 1999, 43,654 barrels of oil, 25,584 barrels of NGLs and 109,716 mcf of gas were sold, or 87,524 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 increased $12.58, or 74%, from $16.96 in 1999 to $29.54 in 2000. The average price received per barrel of NGLs increased $6.16, or 65%, from $9.42 in 1999 to $15.58 in 2000. The average price received per mcf of gas increased 70% from $1.78 in 1999 to $3.02 in 2000. 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 in 2000.

A gain on disposition of assets of $1,801 recognized during 1999 was related to equipment credits received on one fully depleted well.

Total costs and expenses increased in 2000 to $1,014,313 as compared to $955,718 in 1999, an increase of $58,595, or 6%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $867,551 in 2000 and $756,020 in 1999, resulting in a $111,531 increase, or 15%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and additional workover and well maintenance costs incurred to stimulate well production.

G&A's components are independent accounting and engineering fees, computer services, postage and managing general partner personnel costs. During this period, G&A increased 39% from $47,303 in 1999 to $65,724 in 2000 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. The Partnership paid the managing general partner $57,891 in 2000 and $35,297 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $81,038 in 2000 as compared to $152,395 in 1999. This represented a decrease of $71,357, or 47%. The decrease was primarily due to a 129,265 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 29% to $1,176,562 from $910,252 in 1998. The increase in revenues resulted from higher average prices received and an increase in production from 1998 to 1999. In 1999, 43,654 barrels of oil, 25,584 barrels of NGLs and 109,716 mcf of gas were sold, or 87,524 BOEs. In 1998, 46,586 barrels of oil, 21,026 barrels of NGLs and 95,156 mcf of gas were sold, or 83,471 BOEs.

The average price received per barrel of oil increased $3.62, or 27%, from $13.34 in 1998 to $16.96 in 1999. The average price received per barrel of NGLs increased $2.93, or 45%, from $6.49 in 1998 to $9.42 in 1999. The average price received per mcf of gas increased 11% from $1.60 in 1998 to $1.78 in 1999.

A gain on disposition of assets of $1,801 recognized during 1999 was related to equipment credits received on one fully depleted well while the $3,702 gain recognized during 1998 was from final closing adjustments from the sale during 1997 of 16 oil and gas wells.

Total costs and expenses decreased in 1999 to $955,718 as compared to $1,715,723 in 1998, a decrease of $760,005, or 44%. The decrease was primarily due to declines in the impairment of oil and gas properties and depletion, offset by increases in production costs and G&A expenses.

Production costs were $756,020 in 1999 and $731,005 in 1998, resulting in a $25,015 increase, or 3%. The increase was attributable to additional well maintenance costs incurred to stimulate well production and production taxes due to increased oil and gas revenues, offset by a decline in ad valorem taxes.

During this period, G&A increased 43% from $33,000 in 1998 to $47,303 in 1999 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. The Partnership paid the managing general partner $35,297 in 1999 and $27,308 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $430,351 related to its oil and gas properties during 1998.

Depletion was $152,395 in 1999 compared to $521,367 in 1998. This represented a decrease of $368,972, or 71%. The decrease was the result of an increase in proved reserves of 416,430 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $620,642 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $760,015, offset by increases in production costs paid of $111,531, G&A expenses paid of $18,421 and working capital of $9,421. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $849,987 to oil and gas receipts, offset by $89,973 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional workover and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's investing activities during 2000 and 1999 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions in 1999 of $2,611 were from equipment credits received on active wells.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $887,776, of which $228,465 was distributed to the general partners and $659,311 to the limited partners. In 1999, cash distributions to the partners were $245,794, of which $64,221 was distributed to the general partners and $181,573 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements of Parker & Parsley 83-A, Ltd:
Independent Auditors' Report..
Balance Sheets as of December 31, 2000 and 1999.......................................
Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998...
Statements of Partners' Capital for the Years Ended December 31, 2000, 1999 and 1998...
Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998...
Notes to Financial Statements...

INDEPENDENT AUDITORS' REPORT

The Partners

Parker & Parsley 83-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 83-A, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 83-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 169,055	$ 143,823
Accounts receivable - oil and gas sales	279,239	189,995
Total current assets	448,294	333,818

Oil and gas properties - at cost, based on the successful efforts accounting method	16,901,194	16,892,307
Accumulated depletion	(15,622,262)	(15,541,219)
Net oil and gas properties	1,278,932	1,351,088
	$ 1,727,226	$ 1,684,906

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	$ 33,783	$ 32,852
Partners' capital:		
General partners	200,131	182,491
Limited partners (19,505 interests)	1,493,312	1,469,563
	1,693,443	1,652,054
	$ 1,727,226	$ 1,684,906

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1
Revenues:			
Oil and gas	$ 1,929,701	$ 1,176,562	$ 9
Interest	13,777	6,901	
Gain on disposition of assets	-	1,801	
	1,943,478	1,185,264	9

Costs and expenses:			
Oil and gas production	867,551	756,020	7
General and administrative	65,724	47,303	
Impairment of oil and gas properties	-	-	4
Depletion	81,038	152,395	5
	1,014,313	955,718	1,7
Net income (loss)	$ 929,165	$ 229,546	$ (7
Allocation of net income (loss):			
General partners	$ 246,105	$ 82,467	$ (
Limited partners	$ 683,060	$ 147,079	$ (7
Net income (loss) per limited partnership interest	$ 35.02	$ 7.54	$

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 336,024	$ 2,640,444	$ 2,976,468
Distributions	(119,259)	(404,324)	(523,583)
Net loss	(52,520)	(732,063)	(784,583)
Partners' capital at December 31, 1998	164,245	1,504,057	1,668,302
Distributions	(64,221)	(181,573)	(245,794)

Net income	82,467	147,079	229,546
Partners' capital at December 31, 1999	182,491	1,469,563	1,652,054
Distributions	(228,465)	(659,311)	(887,776)
Net income	246,105	683,060	929,165
Partners' capital at December 31, 2000	$ 200,131	$ 1,493,312	$ 1,693,443

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 929,165	$ 229,546	$(784,5
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	-	-	430,3
Depletion	81,038	152,395	521,3
Gain on disposition of assets	-	(1,801)	(3,7
Changes in assets and liabilities:			
Accounts receivable	(89,244)	(88,337)	39,9
Accounts payable	931	9,445	(15,2
Net cash provided by operating activities	921,890	301,248	188,1
Cash flows from investing activities:			
Additions to oil and gas properties	(8,882)	(8,942)	(14,9
Proceeds from asset dispositions	-	2,611	271,8
Net cash provided by (used in) investing activities	(8,882)	(6,331)	256,8

Cash flows used in financing activities:			
Cash distributions to partners	(887,776)	(245,794)	(523,5
Net increase (decrease) in cash	25,232	49,123	(78,5
Cash at beginning of year	143,823	94,700	173,2
Cash at end of year	$ 169,055	$ 143,823	$ 94,7

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 83-A, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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

$430,351 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $1,081,971 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 929,165	$ 229,546	$(784,5
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	72,648	144,177	510,6
Impairment of oil and gas properties for financial reporting purposes	-	-	430,3
Other, net	(2,243)	(235)	8
Net income per Federal income tax returns	$ 999,570	$ 373,488	$ 157,2

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 8,882	$ 8,942	$14,943

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 1,000,072	$ 1,000,072
Completed wells and equipment	15,901,122	15,892,235
	16,901,194	16,892,307
Accumulated depletion	(15,622,262)	(15,541,219)
Net oil and gas properties	$ 1,278,932	$ 1,351,088

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 407,783	$ 397,884	$ 370,984
Reimbursement of general and administrative expenses	$ 57,891	$ 35,297	$ 27,308

Pioneer USA, EMPL and the Partnership are parties to the partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 79% and the remaining portion is owned by former affiliates. In addition, Pioneer USA owned 676 limited partner interests at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%
Incremental direct expenses	-	100%

Incremental direct expenses are direct expenses which would not be incurred except for the requirements of the securities regulatory authorities. Such expenses totaled $7,833, $12,006 and $5,692 in 2000, 1999 and 1998, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	765,491	1,179,867
Revisions	(361,806)	(528,746)
Production	(67,612)	(95,156)
Net proved reserves at December 31, 1998	336,073	555,965
Revisions	714,690	1,245,944
Production	(69,238)	(109,716)
Net proved reserves at December 31, 1999	981,525	1,692,193
Revisions	124,418	(56,128)
Production	(66,679)	(94,612)
Net proved reserves at December 31, 2000	1,039,264	1,541,453

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.61 per barrel

of oil, $13.13 per barrel of NGLs and $7.87 per mcf of gas, discounted at 10% was approximately $7,532,000 and undiscounted was $14,892,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended Decem	
	2000	1999
		(in thousands)
Oil and gas producing activities:		
Future cash inflows	$ 34,721	$ 24,100
Future production costs	(19,829)	(14,511)
	14,892	9,589
10% annual discount factor	(7,360)	(4,422)

Standardized measure of discounted future net cash flows	$ 7,532	$ 5,167
	=========	=========

	For the years ended December 3		
	2000	1999	1
		(in thousands)	
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (1,062)	$ (421)	$
Net changes in prices and production costs	2,717	1,751	(
Revisions of previous quantity estimates	713	4,985	
Accretion of discount	517	51	
Changes in production rates, timing and other	(520)	(1,711)	
Change in present value of future net revenues	2,365	4,655	(
Balance, beginning of year	5,167	512	
Balance, end of year	$ 7,532	$ 5,167	$

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	53%	52%	-
Genesis Crude Oil, L.P.	-	-	64%
Western Gas Resources, Inc.	3%	5%	17%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $100,032 which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $19,505,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and

completion and 25% of direct, general and administrative and operating expenses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chi Financial Officer and Direc
Dennis E. Fagerstone	51	Executive Vice President and
Mark L. Withrow	53	Executive Vice President, Gen Counsel and Director
Danny Kellum	46	Executive Vice President - Do Operations and Director
Rich Dealy	34	Vice President and Chief Acco Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts

Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. Under the partnership agreement, Pioneer USA pays 8% of the Partnership's acquisition, drilling and completion costs and 20% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 20% of the Partnership's revenues.

EMPL is a co-general partner of the Partnership. Under this arrangement, EMPL pays 2% of the Partnership's acquisition, drilling and completion costs and 5% of its operating and general and administrative expenses. In return, EMPL is allocated 5% of the Partnership's revenues. EMPL does not receive any fees or reimbursements from the Partnership.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA and EMPL respectively own 80% and 20% of the general partners' interests in the Partnership. Pioneer USA owned 676 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$407,783	$397,884	$370,984
Reimbursement of general and administrative expenses	$ 57,891	$ 35,297	$ 27,308

Under the limited partnership agreement, the general partners, Pioneer USA and

EMPL, together pay 10% of the Partnership's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, they are allocated 25% of the Partnership's revenues. Twenty percent of the general partners' share of costs and revenues is allocated to EMPL and the remainder is allocated to Pioneer USA. Certain former affiliates of Pioneer USA are limited partners of EMPL. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

S I G N A T U R E S

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.

Dated: March 23, 2001

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

By: /s/ Scott D. Sheffield
Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield Scott D. Sheffield	President of Pioneer USA	Ma
/s/ Timothy L. Dove Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	Ma
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	Ma
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	Ma
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	Ma
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	Ma

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PARKER & PARSLEY 83-A, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3.1	Agreement of Limited Partnership of Parker & Parsley 83-A, Ltd. incorporated by reference to Exhibit 4(e) of Partnership's Registration Statement on Form S-1 (Registration No. 2-81398A), as amended on April 26, 1983, the effective date thereof (hereinafter called, the Partnership's Registration Statement)	-
3.2	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 83-A, Ltd. incorporated by reference to Exhibit 3.2 of the Partnership's Annual Report on Form 10-K for the period from July 1, 1983 (date of organization) through December 31, 1983	-
4.1	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit 4(b) of the Partnership's Registration Statement	-
4.2	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4(d) of the Partnership's Registration Statement	-

PARKER & PARSLEY 83-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended Decembe		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 417,066	$1,929,701	$1,176,562	$ 910,252

Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 430,351
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 168,694	$ 929,165	$ 229,546	$ (784,583)
Allocation of net income (loss):					
General partners	$	$ 45,512	$ 246,105	$ 82,467	$ (52,520)
Limited partners	$	$ 123,182	$ 683,060	$ 147,079	$ (732,063)
Limited partners' net income (loss) per limited partnership interest	$	$ 6.32	$ 35.02	$ 7.54	$ (37.53)
Limited partners' cash distributions per limited partnership interest	$	$ 7.22	$ 33.80	$ 9.31	$ 20.73
At year end:					
Identifiable assets	$	$1,669,419	$1,727,226	$1,684,906	$1,691,709

(a) Including litigation settlement per limited partnership interest of $34.33 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley

83-B, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 83-B, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 83-B, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$ 2
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$ 3
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 2-81398B

PARKER & PARSLEY 83-B, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS	75-19072
(State or other jurisdiction of incorporation or organization)	(I.R.S. Emp Identification
1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of
the Act: NONE Securities registered pursuant to
Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.   /X/

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $22,493,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 23,370.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

Parker & Parsley 83-B, Ltd. (the "Partnership") is a limited partnership organized in 1983 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA") and its co-general partner is P&P Employees 83-B, Ltd. ("EMPL"), a Texas limited partnership whose general partner is Pioneer USA. Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 23,370 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA is responsible for all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 46%, 13% and 10% were attributable to sales made to Plains Marketing, L.P., TEPPCO Crude Oil LLC and Phillips Petroleum Company, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations. The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that

its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 59 productive oil and gas wells. At December 31, 2000, the Partnership had 41 producing wells. Thirteen wells have been plugged and abandoned due to unprofitable operations and five wells were sold.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 23,370 outstanding limited partnership interests held of record by 1,379 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $942,688 and $325,903, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997
Operating results:				
Oil and gas sales	$ 2,376,791	$ 1,548,013	$ 1,267,241	$ 1,924,748
Gain on litigation settlement, net	$ -	$ -	$ -	$ -
Impairment of oil and gas properties	$ 84,697	$ 152,505	$ 362,325	$ 1,171,409
Net income (loss)	$ 1,174,971	$ 292,874	$ (871,809)	$ (754,107)
Allocation of net income (loss):				
General partners	$ 325,015	$ 125,187	$ (46,980)	$ 56,351
Limited partners	$ 849,956	$ 167,687	$ (824,829)	$ (810,458)

Limited partners' net income (loss) per limited partnership interest	$ 36.37	$ 7.18	$ (35.29)	$ (34.68)
Limited partners' cash distributions per limited partnership interest	$ 40.34	$ 13.95	$ 11.49	$ 32.48
At year end:				
Identifiable assets	$ 2,303,070	$ 2,391,541	$ 2,529,136	$ 3,774,504

(a) Including litigation settlement per limited partnership interest of $46.83 in 1996.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 54% to $2,376,791 for 2000 as compared to $1,548,013 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 51,895 barrels of oil, 29,919 barrels of natural gas liquids ("NGLs") and 132,106 mcf of gas were sold, or 103,832 barrel of oil equivalents ("BOEs"). In 1999, 54,446 barrels of oil, 35,000 barrels of NGLs and 157,842 mcf of gas were sold, or 115,753 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 increased $12.51, or 73%, from $17.18 in 1999 to $29.69 in 2000. The average price received per barrel of NGLs increased $5.47, or 55%, from $10.00 in 1999 to $15.47 in 2000. The average price received per mcf of gas increased 70% from $1.66 in 1999 to $2.83 in 2000. 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 in 2000.

A gain on disposition of assets of $7,482 during 2000 was due to salvage income received on one well plugged and abandoned during the current year. A gain of

$3,375 during 1999 was recognized from equipment credits received on one fully depleted well.

Total costs and expenses decreased in 2000 to $1,230,645 as compared to $1,270,634 in 1999, a decrease of $39,989, or 3%. The decrease was primarily due to declines in depletion and the impairment of oil and gas properties, offset by increases in production costs and general and administrative expenses ("G&A").

Production costs were $947,439 in 2000 and $879,335 in 1999, resulting in a $68,104 increase, or 8%. The increase was primarily due to higher production taxes associated with higher oil and gas 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 35% from $58,993 in 1999 to $79,646 in 2000 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. The Partnership paid the managing general partner $71,304 in 2000 and $46,440 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized non-cash charges of $84,697 and $152,505 related to its oil and gas properties during 2000 and 1999, respectively.

Depletion was $106,841 in 2000 as compared to $179,801 in 1999, representing a decrease of $72,960, or 41%. This decrease was primarily due to a 115,324 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1999.

Abandoned property costs of $12,022 during 2000 was related to the plugging and abandonment of one well during the current year.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 22% to $1,548,013 from $1,267,241 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 54,446 barrels of oil, 35,000 barrels of NGLs and 157,842 mcf of gas were sold, or 115,753 BOEs. In 1998, 62,162 barrels of oil, 31,533 barrels of NGLs and 147,495 mcf of gas were sold, or 118,278 BOEs.

The average price received per barrel of oil increased $3.88, or 29%, from $13.30 in 1998 to $17.18 in 1999. The average price received per barrel of NGLs

increased $3.21, or 47%, from $6.79 in 1998 to $10.00 in 1999. The average price received per mcf of gas increased 8% from $1.54 in 1998 to $1.66 in 1999.

A gain on disposition of assets of $3,375 during 1999 was recognized from equipment credits received on one fully depleted well. During 1998, a gain on disposition of assets of $157 was recognized from post closing adjustments received from the sale of two oil and gas wells and an overriding royalty interest on one well during 1997.

Total costs and expenses decreased in 1999 to $1,270,634 as compared to $2,152,425 in 1998, a decrease of $881,791, or 41%. The decrease was primarily due to declines in depletion, the impairment of oil and gas properties and production costs, offset by an increase in G&A.

Production costs were $879,335 in 1999 and $978,080 in 1998, resulting in a $98,745 decrease, or 10%. The decrease was due to declines in well maintenance costs and ad valorem taxes, offset by an increase in production taxes due to an increase in oil and gas revenues.

During this period, G&A increased 36% from $43,488 in 1998 to $58,993 in 1999 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. The Partnership paid the managing general partner $46,440 in 1999 and $38,017 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized non-cash SFAS 121 charges of $152,505 and $362,325 related to its oil and gas properties during 1999 and 1998, respectively.

Depletion was $179,801 in 1999 compared to $768,532 in 1998. This represented a decrease of $588,731, or 77%. This decrease was the result of a combination of factors that included an increase in proved reserves of 430,250 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with

SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 7,716 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $733,136 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $838,001, offset by increases in production costs paid of $68,104, G&A expenses paid of $20,653, $12,022 in abandoned property costs paid and working capital of $4,086. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $1,065,062 to oil and gas receipts, offset by $227,061 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices. The increase in G&A was primarily due to 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 2000 and 1999 were for expenditures related to oil and gas equipment upgrades on active properties.

Proceeds from asset dispositions of $7,482 recognized during 2000 were related to salvage income received on one well plugged and abandoned during the current year. Proceeds of $3,845 recognized during 1999 were primarily from equipment credits received on one fully depleted well.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $1,260,369, of which $317,681 was distributed to the general partners and $942,688 to the limited partners. In 1999, cash distributions to the partners were $438,977, of which $113,074 was distributed to the general partners and $325,903 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements of Parker & Parsley 83-B, Ltd:
Independent Auditors' Report..
Balance Sheets as of December 31, 2000 and 1999.........................
Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998...
Statements of Partners' Capital for the Years Ended December 31, 2000, 1999 and 1998...
Statements of Cash Flows for the Years Ended December 31,

2000, 1999 and 1998..
Notes to Financial Statements...

INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 83-B, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 83-B, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 83-B, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 224,865	$ 244,091
Accounts receivable - oil and gas sales	369,349	263,774
Total current assets	594,214	507,865
Oil and gas properties - at cost, based on the successful efforts accounting method	18,957,070	19,500,569
Accumulated depletion	(17,248,214)	(17,616,893)
Net oil and gas properties	1,708,856	1,883,676
	$ 2,303,070	$ 2,391,541
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 39,862	$ 42,935
Partners' capital:		
General partners	316,574	309,240
Limited partners (23,370 interests)	1,946,634	2,039,366
	2,263,208	2,348,606
	$ 2,303,070	$ 2,391,541

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1
Revenues:			
Oil and gas	$ 2,376,791	$ 1,548,013	$ 1,2
Interest	21,343	12,120	
Gain on disposition of assets	7,482	3,375	
	2,405,616	1,563,508	1,2
Costs and expenses:			
Oil and gas production	947,439	879,335	9
General and administrative	79,646	58,993	
Impairment of oil and gas properties	84,697	152,505	3
Depletion	106,841	179,801	7
Abandoned property	12,022	-	
	1,230,645	1,270,634	2,1
Net income (loss)	$ 1,174,971	$ 292,874	$ (8
Allocation of net income (loss):			
General partners	$ 325,015	$ 125,187	$ (
Limited partners	$ 849,956	$ 167,687	$ (8
Net income (loss) per limited partnership interest	$ 36.37	$ 7.18	$

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 435,525	$ 3,290,919	$ 3,726,444
Distributions	(91,418)	(268,508)	(359,926)
Net loss	(46,980)	(824,829)	(871,809)
Partners' capital at December 31, 1998	297,127	2,197,582	2,494,709
Distributions	(113,074)	(325,903)	(438,977)
Net income	125,187	167,687	292,874
Partners' capital at December 31, 1999	309,240	2,039,366	2,348,606
Distributions	(317,681)	(942,688)	(1,260,369)
Net income	325,015	849,956	1,174,971
Partners' capital at December 31, 2000	$ 316,574	$ 1,946,634	$ 2,263,208

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	
Cash flows from operating activities:			
Net income (loss)	$ 1,174,971	$ 292,874	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	84,697	152,505	

Depletion	106,841	179,801	
Gain on disposition of assets	(7,482)	(3,375)	
Changes in assets and liabilities:			
Accounts receivable	(105,575)	(113,070)	
Accounts payable	(3,073)	8,508	
Net cash provided by operating activities	1,250,379	517,243	
Cash flows from investing activities:			
Additions to oil and gas properties	(16,718)	(11,719)	
Proceeds from disposition of assets	7,482	3,845	
Net cash used in investing activities	(9,236)	(7,874)	
Cash flows used in financing activities:			
Cash distributions to partners	(1,260,369)	(438,977)	
Net increase (decrease) in cash	(19,226)	70,392	
Cash at beginning of year	244,091	173,699	
Cash at end of year	$ 224,865	$ 244,091	$

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 83-B, Ltd. (the "Partnership") is a limited partnership organized in 1983 under the laws of the State of Texas. The Partnership's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 83-B, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited

partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non- partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $84,697, $152,505 and $362,325 related to its proved oil and gas properties during 2000, 1999 and 1998,

respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $1,137,401 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	
Net income (loss) per statements of operations	$ 1,174,971	$ 292,874	$
Depletion and depreciation provisions for tax reporting purposes less than amounts for			

financial reporting purposes	90,760	163,887	
Impairment of oil and gas properties for financial reporting purposes	84,697	152,505	
Salvage income	-	-	
Other, net	(7,657)	(1,145)	
Net income per Federal income tax returns	$ 1,342,771	$ 608,121	$

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 16,718	$ 11,719	$ 27,705

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 911,105	$ 946,730
Completed wells and equipment	18,045,965	18,553,839
	18,957,070	19,500,569
Accumulated depletion	(17,248,214)	(17,616,893)
Net oil and gas properties	$ 1,708,856	$ 1,883,676

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 426,573	$ 424,831	$ 426,899
Reimbursement of general and administrative expenses	$ 71,304	$ 46,440	$ 38,017

Pioneer USA, EMPL and the Partnership are parties to the partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 79% and the remaining portion is owned by former affiliates. In addition, Pioneer USA owned 877 limited partner interests at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%
Incremental direct expenses	-	100%

Incremental direct expenses are direct expenses which would not be incurred except for the requirements of the securities regulatory authorities and totaled $8,342, $12,553 and $5,471 in 2000, 1999 and 1998, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs	Gas

	(bbls)	(mcf)
Net proved reserves at January 1, 1998	1,215,076	1,717,779
Revisions	(498,218)	(464,099)
Production	(93,695)	(147,495)
Net proved reserves at December 31, 1998	623,163	1,106,185
Revisions	738,384	1,321,692
Production	(89,446)	(157,842)
Net proved reserves at December 31, 1999	1,272,101	2,270,035
Revisions	82,614	(66,662)
Production	(81,814)	(132,106)
Net proved reserves at December 31, 2000	1,272,901	2,071,267

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.32 per barrel of NGLs and $7.73 per mcf of gas, discounted at 10% was approximately $9,555,000 and undiscounted was $18,817,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended Dece	
	2000	1999
	(in thousands)	
Oil and gas producing activities:		
Future cash inflows	$ 43,776	$ 31,312
Future production costs	(24,959)	(18,234)
	18,817	13,078
10% annual discount factor	(9,262)	(6,181)
Standardized measure of discounted future net cash flows	$ 9,555	$ 6,897

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$(1,429)	$ (669)	$ (289)
Net changes in prices and production costs	3,342	3,109	(3,208)
Revisions of previous quantity estimates	439	5,091	(627)
Accretion of discount	690	110	489
Changes in production rates, timing and other	(384)	(1,847)	(147)
Change in present value of future net revenues	2,658	5,794	(3,782)
Balance, beginning of year	6,897	1,103	4,885
Balance, end of year	$ 9,555	$ 6,897	$ 1,103

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998

Plains Marketing, L.P.	46%	42%	-
TEPPCO Crude Oil LLC	13%	14%	-
Phillips Petroleum Company	10%	3%	3%
Genesis Crude Oil, L.P.	-	-	60%
Western Gas Resources, Inc.	4%	8%	29%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P., TEPPCO Crude Oil LLC Inc. and Phillips Petroleum Company were $112,877, $29,666 and $22,742, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $23,370,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	45	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from

Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

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ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. Under the partnership agreement, Pioneer USA pays 8% of the Program's acquisition, drilling and completion costs and 20% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 20% of the Program's revenues.

EMPL is a co-general partner of the Partnership. Under this arrangement, EMPL pays 2% of the Program's acquisition, drilling and completion costs and 5% of its operating and general and administrative expenses. In return, EMPL is allocated 5% of the Program's revenues. EMPL does not receive any fees or reimbursements from the Partnership.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA and EMPL respectively own 80% and 20% of the general partners' interests in the Partnership. Pioneer USA owned 877 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998

Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 426,573	$ 424,831	$ 426,899
Reimbursement of general and administrative expenses	$ 71,304	$ 46,440	$ 38,017

Under the limited partnership agreement, the general partners, Pioneer USA and EMPL, together pay 10% of the Partnership's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, they are allocated 25% of the Partnership's revenues. Twenty percent of the general partners' share of costs and revenues is allocated to EMPL and the remainder is allocated to Pioneer USA. Certain former affiliates of Pioneer USA are limited partners of EMPL. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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S I G N A T U R E S

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.

Dated: March 29, 2001 By: Pioneer Natural Resources USA, Inc.
Managing General Partner

By: /s/ Scott D. Sheffield
Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield Scott D. Sheffield	President of Pioneer USA	Ma
/s/ Timothy L. Dove Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	Ma
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	Ma
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	Ma
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	Ma
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	Ma

PARKER & PARSLEY 83-B, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3.1	Agreement of Limited Partnership of Parker & Parsley 83-B, Ltd. incorporated by reference to Exhibit 4(e) of Partnership's Registration Statement on Form S-1 (Registration No. 2-81398B), as amended on April 26, 1983, the effective date thereof (hereinafter called, the Partnership's Registration Statement)	-
3.2	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 83-B, Ltd. incorporated by reference to Exhibit 3.2 of the Partnership's Annual Report on Form 10-K for the period from July 1, 1983 (date of organization) through December 31, 1983	-
4.1	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit 4(b) of the Partnership's Registration Statement	-
4.2	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4(d) of the Partnership's Registration Statement	-

PARKER & PARSLEY 83-B, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31, 2001	Three months ended March 31, 2000	Years ended December 31 2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 550,469	$2,376,791	$1,548,013	$1,267,241
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ 84,697	$ 152,505	$ 362,325
Net income (loss)	$	$ 278,602	$1,174,971	$ 292,874	$ (871,809)
Allocation of net income (loss):					
General partners	$	$ 73,635	$ 325,015	$ 125,187	$ (46,980)
Limited partners	$	$ 204,967	$ 849,956	$ 167,687	$ (824,829)
Limited partners' net income (loss) per limited partnership interest	$	$ 8.77	$ 36.37	$ 7.18	$ (35.29)
Limited partners' cash distributions per limited partnership interest	$	$ 8.70	$ 40.34	$ 13.95	$ 11.49
At year end:					
Identifiable assets	$	$2,405,679	$2,303,070	$2,391,541	$2,529,136

(a) Including litigation settlement per limited partnership interest of $46.83 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 84-A, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 84-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 84-A LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 \ \

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. \ X \

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-s of the Registrant is $19,016,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 19,435.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 84-A, Ltd. (the "Partnership") is a limited partnership organized in 1984 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA") and its co-general partner is P&P Employees 84-A, Ltd. ("EMPL"), a Texas limited partnership whose general partner is Pioneer USA. Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 19,435 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000, approximately 35%, 17% and 10% were attributable to sales made to Plains Marketing, L.P., TEPPCO Crude Oil LLC and NGTS LLC, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations. The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental and exploratory oil and gas prospects located primarily in the Spraberry Trend Area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 42 oil and gas wells. At December 31, 2000, 38 wells were producing and four wells had been plugged and abandoned due to unprofitable operations.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 19,435 outstanding limited partnership interests held of record by 1,268 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $872,006 and $293,145, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	1996
Operating results:					
Oil and gas sales	$2,348,261	$1,419,376	$1,124,134	$1,668,018	$1,984,34
Impairment of oil and gas properties	$ -	$ -	$ 425,668	$ 370,361	$ -
Gain on litigation					

settlement, net	$ -	$ -	$ -	$ -	$1,055,35
Net income (loss)	$1,240,674	$ 340,062	$ (923,346)	$ 70,124	$1,782,13
Allocation of net income (loss):					
General partners	$ 328,079	$ 113,550	$ (56,570)	$ 121,907	$ 462,04
Limited partners	$ 912,595	$ 226,512	$ (866,776)	$ (51,783)	$1,320,09
Limited partners' net income (loss) per limited partnership interest	$ 46.96	$ 11.65	$ (44.60)	$ (2.66)	$ 67.9
Limited partners' cash distributions per limited partnership interest	$ 44.87	$ 15.08	$ 12.82	$ 32.32	$ 73.6
At year end:					
Identifiable assets	$2,409,328	$2,343,035	$2,390,810	$3,657,643	$4,436,38

(a) Including litigation settlement per limited partnership interest of $42.48 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 65% to $2,348,261 for 2000 as compared to $1,419,376 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 51,863 barrels of oil, 33,622 barrels of natural gas liquids ("NGLs") and 138,617 mcf of gas were sold, or 108,588 barrel of oil equivalents ("BOEs"). In 1999, 50,064 barrels of oil, 35,804 barrels of NGLs and 154,235 mcf of gas were sold, or 111,574 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 increased $12.19, or 70%, from $17.36 in 1999 to $29.55 in 2000. The average price received per barrel of NGLs increased $4.97, or 55%, from $9.03 in 1999 to $14.00 in 2000. The average price received per mcf of gas increased 69% from $1.47 in 1999 to $2.49 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $1,124,923 as compared to $1,088,550 in 1999, an increase of $36,373, or 3%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $937,743 in 2000 and $859,602 in 1999, resulting in an increase of $78,141 or 9%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by lower well maintenance 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 45% from $53,481 in 1999 to $77,459 in 2000 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. The Partnership paid the managing general partner $70,448 in 2000 and $42,581 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $109,721 in 2000 as compared to $175,467 in 1999, representing a decrease of $65,746, or 37%. This decrease was primarily due to a 150,475 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 26% to $1,419,376 from $1,124,134 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 50,064 barrels of oil, 35,804 barrels of NGLs and 154,235 mcf of gas were sold, or 111,574 BOEs. In 1998, 54,153 barrels of oil, 34,549 barrels of NGLs and 145,870 mcf of gas were sold, or 113,014 BOEs.

The average price received per barrel of oil increased $4.06, or 31%, from $13.30 in 1998 to $17.36 in 1999. The average price received per barrel of NGLs increased $2.95, or 49%, from $6.08 in 1998 to $9.03 in 1999. The average price received per mcf of gas increased 11% from $1.33 in 1998 to $1.47 in 1999.

A gain on disposition of assets of $2,100 was recognized during 1998 from the sale of equipment on one fully depleted well.

Total costs and expenses decreased in 1999 to $1,088,550 as compared to $2,059,738 in 1998, a decrease of $971,188, or 47%. The decrease was primarily due to declines in depletion, the impairment of oil and gas properties and production costs, offset by an increase in G&A expenses.

Production costs were $859,602 in 1999 and $865,247 in 1998, resulting in a $5,645 decrease. The decrease was due to declines in workover costs and ad valorem taxes, offset by increases in well maintenance costs incurred to stimulate well production and in production taxes due to increased oil and gas revenues.

During this period, G&A increased 39% from $38,385 in 1998 to $53,481 in 1999 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. The Partnership paid the managing general partner $42,581 in 1999 and $33,724 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $425,668 related to its oil and gas properties during 1998.

Depletion was $175,467 in 1999 compared to $730,438 in 1998. This represented a decrease of $554,971, or 76%. This decrease was the result of an increase in proved reserves of 445,239 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $852,554 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $936,985 and a decline in working capital of $17,688, offset by increases in production costs paid of $78,141 and G&A expenses paid of $23,978. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $953,265 to oil and gas receipts, offset by $16,280 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by lower well maintenance costs. The increase in G&A was primarily due to 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 2000 and 1999 were related to expenditures for equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $1,173,468, of which $301,462 was distributed to the general partners and $872,006 to the limited partners. In 1999, cash distributions to the partners were $392,295, of which $99,150 was distributed to the general partners and $293,145 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 84-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 84-A, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 84-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		

Cash	$ 179,539	$ 117,140
Accounts receivable - oil and gas sales	360,844	261,763
Total current assets	540,383	378,903
Oil and gas properties - at cost, based on the successful efforts accounting method	18,260,776	18,246,242
Accumulated depletion	(16,391,831)	(16,282,110)
Net oil and gas properties	1,868,945	1,964,132
	$ 2,409,328	$ 2,343,035

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable -	$ 36,496	$ 37,409
Partners' capital:		
General partners	293,504	266,887
Limited partners (19,435 interests)	2,079,328	2,038,739
	2,372,832	2,305,626
	$ 2,409,328	$ 2,343,035

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

PARKER & PARSLEY 84-A, LTD.

(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 2,348,261	$ 1,419,376	$ 1,124,134
Interest	17,336	9,236	10,158
Gain on disposition of assets	--	--	2,100
	2,365,597	1,428,612	1,136,392
Costs and expenses:			
Oil and gas production	937,743	859,602	865,247
General and administrative	77,459	53,481	38,385
Impairment of oil and gas properties	--	--	425,668
Depletion	109,721	175,467	730,438
	1,124,923	1,088,550	2,059,738
Net income (loss)	$ 1,240,674	$ 340,062	$ (923,346)
Allocation of net income (loss):			
General partners	$ 328,079	$ 113,550	$ (56,570)
Limited partners	$ 912,595	$ 226,512	$ (866,776)
Net income (loss) per limited partnership interest	$ 46.96	$ 11.65	$ (44.60)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	General partners	Limited partners	Total
Partners' capital at January 1, 1998	$ 395,245	$ 3,221,215	$ 3,616,460
Distributions	(86,188)	(249,067)	(335,255)
Net loss	(56,570)	(866,776)	(923,346)
Partners' capital at December 31, 1998	252,487	2,105,372	2,357,859
Distributions	(99,150)	(293,145)	(392,295)
Net income	113,550	226,512	340,062
Partners' capital at December 31, 1999	266,887	2,038,739	2,305,626
Distributions	(301,462)	(872,006)	(1,173,468)
Net income	328,079	912,595	1,240,674
Partners' capital at December 31, 2000	$ 293,504	$ 2,079,328	$ 2,372,832

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 1,240,674	$ 340,062	$ (923,346)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	--	--	425,668
Depletion	109,721	175,467	730,438
Gain on disposition of assets	--	--	(2,100)
Changes in assets and liabilities:			
Accounts receivable	(99,081)	(122,140)	85,609
Accounts payable	(913)	4,458	(8,232)
Net cash provided by operating activities	1,250,401	397,847	308,037
Cash flows from investing activities:			
Additions to oil and gas properties	(14,534)	(12,628)	(10,572)
Proceeds from asset dispositions	--	211	2,100
Net cash used in investing activities	(14,534)	(12,417)	(8,472)
Cash flows used in financing activities:			
Cash distributions to partners	(1,173,468)	(392,295)	(335,255)

Net increase (decrease) in cash	62,399	(6,865)	(35,690)
Cash at beginning of year	117,140	124,005	159,695
Cash at end of year	$ 179,539	$ 117,140	$ 124,005

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's general partners are Pioneer Natural Resources USA, Inc. ("Pioneer USA") and P&P Employees 84-A, Ltd. ("EMPL"). The Partnership's managing general partner is Pioneer USA.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements

as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $425,668 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $383,897 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	199
Net income (loss) per statements of operations	$ 1,240,674	$ 340,062	$ (923
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	98,611	165,764	695
Impairment of oil and gas properties for financial reporting purposes	--	--	425
Salvage income	--	--	2
Other, net	(2,689)	(4,938)	5
Net income per Federal income tax returns	$ 1,336,596	$ 500,888	$ 206

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 14,534	$ 12,628	$ 10,572

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 923,276	$ 923,276
Completed wells and equipment	17,337,500	17,322,966
	18,260,776	18,246,242
Accumulated depletion	(16,391,831)	(16,282,110)
Net oil and gas properties	$ 1,868,945	$ 1,964,132

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 410,572	$ 395,016	$ 382,325
Reimbursement of general and administrative expenses	$ 70,448	$ 42,581	$ 33,724

Pioneer USA, EMPL and the Partnership are parties to the Partnership agreement. EMPL is a limited partnership in which Pioneer USA owns 77.5% and the remaining portion is owned by former s. In addition, Pioneer USA owned 419 limited partner interests in the Partnership at January 1, 2001.

The costs and revenues of the Partnership are allocated as follows:

	General partners	Limited partners
Revenues:		
Proceeds from property dispositions prior to cost recovery	10%	90%
All other Partnership revenues	25%	75%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	10%	90%
Operating costs, direct costs and general and administrative expenses	25%	75%
Incremental direct expenses	-	100%

Incremental direct expenses are direct expenses which would not be incurred except for the requirements of the securities regulatory authorities and totaled $7,011, $10,900 and $4,661 in 2000, 1999 and 1998, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	1,053,041	1,516,688
Revisions	(400,628)	(306,319)
Production	(88,702)	(145,870)

Net proved reserves at December 31, 1998	563,711	1,064,499
Revisions	789,038	1,498,169
Production	(85,868)	(154,235)
Net proved reserves at December 31, 1999	1,266,881	2,408,433
Revisions	168,380	(31,965)
Production	(85,485)	(138,617)
Net proved reserves at December 31, 2000	1,349,776	2,237,851

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.02 per barrel of NGLs and $7.45 per mcf of gas, discounted at 10% was approximately $10,236,000 and undiscounted was $20,832,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

For the years ended December 31,

	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 45,297	$ 30,875	$ 6,111
Future production costs	(24,465)	(18,195)	(4,514)
	20,832	12,680	1,597
10% annual discount factor	(10,596)	(6,020)	(598)
Standardized measure of discounted future net cash flows	$ 10,236	$ 6,660	$ 999

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (1,411)	$ (560)	$ (259)
Net changes in prices and production costs	3,988	2,450	(2,438)
Revisions of previous quantity estimates	1,037	4,939	(555)
Accretion of discount	666	100	406
Changes in production rates, timing and other	(704)	(1,268)	(211)
Change in present value of future net revenues	3,576	5,661	(3,057)
Balance, beginning of year	6,660	999	4,056
Balance, end of year	$ 10,236	$ 6,660	$ 999

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	35%	33%	-
TEPPCO Crude Oil LLC	17%	18%	-
Genesis Crude Oil, L.P.	-	-	53%
NGTS LLC	10%	7%	-

Western Gas Resources, Inc.	3%	7%	29%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P., TEPPCO Crude Oil LLC and NGTS LLC were $43,117, $76,863 and $693, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

General partners - The general partners of the Partnership are Pioneer USA and EMPL. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $19,435,000. The general partners are required to contribute amounts equal to 10% of Partnership expenditures for lease acquisition, drilling and completion and 25% of direct, general and administrative and operating expenses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief

Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. Under the Partnership agreement, Pioneer USA pays 8% of the Partnership's acquisition, drilling and completion costs and 20% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 20% of the Partnership's revenues.

EMPL is a co-general partner of the Partnership. Under this arrangement, EMPL pays 2% of the Partnership's acquisition, drilling and completion costs and 5% of its operating and general and administrative expenses. In return, EMPL is allocated 5% of the Partnership's revenues. EMPL does not receive any fees or reimbursements from the Partnership.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA and EMPL respectively own 80% and 20% of the general partners' interests in the Partnership. Pioneer USA owned 419 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard			

industry operating agreements	$410,572	$395,016	$382,325
Reimbursement of general and administrative expenses	$ 70,448	$ 42,581	$ 33,724

Under the limited partnership agreement, the general partners, Pioneer USA and EMPL, together pay 10% of the Partnership's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, they are allocated 25% of the Partnership's revenues. Twenty percent of the general partners' share of costs and revenues is allocated to EMPL and the remainder is allocated to Pioneer USA. Certain former s of Pioneer USA are limited partners of EMPL. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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S I G N A T U R E S

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 84-A, LTD.

Dated: March 23, 2001 By: Pioneer Natural Resources USA, Inc.
Managing General Partner

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ------------------------------- Scott D. Sheffield	President of Pioneer USA	March 23, 2001
/s/ Timothy L. Dove ------------------------------- Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 23, 2001
/s/ Dennis E. Fagerstone ------------------------------- Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 23, 2001
/s/ Mark L. Withrow ------------------------------- Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 23, 2001
/s/ Danny Kellum ------------------------------- Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 23, 2001
/s/ Rich Dealy ------------------------------- Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 23, 2001

PARKER & PARSLEY 84-A, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3.1	Agreement of limited partnership of Parker & Parsley 84-A, Ltd. incorporated by reference to Exhibit 4(e) of Partnership's Registration Statement on Form S-1 (Registration No. 2-90417), as amended on May 24, 1984, the effective date thereof (hereinafter called, the Partnership's Registration Statement)	-
3.2	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 84-A, Ltd. incorporated by reference to Exhibit 3.2 of the Partnership's Annual Report on Form 10-K for the period from July 6, 1984 (date of organization) through December 31, 1984	-
4.1	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit 4(b) of the Partnership's Registration Statement	-
4.2	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4(d) of the Partnership's Registration Statement	-

PARKER & PARSLEY 84-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 533,060	$2,348,261	$1,419,376	$1,124,134
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 425,668
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 268,143	$1,240,674	$ 340,062	$ (923,346)
Allocation of net income (loss):					
General partners	$	$ 72,174	$ 328,079	$ 113,550	$ (56,570)
Limited partners	$	$ 195,969	$ 912,595	$ 226,512	$ (866,776)
Limited partners' net income (loss) per limited partnership interest	$	$ 10.08	$ 46.96	$ 11.65	$ (44.60)
Limited partners' cash distributions per limited partnership interest	$	$ 8.28	$ 44.87	$ 15.08	$ 12.82
At year end:					
Identifiable assets	$	$2,402,339	$2,409,328	$2,343,035	$2,390,810

(a) Including litigation settlement per limited partnership interest of $42.48 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 85-A, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 85-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 85-A LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)
1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $9,426,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 9,613.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

Parker & Parsley 85-A, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 9,613 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA is responsible for all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000, approximately 57% was attributable to sales made to Plains Marketing, L.P. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.
The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any

applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2.   PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend Area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 25 productive oil and gas wells. At December 31, 2000, 21 wells were producing with four wells sold during 1996.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter 2000.

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PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 9,613 outstanding limited partnership interests held of record by 820 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $372,121 and $161,988 respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1 997
Operating results:				
Oil and gas sales	$ 757,929	$ 526,325	$ 371,098	$ 548,786
Impairment of oil and gas properties	$ --	$ --	$ 22,031	$ 270,187

Gain on litigation settlement, net	$ --	$ --	$ --	$ --
Net income (loss)	$ 379,203	$ 178,927	$ (274,769)	$ (158,804
Allocation of net income (loss):				
Managing general partner	$ 3,792	$ 1,789	$ (2,747)	$ (1,588
Limited partners	$ 375,411	$ 177,138	$ (272,022)	$ (157,216
Limited partners' net income (loss) per limited partnership interest	$ 39.05	$ 18.43	$ (28.30)	$ (16.35
Limited partners' cash distributions per limited partnership interest	$ 38.71	$ 16.85	$ 9.62	$ 25.26
At year end:				
Identifiable assets	$ 703,647	$ 702,600	$ 684,133	$ 1,059,494

(a) Including litigation settlement per limited partnership interest of $3.37 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 44% to $757,929 for 2000 as compared to $526,325 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production from 1999 to 2000. In 2000, 16,975 barrels of oil, 10,483 barrels of natural gas liquids ("NGLs") and 41,549 mcf of gas were sold, or 34,383 barrel of oil equivalents ("BOEs"). In 1999, 17,451 barrels of oil, 13,795 barrels of NGLs and 55,226 mcf of gas were sold, or 40,450 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 increased $12.27, or 72%, from

$17.11 in 1999 to $29.38 in 2000. The average price received per barrel of NGLs increased $4.49, or 46%, from $9.71 in 1999 to $14.20 in 2000. The average price received per mcf of gas increased 56% from $1.70 in 1999 to $2.66 in 2000. The market price received 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 in 2000.

Total costs and expenses increased in 2000 to $386,863 as compared to $350,830 in 1999, an increase of $36,033, or 10%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $331,978 in 2000 and $284,086 in 1999, resulting in an increase of $47,892, or 17%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher production taxes associated with higher oil and gas 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 44% from $15,790 in 1999 to $22,738 in 2000 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. The Partnership paid the managing general partner $19,018 in 2000 and $9,794 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $32,147 in 2000 as compared to $50,954 in 1999, representing a decrease of $18,807, or 37%. This decrease was primarily due to a 17,541 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 42% to $526,325 from $371,098 in 1998. The increase in revenues resulted from higher average prices received and an increase in production from 1998 to 1999. In 1999, 17,451 barrels of oil, 13,795 barrels of NGLs and 55,226 mcf of gas were sold, or 40,450 BOEs. In 1998, 18,178 barrels of oil, 9,630 barrels of NGLs and 43,021 mcf of gas were sold, or 34,978 BOEs.

The average price received per barrel of oil increased $3.84, or 29%, from $13.27 in 1998 to $17.11 in 1999. The average price received per barrel of NGLs increased $3.20, or 49%, from $6.51 in 1998 to $9.71 in 1999. The average price received per mcf of gas increased 9% from $1.56 in 1998 to $1.70 in 1999.

Total costs and expenses decreased in 1999 to $350,830 as compared to $649,476 in 1998, a decrease of $298,646, or 46%. The decrease was primarily due to declines in depletion, the impairment of oil and gas properties and production costs, offset by an increase in G&A.

Production costs were $284,086 in 1999 and $304,333 in 1998, resulting in a decrease of $20,247, or 7%. The decrease was the combination of declines in well maintenance costs and ad valorem taxes, offset by an increase in production taxes due to an increase in oil and gas revenues.

During this period, G&A increased 42% from $11,133 in 1998 to $15,790 in 1999 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. The Partnership paid the managing general partner $9,794 in 1999 and $8,231 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $22,031 related to its oil and gas properties during 1998.

Depletion was $50,954 in 1999 compared to $311,979 in 1998. This represented a decrease of $261,025, or 84%. This decrease was primarily due to an increase in proved reserves of 182,664 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas

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prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $172,932 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $234,104, offset by increases in production costs paid of $47,892, G&A expenses paid of $6,948 and working capital of $6,332. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $331,444 to oil and gas receipts, offset by $97,340 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 2000 and 1999 were related to expenditures for equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions of $2,454 and $279 were recognized in 2000 and 1999, respectively. Proceeds during 2000 of $2,205 were from salvage income received on one fully depleted well and $249 from equipment credits received on an active property. Proceeds during 1999 of $279 were from equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $375,880, of which $3,759 was distributed to the managing general partner and $372,121 to the limited partners. In 1999, cash distributions to the partners were $163,624, of which $1,636 was distributed to the managing general partner and $161,988 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 85-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 85-A, Ltd. as of December 31, 2000 and 1999, and the related statements of income, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 85-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 72,868	$ 73,810
Accounts receivable - oil and gas sales	103,810	72,517

Total current assets	176,678	146,327
Oil and gas properties - at cost, based on the successful efforts accounting method	7,398,954	7,396,111
Accumulated depletion	(6,871,985)	(6,839,838)
Net oil and gas properties	526,969	556,273
	$ 703,647	$ 702,600
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 11,211	$ 13,487
Partners' capital:		
Managing general partner	6,936	6,903
Limited partners (9,613 interests)	685,500	682,210
	692,436	689,113
	$ 703,647	$ 702,600

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 757,929	$ 526,325	$ 371,098
Interest	5,932	3,432	3,609
Gain on disposition of assets	2,205	-	-
	766,066	529,757	374,707
Costs and expenses:			
Oil and gas production	331,978	284,086	304,333
General and administrative	22,738	15,790	11,133
Impairment of oil and gas properties	-	-	22,031
Depletion	32,147	50,954	311,979
	386,863	350,830	649,476
Net income (loss)	$ 379,203	$ 178,927	$(274,769)
Allocation of net income (loss):			
Managing general partner	$ 3,792	$ 1,789	$ (2,747)
Limited partners	$ 375,411	$ 177,138	$(272,022)
Net income (loss) per limited partnership interest	$ 39.05	$ 18.43	$ (28.30)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 10,430	$1,031,517	$1,041,947
Distributions	(933)	(92,435)	(93,368)
Net loss	(2,747)	(272,022)	(274,769)
Partners' capital at December 31, 1998	6,750	667,060	673,810
Distributions	(1,636)	(161,988)	(163,624)
Net income	1,789	177,138	178,927
Partners' capital at December 31, 1999	6,903	682,210	689,113
Distributions	(3,759)	(372,121)	(375,880)
Net income	3,792	375,411	379,203
Partners' capital at December 31, 2000	$ 6,936	$ 685,500	$ 692,436

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 379,203	$ 178,927	$(274,769)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	--	--	22,031
Depletion	32,147	50,954	311,979
Gain on disposition of assets	(2,205)	--	--
Changes in assets and liabilities:			
Accounts receivable	(31,293)	(30,401)	24,699
Accounts payable	(2,276)	3,164	(7,224)
Net cash provided by operating activities	375,576	202,644	76,716
Cash flows from investing activities:			
Additions to oil and gas properties	(3,092)	(6,987)	(12,611)
Proceeds from asset dispositions	2,454	279	323
Net cash used in investing activities	(638)	(6,708)	(12,288)
Cash flows used in financing activities:			
Cash distributions to partners	(375,880)	(163,624)	(93,368)
Net increase (decrease) in cash	(942)	32,312	(28,940)
Cash at beginning of year	73,810	41,498	70,438
Cash at end of year	$ 72,868	$ 73,810	$ 41,498

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated, in part, to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $22,031 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $500,887 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 379,203	$ 178,927	$(274,769)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	26,488	45,239	307,564
Impairment of oil and gas properties for financial reporting purposes	-	-	22,031
Other, net	(713)	(817)	1,515
Net income per Federal income tax returns	$ 404,978	$ 223,349	$ 56,341

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 3,092	$ 6,987	$ 12,611

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 488,509	$ 488,509
Completed wells and equipment	6,910,445	6,907,602
	7,398,954	7,396,111
Accumulated depletion	(6,871,985)	(6,839,838)
Net oil and gas properties	$ 526,969	$ 556,273

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 157,269	$ 148,638	$ 144,020
Reimbursement of general and administrative expenses	$ 19,018	$ 9,794	$ 8,231

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer USA (1)	Partnership
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%

Costs and expenses:		
Lease acquisition costs, drilling and completion costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 187 limited partner interests owned by Pioneer USA.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	318,665	423,423
Revisions	(154,837)	(135,041)
Production	(27,808)	(43,021)
Net proved reserves at December 31, 1998	136,020	245,361
Revisions	304,597	520,701
Production	(31,246)	(55,226)
Net proved reserves at December 31, 1999	409,371	710,836
Revisions	430	(151,364)
Production	(27,458)	(41,549)
Net proved reserves at December 31, 2000	382,343	517,923

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.51 per barrel of NGLs and $7.67 per mcf of gas, discounted at 10% was approximately $2,812,000 and undiscounted was $5,248,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 12,368	$ 10,131	$ 1,487
Future production costs	(7,120)	(6,033)	(1,155)
	5,248	4,098	332
10% annual discount factor	(2,436)	(1,879)	(102)
Standardized measure of discounted future net cash flows	$ 2,812	$ 2,219	$ 230

	For the years ended December 31,		
	2000	1999	1998
	(in, thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (426)	$ (242)	$ (67)
Net changes in prices and production costs	1,007	705	(709)
Revisions of previous quantity estimates	(150)	2,101	(195)
Accretion of discount	222	22	114
Changes in production rates, timing and other	(60)	(597)	(52)
Change in present value of future net revenues	593	1,989	(909)
Balance, beginning of year	2,219	230	1,139
Balance, end of year	$ 2,812	$ 2,219	$ 230

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	57%	49%	-
NGTS LLC	9%	10%	3%
Genesis Crude Oil, L.P.	-	-	60%
Western Gas Resources, Inc.	3%	7%	19%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $36,131, which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and

general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $9,613,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position

Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts

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Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until

August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 187 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 157,269	$ 148,638	$144,020
Reimbursement of general and administrative expenses	$ 19,018	$ 9,794	$ 8,231

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Partnership.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

S I G N A T U R E S

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-A, LTD.

Dated: March 27, 2001

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

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield Scott D. Sheffield	President of Pioneer USA	March 27, 2001
/s/ Timothy L. Dove Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 27, 2001
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 27, 2001
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 27, 2001
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 27, 2001
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 27, 2001

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PARKER & PARSLEY 85-A, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3(a)	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 85-A, Ltd. incorporated by reference to Exhibit A of the Partnership's Registration	-

	Statement on Form S-1 (Registration No. 2-99079) (hereinafter called the Partnership's Registration Statement)	
4(b)	Agreement of Limited Partnership of Parker & Parsley 85-A, Ltd. incorporated by reference to an Exhibit of the Partnership's Registration Statement	-
4(c)	Form of Subscription Agreement and Power of Attorney incorporated by reference to an Exhibit of the Partnership's Registration Statement	-
4(d)	Specimen Certificate of Limited Partnership Interest incorporated by reference to an Exhibit of the Partnership's Registration Statement	-

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PARKER & PARSLEY 85-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 178,428	$ 757,929	$ 526,325	$ 371,098
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 22,031
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --

Net income (loss)	$	$ 73,567	$ 379,203	$ 178,927	$ (274,769)
Allocation of net income (loss):					
Managing general partner	$	$ 736	$ 3,792	$ 1,789	$ (2,747)
Limited partners	$	$ 72,831	$ 375,411	$ 177,138	$ (272,022)
Limited partners' net income (loss) per limited partnership interest	$	$ 7.58	$ 39.05	$ 18.43	$ (28.30)
Limited partners' cash distributions per limited partnership interest	$	$ 7.09	$ 38.71	$ 16.85	$ 9.62
At year end:					
Identifiable assets	$	$ 708,666	$ 703,647	$ 702,600	$ 684,133

(a) Including litigation settlement per limited partnership interest of $3.37 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 85-B, Ltd. and supplements the proxy statement/prospectus dated ,2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 85-B, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 85-B LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$

Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained ___________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $7,930,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 7,988.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 85-B, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 7,988 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000, approximately 48%, 20% and 10% were attributable to sales made to Mobil Oil Corporation, Plains Marketing, L.P. and NGTS LLC, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations. The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend Area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 22 productive oil and gas wells. One well was converted to a saltwater disposal well during 1987 and four wells have been plugged and abandoned. At December 31, 2000, the Partnership had 17 producing wells.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 7,988 outstanding limited partnership interests held of record by 717 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $309,279 and $115,631, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	1996
Operating results:					
Oil and gas sales	$ 619,365	$ 387,551	$ 341,048	$ 538,813	$ 616,863
Impairment of oil and gas properties	$ 10,050	$ 95,253	$ 52,922	$ 324,374	$ -
Gain on litigation settlement, net	$ -	$ -	$ -	$ -	$ 62,948
Net income (loss)	$ 277,323	$ (14,097)	$ (117,257)	$(177,091)	$ 286,574
Allocation of net income (loss):					
Managing general partner	$ 2,773	$ (141)	$ (1,172)	$ (1,771)	$ 2,866
Limited partners	$ 274,550	$ (13,956)	$ (116,085)	$(175,320)	$ 283,708
Limited partners' net income (loss) per limited partnership interest	$ 34.37	$ (1.75)	$ (14.53)	$ (21.95)	$ 35.52
Limited partners' cash distributions per limited partnership interest	$ 38.72	$ 14.48	$ 17.29	$ 33.72	$ 42.90 (a)

At year end:					
Identifiable assets	$ 955,947	$ 992,521	$1,122,069	$1,386,758	$1,831,497

(a) Including litigation settlement per limited partnership interest of $7.80 in 1996.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 60% to $619,365 for 2000 as compared to $387,551 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 14,002 barrels of oil, 6,807 barrels of natural gas liquids ("NGLs") and 30,909 mcf of gas were sold, or 25,961 barrel of oil equivalents ("BOEs"). In 1999, 14,280 barrels of oil, 7,130 barrels of NGLs and 33,467 mcf of gas were sold, or 26,988 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 increased $11.95, or 66%, from $18.07 in 1999 to $30.02 in 2000. The average price received per barrel of NGLs increased $5.86, or 58%, from $10.10 in 1999 to $15.96 in 2000. The average price received per mcf of gas increased 70% from $1.72 in 1999 to $2.92 in 2000. 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 in 2000.

Total costs and expenses decreased in 2000 to $347,682 as compared to $404,907 in 1999, a decrease of $57,225, or 14%. The decrease was primarily due to declines in the impairment of oil and gas properties and depletion, offset by increases in production costs and general and administrative expenses ("G&A").

Production costs were $264,543 in 2000 and $207,744 in 1999, resulting in an increase of $56,799, or 27%. The increase was primarily due to additional well maintenance costs incurred to stimulate well production and higher production taxes associated with higher oil and gas 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 60% from $11,626 in 1999 to $18,581 in 2000 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. The Partnership paid the managing general partner $15,555 in 2000 and $6,624 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized non-cash charges of $10,050 and $95,253 related to its oil and gas properties during 2000 and 1999, respectively.

Depletion was $54,508 in 2000 as compared to $90,284 in 1999, representing a decrease of $35,776, or 40%. This decrease was primarily due to a 17,204 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1999.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 14% to $387,551 from $341,048 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 14,280 barrels of oil, 7,130 barrels of NGLs and 33,467 mcf of gas were sold, or 26,988 BOEs. In 1998, 16,204 barrels of oil, 8,599 barrels of NGLs and 41,501 mcf of gas were sold, or 31,720 BOEs.

The average price received per barrel of oil increased $4.77, or 36%, from $13.30 in 1998 to $18.07 in 1999. The average price received per barrel of NGLs increased $3.15, or 45%, from $6.95 in 1998 to $10.10 in 1999. The average price received per mcf of gas increased 9% from $1.58 in 1998 to $1.72 in 1999.

Total costs and expenses decreased in 1999 to $404,907 as compared to $462,704 in 1998, a decrease of $57,797, or 12%. The decrease was primarily due to declines in production costs and depletion, offset by increases in the impairment of oil and gas properties and G&A.

Production costs were $207,744 in 1999 and $269,093 in 1998, resulting in a $61,349 decrease, or 23%. The decrease was attributable to less well maintenance costs and ad valorem taxes.

During this period, G&A increased, in aggregate, 14% from $10,231 in 1998 to $11,626 in 1999 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. The Partnership paid the managing general partner $6,624 in 1999 and $7,884 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized non-cash SFAS 121 charges of $95,253 and $52,922 related to its oil and gas properties during 1999 and 1998, respectively.

Depletion was $90,284 in 1999 compared to $130,458 in 1998. This represented a decrease of $40,174, or 31%. This decrease was the result of an increase in proved reserves of 117,564 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 1,924 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but

to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $163,858 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $234,195, offset by increases in production costs paid of $56,799, G&A expenses paid of $6,955 and working capital of $6,583. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $255,175 to oil and gas receipts, offset by a decrease of $20,980 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 were for expenditures related to oil and gas equipment upgrades on active properties.

Proceeds from disposition of assets of $6,412 and $134 during 2000 and 1999, respectively, were from equipment credits received on active wells.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $312,403, of which $3,124 was distributed to the managing general partner and $309,279 to the limited partners. In 1999, cash distributions to the partners were $116,799, of which $1,168 was distributed to the managing general partner and $115,631 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 85-B, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 85-B, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 85-B, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 80,718	$ 74,959
Accounts receivable - oil and gas sales	84,740	59,750
Total current assets	165,458	134,709
Oil and gas properties - at cost, based on the successful efforts accounting method	5,317,256	5,320,021
Accumulated depletion	(4,526,767)	(4,462,209)
Net oil and gas properties	790,489	857,812
	$ 955,947	$ 992,521
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 10,515	$ 12,009

Partners' capital:		
Managing general partner	9,805	10,156
Limited partners (7,988 interests)	935,627	970,356
	945,432	980,512
	$ 955,947	$ 992,521

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 619,365	$ 387,551	$ 341,048
Interest	5,640	3,259	4,399
	625,005	390,810	345,447
Costs and expenses:			
Oil and gas production	264,543	207,744	269,093
General and administrative	18,581	11,626	10,231
Impairment of oil and gas properties	10,050	95,253	52,922
Depletion	54,508	90,284	130,458
	347,682	404,907	462,704
Net income (loss)	$ 277,323	$ (14,097)	$(117,257)
Allocation of net income (loss):			
Managing general partner	$ 2,773	$ (141)	$ (1,172)
Limited partners	$ 274,550	$ (13,956)	$(116,085)
Net income (loss) per limited partnership interest	$ 34.37	$ (1.75)	$ (14.53)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 14,031	$1,354,156	$1,368,187
Distributions	(1,394)	(138,128)	(139,522)
Net loss	(1,172)	(116,085)	(117,257)
Partners' capital at December 31, 1998	11,465	1,099,943	1,111,408
Distributions	(1,168)	(115,631)	(116,799)
Net loss	(141)	(13,956)	(14,097)
Partners' capital at December 31, 1999	10,156	970,356	980,512
Distributions	(3,124)	(309,279)	(312,403)
Net income	2,773	274,550	277,323
Partners' capital at December 31, 2000	$ 9,805	$ 935,627	$ 945,432

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998

Cash flows from operating activities:			
Net income (loss)	$ 277,323	$ (14,097)	$(117,257)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	10,050	95,253	52,922
Depletion	54,508	90,284	130,458
Changes in assets and liabilities:			
Accounts receivable	(24,990)	(21,249)	46,814
Accounts payable	(1,494)	1,348	(7,910)
Net cash provided by operating activities	315,397	151,539	105,027
Cash flows from investing activities:			
Additions to oil and gas equipment	(3,647)	(7,285)	(7,947)
Proceeds from disposition of assets	6,412	134	--
Net cash provided by (used in) investing activities	2,765	(7,151)	(7,947)
Cash flows used in financing activities:			
Cash distributions to partners	(312,403)	(116,799)	(139,522)
Net increase (decrease) in cash	5,759	27,589	(42,442)
Cash at beginning of year	74,959	47,370	89,812
Cash at end of year	$ 80,718	$ 74,959	$ 47,370

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Parker & Parsley 85-B, Ltd. (the "Partnership") is a limited partnership organized in 1985 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $10,050, $95,253 and $52,922 related to its proved oil and gas properties during 2000, 1999 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $89,078 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 277,323	$ (14,097)	$(117,25
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	50,022	86,267	127,80
Impairment of oil and gas properties for financial reporting purposes	10,050	95,253	52,92
Other, net	5,557	(1,887)	2,20

Net income per Federal income tax

returns	$ 342,952	$ 165,536	$ 65,67

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 3,647	$ 7,285	$ 7,947

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 292,864	$ 292,864
Completed wells and equipment	5,024,392	5,027,157
	5,317,256	5,320,021
Accumulated depletion	(4,526,767)	(4,462,209)
Net oil and gas properties	$ 790,489	$ 857,812

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

2000	1999	1998

Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$105,647	$ 97,004	$111,206
Reimbursement of general and administrative expenses	$ 15,555	$ 6,624	$ 7,884

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer USA (1)	Partnership
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 58 limited partner interests owned by Pioneer USA.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)

Net proved reserves at January 1, 1998	333,208	531,982
Revisions	(139,875)	(179,491)
Production	(24,803)	(41,501)
Net proved reserves at December 31, 1998	168,530	310,990
Revisions	177,510	247,011
Production	(21,410)	(33,467)
Net proved reserves at December 31, 1999	324,630	524,534
Revisions	634	(33,966)
Production	(20,809)	(30,909)
Net proved reserves at December 31, 2000	304,455	459,659

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.43 per barrel of NGLs and $7.87 per mcf of gas, discounted at 10% was approximately $2,332,000 and undiscounted was $4,536,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31, 2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 10,394	$ 8,008	$ 1,850
Future production costs	(5,858)	(4,882)	(1,499)
	4,536	3,126	351
10% annual discount factor	(2,204)	(1,410)	(95)
Standardized measure of discounted future net cash flows	$ 2,332	$ 1,716	$ 256

	For the years ended December 31, 2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (355)	$ (180)	$ (72)
Net changes in prices and production costs	1,003	954	(923)
Revisions of previous quantity estimates	(33)	1,209	(154)
Accretion of discount	172	25	133
Changes in production rates, timing and other	(171)	(548)	(54)
Change in present value of future net revenues	616	1,460	(1,070)
Balance, beginning of year	1,716	256	1,326
Balance, end of year	$ 2,332	$ 1,716	$ 256

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Mobil Oil Corporation	48%	51%	45%
Plains Marketing, L.P.	20%	16%	-
NGTS LLC	10%	7%	1%
Western Gas Resources, Inc.	4%	6%	29%
Genesis Crude Oil, L.P.	-	-	18%

At December 31, 2000, the amounts receivable from Mobil Oil Corporation, Plains Marketing, L.P. and NGTS LLC were $23,621, $7,883 and $1,228, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

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Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $7,988,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business

Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays 10% of the Program's acquisition, drilling and completion costs and 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 58 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 105,647	$ 97,004	$111,206

Reimbursement of general and administrative expenses	$ 15,555	$ 6,624	$ 7,884

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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S I G N A T U R E S

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.

Dated: March 27, 2001 By: Pioneer Natural Resources USA, Inc.
Managing General Partner

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield Scott D. Sheffield	President of Pioneer USA	March 27, 2001
/s/ Timothy L. Dove Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 27, 2001
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 27, 2001
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 27, 2001
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 27, 2001
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 27, 2001

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PARKER & PARSLEY 85-B, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3(a)	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 85-B, Ltd. incorporated by reference to Exhibit A of the Partnership's Registration Statement on Form S-1 (Registration No. 2-99079) (hereinafter called the Partnership's Registration Statement)	-
4(a)	Agreement of Limited Partnership of Parker & Parsley 85-B, Ltd. incorporated by reference to an Exhibit of the Partnership's Registration Statement	-
4(b)	Form of Subscription Agreement and Power of Attorney incorporated by reference to an Exhibit of the Partnership's Registration Statement	-
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to an Exhibit of the Partnership's Registration Statement	-

PARKER & PARSLEY 85-B, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

Three months ended

	March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 135,322	$ 619,365	$ 387,551	$ 341,048
Impairment of oil and gas properties	$	$ --	$ 10,050	$ 95,253	$ 52,922
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 61,019	$ 277,323	$ (14,097)	$ (117,257)
Allocation of net income (loss):					
Managing general partner	$	$ 610	$ 2,773	$ (141)	$ (1,172)
Limited partners	$	$ 60,409	$ 274,550	$ (13,956)	$ (116,085)
Limited partners' net income (loss) per limited partnership interest	$	$ 7.56	$ 34.37	$ (1.75)	$ (14.53)
Limited partners' cash distributions per limited partnership interest	$	$ 7.95	$ 38.72	$ 14.48	$ 17.29
At year end:					
Identifiable assets	$	$ 990,617	$ 955,947	$ 992,521	$1,122,069

(a) Including litigation settlement per limited partnership interest of $7.80 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley Private Investment 85-A, Ltd. and supplements the proxy statement/prospectus dated ,2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley Private Investment 85-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three

months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY PRIVATE INVESTEMENT 85-A, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 2
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$ 1
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 2
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 2
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley Private Investment 85-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley Private Investment 85-A, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley Private Investment 85-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

ASSETS

Current assets:	
Cash	$
Accounts receivable - oil and gas sales	
Total current assets	
Oil and gas properties - at cost, based on the successful efforts accounting method	
Accumulated depletion	
Net oil and gas properties	
	$

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:	
Accounts payable - affiliate	$
Partners' capital:	
Managing general partner	
Limited partners (125 interests)	

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 502,432	$ 342,760	$ 269,068
Interest	6,051	3,587	3,856
Gain on disposition of assets	33,459	--	--
	541,942	346,347	272,924
Costs and expenses:			
Oil and gas production	164,183	157,138	173,592
General and administrative	10,049	6,855	6,018
Impairment of oil and gas properties	61,942	--	130,873
Depletion	35,049	65,329	131,389
Abandoned property	7,038	--	--

	278,261	229,322	441,872
Net income (loss)	$ 263,681	$ 117,025	$ (168,948)
Allocation of net income (loss):			
Managing general partner	$ 2,637	$ 1,170	$ (1,689)
Limited partners	$ 261,044	$ 115,855	$ (167,259)
Net income (loss) per limited partnership interest	$2,088.35	$ 926.84	$(1,338.07)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	L p
Partners' capital at January 1, 1998	$ 13,952	$
Distributions	(1,142)	
Net loss	(1,689)	
Partners' capital at December 31, 1998	11,121	
Distributions	(1,491)	
Net income	1,170	

Partners' capital at December 31, 1999	10,800	
Distributions	(3,480)	
Net income	2,637	
Partners' capital at December 31, 2000	$ 9,957	$

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	
Cash flows from operating activities:		
Net income (loss)	$ 263,681	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment of oil and gas properties	61,942	
Depletion	35,049	
Gain on disposition of assets	(33,459)	
Changes in assets and liabilities:		
Accounts receivable	(22,295)	
Accounts payable	(2,342)	
Net cash provided by operating activities	302,576	
Cash flows used in investing activities:		
Additions to oil and gas properties	(1,948)	
Proceeds from disposition of assets	41,969	

Net cash provided (used by) investing activities	40,021	
Cash flows used in financing activities:		
Cash distributions to partners	(348,010)	
Net increase (decrease) in cash	(5,413)	
Cash at beginning of year	79,497	
Cash at end of year	$ 74,084	$

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as determined evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $61,942 and $130,873 related to its

proved oil and gas properties during 2000 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $5,983 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	
Net income (loss) per statements of operations	$ 263,681	$
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	32,046	
Impairment of oil and gas properties for financial reporting purposes	61,942	
Other, net	(7,404)	
Net income per Federal income tax returns	$ 350,265	$

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	
Development costs	$ 1,948	$

Capitalized oil and gas properties consist of the following:

Proved properties:	
Property acquisition costs	$
Completed wells and equipment	
Accumulated depletion	
Net oil and gas properties	$

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 66,336	$
Reimbursement of general and administrative expenses	$ 8,067	$

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer U
Revenues:	
Proceeds from disposition of depreciable properties	9.090
All other revenues	24.242
Costs and expenses:	
Lease acquisition costs, drilling and completion costs and all other costs	9.090
Operating costs, direct costs and general and administrative expenses	24.242

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)
Net proved reserves at January 1, 1998	271,658
Revisions	(91,942)
Production	(21,200)
Net proved reserves at December 31, 1998	158,516
Revisions	180,472
Production	(20,664)
Net proved reserves at December 31, 1999	318,324
Revisions	27,943
Production	(17,619)

Net proved reserves at December 31, 2000	328,648

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.00 per barrel of NGLs and $7.43 per mcf of gas, discounted at 10% was approximately $2,408,000 and undiscounted was $5,247,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ende	
	2000	19
		(i
Oil and gas producing activities:		
Future cash inflows	$ 10,071	$
Future production costs	(4,824)	
	5,247	
10% annual discount factor	(2,839)	
Standardized measure of discounted future net cash flows	$ 2,408	$

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	For the years ende	
	2000	19
		(i
Oil and Gas Producing Activities:		
Oil and gas sales, net of production costs	$ (338)	$
Net changes in prices and production costs	820	
Revisions of previous quantity estimates	130	
Accretion of discount	182	
Changes in production rates, timing and other	(204)	
Change in present value of future net revenues	590	
Balance, beginning of year	1,818	
Balance, end of year	$ 2,408	$

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000
Plains Marketing, L.P.	64%
Genesis Crude Oil, L.P.	-
Western Gas Resources, Inc.	3%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $27,002 which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the

Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion

of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $5,000,000. Pioneer USA was required to contribute amounts equal to 1% of initial Partnership capital less commission and organization and offering costs allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

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

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 47% to $502,432 for 2000 as compared to $342,760 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 11,945 barrels of oil, 5,674 barrels of natural gas liquids ("NGLs") and 20,905 mcf of gas were sold, or 21,103 barrel of oil equivalents ("BOEs"). In 1999, 14,568 barrels of oil, 6,096 barrels of NGLs and 23,218 mcf of gas were sold, or 24,534 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 increased $13.28, or 79%, from $16.91 in 1999 to $30.19 in 2000. The average price received per barrel of NGLs increased $5.27, or 53%, from $9.95 in 1999 to $15.22 in 2000. The average price received per mcf of gas increased 72% from $1.54 in 1999 to $2.65 in 2000. 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 in 2000.

Gain on disposition of assets recognized during 2000 of $33,459 was due to equipment credits received on two wells plugged and abandoned during the current year. Abandoned property costs of $7,038 incurred in 2000 related to the abandonment of these two wells.

Total costs and expenses increased in 2000 to $278,261 as compared to $229,322 in 1999, an increase of $48,939, or 21%. The increase was primarily due to the impairment of oil and gas properties and increases in production costs, abandoned property costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $164,183 in 2000 and $157,138 in 1999, resulting in a $7,045 increase, or 4%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by a decline in well maintenance 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 47% from $6,855 in 1999 to $10,049 in 2000, 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. The Partnership paid the managing general partner $8,067 in 2000 and $3,581 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $61,942 related to its oil and gas properties during 2000.

Depletion was $35,049 in 2000 as compared to $65,329 in 1999, representing a decrease of $30,280, or 46%. This decrease was primarily due to a 20,767 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices and a decline in oil production of 2,623 barrels for the period ended December 31, 2000 compared to the same period in 1999.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 27% to $342,760 from $269,068 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 14,568 barrels of oil, 6,096 barrels of NGLs and 23,218 mcf of gas were sold, or 24,534 BOEs. In 1998, 14,874 barrels of oil, 6,326 barrels of NGLs and 22,343 mcf of gas were sold, or 24,924 BOEs.

The average price received per barrel of oil increased $3.71, or 28%, from $13.20 in 1998 to $16.91 in 1999. The average price received per barrel of NGLs increased $3.46, or 53%, from $6.49 in 1998 to $9.95 in 1999. The average price received per mcf of gas increased 9% from $1.41 in 1998 to $1.54 in 1999.

Total costs and expenses decreased in 1999 to $229,322 as compared to $441,872 in 1998, a decrease of $212,550, or 48%. The decrease was primarily due to declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A.

Production costs were $157,138 in 1999 and $173,592 in 1998, resulting in a $16,454 decrease, or 9%. The decrease was due to declines in well maintenance costs and ad valorem taxes.

During this period, G&A increased 14% from $6,018 in 1998 to $6,855 in 1999 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. The Partnership paid the managing general partner $3,581 in 1999 and $4,294 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $130,873 related to its oil and gas properties during 1998.

Depletion was $65,329 in 1999 compared to $131,389 in 1998, representing a decrease of $66,060, or 50%. This decrease was the result of an increase in proved reserves of 120,513 barrels of oil during 1999 due to higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

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Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $126,496 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $162,136, offset by increases in production costs paid of $7,045, G&A expenses paid of $3,194, abandoned property costs paid of $7,038 and working capital of $18,363. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $253,878 to oil and gas receipts, offset by $91,742 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by a decline in well maintenance costs. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 included expenditures related to equipment upgrades on several oil and gas properties.

Proceeds from disposition of assets during 2000 of $41,969 were related to $33,459 salvage income received on two wells plugged and abandoned during the current year and $8,510 from equipment credits received on one active well.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $348,010, of which $3,480 was distributed to the managing general partner and $344,530 to the limited partners. In 1999, cash distributions to the partners were $149,074, of which $1,491 was distributed to the managing general partner and $147,583 to the limited partners.

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PARKER & PARSLEY PRIVATE INVESTMENT 85-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

Three months

	Three months ended March 31, 2001	Three months ended March 31, 2000	Years ended December 31 2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 118,048	$ 502,432	$ 342,760	$ 269,068
Impairment of oil and gas properties	$	$ --	$ 61,942	$ --	$ 130,873
Net income (loss)	$	$ 83,840	$ 263,681	$ 117,025	$ (168,948)
Allocation of net income (loss):					
Managing general partner	$	$ 838	$ 2,637	$ 1,170	$ (1,689)
Limited partners	$	$ 83,002	$ 261,044	$ 115,855	$ (167,259)
Limited partners' net income (loss) per limited partnership interest	$	$ 664.02	$ 2,088.35	$ 926.84	$(1,338.07)
Limited partners' cash distributions per limited partnership interest	$	$ 620.21	$ 2,756.24	$ 1,180.66	$ 903.86
At year end:					
Total assets	$	$ 850,756	$ 760,530	$ 847,201	$ 877,828

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley Selected 85 Private Investment, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley Private Selected 85 Private Investment, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$ 1
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley Selected 85 Private Investment, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley Selected 85 Private Investment, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley Selected 85 Private Investment, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 32,773	$ 39,610
Accounts receivable - oil and gas sales	78,218	45,630
Total current assets	110,991	85,240
Oil and gas properties - at cost, based on the successful efforts accounting method	3,864,140	3,859,832
Accumulated depletion	(3,441,568)	(3,408,713)
Net oil and gas properties	422,572	451,119
	$ 533,563	$ 536,359
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 6,722	$ 8,178
Partners' capital:		
Managing general partner	7,892	7,905
Limited partners (117 interests)	518,949	520,276
	526,841	528,181
	$ 533,563	$ 536,359

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 441,200	$ 252,399	$ 206,099
Interest	3,585	1,728	2,200
	444,785	254,127	208,299
Costs and expenses:			
Oil and gas production	184,074	153,832	153,789
General and administrative	8,824	5,048	4,122
Impairment of oil and gas properties	-	-	92,133
Depletion	31,732	33,899	118,737
	224,630	192,779	368,781
Net income (loss)	$ 220,155	$ 61,348	$ (160,482)
Allocation of net income (loss):			
Managing general partner	$ 2,202	$ 613	$ (1,605)
Limited partners	$ 217,953	$ 60,735	$ (158,877)
Net income (loss) per limited partnership interest	$1,862.85	$ 519.10	$(1,357.92)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 10,253	$ 752,707	$ 762,960
Distributions	(756)	(74,884)	(75,640)
Net loss	(1,605)	(158,877)	(160,482)
Partners' capital at December 31, 1998	7,892	518,946	526,838
Distributions	(600)	(59,405)	(60,005)
Net income	613	60,735	61,348
Partners' capital at December 31, 1999	7,905	520,276	528,181
Distributions	(2,215)	(219,280)	(221,495)
Net income	2,202	217,953	220,155
Partners' capital at December 31, 2000	$ 7,892	$ 518,949	$ 526,841

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
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 220,155	$ 61,348	$ (160,482)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	-	-	92,133
Depletion	31,732	33,899	118,737
Changes in assets and liabilities:			
Accounts receivable	(32,588)	(22,369)	20,237
Accounts payable	(1,456)	2,063	(3,647)
Net cash provided by operating activities	217,843	74,941	66,978
Cash flows from investing activities:			
Additions to oil and gas properties	(3,185)	(3,269)	(4,417)
Proceeds from asset dispositions	-	-	3,057
Net cash used in investing activities	(3,185)	(3,269)	(1,360)
Cash flows used in financing activities:			
Cash distributions to partners	(221,495)	(60,005)	(75,640)
Net increase (decrease) in cash	(6,837)	11,667	(10,022)
Cash at beginning of year	39,610	27,943	37,965
Cash at end of year	$ 32,773	$ 39,610	$ 27,943

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $92,133 related to its proved oil and gas properties during 1998.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $152,466 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 220,155	$ 61,348	$ (160,482)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	28,649	30,978	116,164
Impairment of oil and gas properties for financial reporting purposes	-	-	92,133
Salvage income	-	-	2,904
Other, net	(493)	(727)	859
Net income per Federal income tax returns	$ 248,311	$ 91,599	$ 51,578

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 3,185	$ 3,269	$ 4,417

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 141,791	$ 141,791
Completed wells and equipment	3,722,349	3,718,041
	3,864,140	3,859,832
Accumulated depletion	(3,441,568)	(3,408,713)
Net oil and gas properties	$ 422,572	$ 451,119

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 66,669	$ 78,823	$ 77,025
Reimbursement of general and administrative expenses	$ 6,888	$ 1,886	$ 2,442

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to the Partnership and Pioneer USA as follows:

	Pioneer USA (1)	Partnership
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	186,210	271,087
Revisions	(76,968)	(74,549)
Production	(15,439)	(25,328)
Net proved reserves at December 31, 1998	93,803	171,210
Revisions	121,880	243,365
Production	(14,598)	(27,627)
Net proved reserves at December 31, 1999	201,085	386,948
Revisions	46,612	21,005
Production	(15,698)	(22,987)
Net proved reserves at December 31, 2000	231,999	384,966

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.63 per barrel of oil, $13.32 per barrel of NGLs and $7.55 per mcf of gas, discounted at 10% was approximately $1,829,000 and undiscounted was approximately $3,687,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 7,746	$ 4,941	$ 1,023
Future production costs	(4,059)	(2,870)	(797)
	3,687	2,071	226
10% annual discount factor	(1,858)	(980)	(69)
Standardized measure of discounted future net cash flows	$ 1,829	$ 1,091	$ 157

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (257)	$ (98)	$ (53)
Net changes in prices and production costs	658	492	(426)
Revisions of previous quantity estimates	328	882	(98)
Accretion of discount	109	16	70
Changes in production rates, timing and			

other	(100)	(358)	(32)
Change in present value of future net revenues	738	934	(539)
Balance, beginning of year	1,091	157	696
Balance, end of year	$ 1,829	$ 1,091	$ 157

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	57%	49%	-
Koch Midstream Services Company	9%	11%	-
NGTS LLC	9%	10%	-
Western Gas Resources, Inc.	4%	10%	34%
Genesis Crude Oil, L.P.	-	-	52%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $26,039, which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the

Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $4,690,000. Pioneer USA was required to contribute amounts equal to 1% of initial Partnership capital less commission and organization and offering costs allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

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

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 75% to $441,200 for 2000 as compared to $252,399 in 1999. The increase in revenues resulted from higher average prices received and a slight increase in production. In 2000, 9,509 barrels of oil, 6,189 barrels of natural gas liquids ("NGLs") and 22,987 mcf of gas were sold, or 19,529 barrel of oil equivalents ("BOEs"). In 1999, 7,828 barrels of oil, 6,770 barrels of NGLs and 27,627 mcf of gas were sold, or 19,203 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 increased $12.32, or 71%, from $17.27 in 1999 to $29.59 in 2000. The average price received per barrel of NGLs increased $5.03, or 48%, from $10.49 in 1999 to $15.52 in 2000. The average price received per mcf of gas increased 66% from $1.67 in 1999 to $2.77 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $224,630 as compared to $192,779 in 1999, an increase of $31,851, or 17%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $184,074 in 2000 and $153,832 in 1999, resulting in a $30,242 increase, or 20%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by a decline in well maintenance 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 75% from $5,048 in 1999 to $8,824 in 2000, 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. The Partnership paid the managing general partner $6,888 in 2000 and $1,886 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $31,732 in 2000 as compared to $33,899 in 1999, representing a decrease of $2,167, or 6%. This decrease was primarily due to a 28,956 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices, offset by an increase in oil production of 1,681 barrels for the period ended December 31, 2000 compared to the same period in 1999.

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1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 22% to $252,399 from $206,099 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 7,828 barrels of oil, 6,770 barrels of NGLs and 27,627 mcf of gas were sold, or 19,203 BOEs. In 1998, 9,075 barrels of oil, 6,364 barrels of NGLs and 25,328 mcf of gas were sold, or 19,660 BOEs.

The average price received per barrel of oil increased $3.83, or 28%, from $13.44 in 1998 to $17.27 in 1999. The average price received per barrel of NGLs increased $3.50, or 50%, from $6.99 in 1998 to $10.49 in 1999. The average price received per mcf of gas increased 7% from $1.56 in 1998 to $1.67 in 1999.

Total costs and expenses decreased in 1999 to $192,779 as compared to $368,781 in 1998, a decrease of $176,002, or 48%. The decrease was primarily due to declines in the impairment of oil and gas properties and depletion, offset by increases in G&A and production costs.

Production costs were $153,832 in 1999 and $153,789 in 1998, resulting in a $43 increase. The increase was due to increases in production taxes due to increased oil and gas revenues and additional well maintenance costs incurred to stimulate well production, offset by a decline in ad valorem taxes.

During this period, G&A increased 22% from $4,122 in 1998 to $5,048 in 1999 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. The Partnership paid the managing general partner $1,886 in 1999 and $2,442 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the

Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $92,133 related to its oil and gas properties during 1998.

Depletion was $33,899 in 1999 compared to $118,737 in 1998, representing a decrease of $84,838, or 71%. This decrease was the result of a combination of factors that included an increase in proved reserves of 65,798 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 1,247 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

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Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $142,902 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $190,658, offset by increases in production costs paid of $30,242, G&A expenses paid of $3,776 and working capital of $13,738. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $162,805 to oil and gas receipts and an increase of $27,853 resulting from the increase in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and workover costs incurred to stimulate well production, offset by a decline in well maintenance costs.. The increase in G&A was primarily due to 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 2000 and 1999 included expenditures related to equipment upgrades on various oil and gas properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $221,495, of which $2,215 was distributed to the managing general partner and $219,280 to the limited partners. In 1999, cash distributions to the partners were $60,005, of which $600 was distributed to the managing general partner and $59,405 to the limited partners.

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PARKER & PARSLEY SELECTED 85 PRIVATE INVESTMENT, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 89,527	$ 441,200	$ 252,399	$ 206,099
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 92,133
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 39,915	$ 220,155	$ 61,348	$ (160,482)
Allocation of net income (loss):					
Managing general partner	$	$ 399	$ 2,202	$ 613	$ (1,605)
Limited partners	$	$ 39,516	$ 217,953	$ 60,735	$ (158,877)
Limited partners' net					

income (loss) per limited partnership interest	$	$ 337.74	$ 1,862.85	$ 519.10	$(1,357.92)
Limited partners' cash distributions per limited partnership interest	$	$ 368.03	$ 1,874.19	$ 507.74	$ 640.03
At year end:					
Total assets	$	$ 533,639	$ 533,563	$ 536,359	$ 532,953

(a) Including litigation settlement per limited partnership interest of $234.94 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 86-A, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 86-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001

-- the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA

-- the merger value per $1,000 limited partner investment as of March 31, 2001

-- the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001

-- the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000

-- the going concern value per $1,000 limited partner investment as of March 31, 2001

-- the liquidation value per $1,000 limited partner investment as of March 31, 2001

-- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 86-A, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$

-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 33-3353-A

PARKER & PARSLEY 86-A, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS

(State or other jurisdiction of incorporation or organization) (I Ident

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $10,096,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 10,131.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 86-A, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 10,131 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000 approximately 51% was attributable to sales made to Plains Marketing, L.P. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.

The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 32 oil and gas wells. Five wells were sold and one well was abandoned. At December 31, 2000, 26 wells were producing.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 10,131 outstanding limited partnership interests held of record by 962 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $462,584 and $154,204, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997
Operating results:				
Oil and gas sales	$ 881,177	$ 555,781	$ 415,842	$ 605,964
Gain on litigation settlement, net	$ -	$ -	$ -	$ -
Impairment of oil and gas properties	$ 12,800	$ 28,052	$ 23,593	$ 496,887
Net income (loss)	$ 487,574	$ 96,423	$ (248,515)	$ (467,727)
Allocation of net income (loss): Managing general partner	$ 4,876	$ 964	$ (2,485)	$ (4,677)
Limited partners	$ 482,698	$ 95,459	$ (246,030)	$ (463,050)
Limited partners' net income (loss) per limited partnership interest	$ 47.65	$ 9.42	$ (24.28)	$ (45.71)
Limited partners' cash distributions per limited partnership interest	$ 45.66	$ 15.22	$ 9.42	$ 27.44
At year end:				
Identifiable assets	$ 607,763	$ 594,270	$ 646,224	$ 1,000,424

(a) Including litigation settlement per limited partnership interest of $28.41 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 59% to $881,177 for 2000 as compared to $555,781 in 1999. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 2000, 18,760 barrels of oil, 13,025 barrels of natural gas liquids ("NGLs") and 56,549 mcf of gas were sold, or 41,210 barrel of oil equivalents ("BOEs"). In 1999, 18,743 barrels of oil, 14,483 barrels of NGLs and 62,354 mcf of gas were sold, or 43,618 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 increased $11.87, or 70%, from $17.00 in 1999 to $28.87 in 2000. The average price received per barrel of NGLs increased $5.31, or 55%, from $9.63 in 1999 to $14.94 in 2000. The average price received per mcf of gas increased 63% from $1.57 in 1999 to $2.56 in 2000. 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 in 2000.

Gain on disposition of assets of $31,944 was recognized during 2000 resulting from equipment credits on two fully depleted wells.

Total costs and expenses decreased in 2000 to $432,464 as compared to $463,135 in 1999, a decrease of $30,671, or 7%. The decrease was due to declines in depletion and the impairment of oil and gas properties, offset by increases in production costs and general and administrative expense ("G&A").

Production costs were $364,985 in 2000 and $341,430 in 1999, resulting in an increase of $23,555, or 7%. The increase was primarily due to higher production taxes associated with higher oil and gas prices, offset by a slight decline in well maintenance 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 73% from $16,673 in 1999 to $28,772 in 2000 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. The Partnership paid the managing general partner $24,184 in 2000 and $9,436 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of

the Partnership's assets may have occurred. As a result of the review and evaluation of its long- lived assets for impairment, the Partnership recognized non-cash charges of $12,800 and $28,052 related to its oil and gas properties during 2000 and 1999, respectively.

Depletion was $25,907 in 2000 as compared to $76,980 in 1999, representing a decrease of $51,073, or 66%. This decrease was primarily due to a 40,953 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1999.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 34% to $555,781 from $415,842 in 1998. The increase in revenues resulted from higher average prices received and an increase in production from 1998 to 1999. In 1999, 18,743 barrels of oil, 14,483 barrels of NGLs and 62,354 mcf of gas were sold, or 43,618 BOEs. In 1998, 20,308 barrels of oil, 11,164 barrels of NGLs and 49,805 mcf of gas were sold, or 39,773 BOEs.

The average price received per barrel of oil increased $3.68, or 28%, from $13.32 in 1998 to $17.00 in 1999. The average price received per barrel of NGLs increased $3.10, or 47%, from $6.53 in 1998 to $9.63 in 1999. The average price received per mcf of gas increased 8% from $1.46 in 1998 to $1.57 in 1999.

Total costs and expenses decreased in 1999 to $463,135 as compared to $669,121 in 1998, a decrease of $205,986, or 31%. The decrease was due to declines in depletion and production costs, offset by increases in the impairment of oil and gas properties and G&A.

Production costs were $341,430 in 1999 and $372,460 in 1998, resulting in a $31,030 decrease, or 8%. The decrease was due to declines in workover costs, well maintenance costs and ad valorem taxes, offset by an increase in production taxes due to an increase in oil and gas revenues.

During this period, G&A increased 34% from $12,476 in 1998 to $16,673 in 1999 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. The Partnership paid the managing general partner $9,436 in 1999 and $9,062 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized non-cash SFAS 121 charges of $28,052 and $23,593 related to its oil and gas properties during 1999 and 1998, respectively.

Depletion was $76,980 in 1999 compared to $260,592 in 1998. This represented a decrease of $183,612, or 70%. This decrease was the result of an increase in proved reserves of 148,893 barrels of oil during 1999 due to higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $229,299 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $328,536, offset by increases in production costs paid of $23,555, G&A expenses paid of $12,099 and working capital of $63,583. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $364,711 to oil and gas receipts, offset by a decrease of $36,175 resulting from a decrease in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices, offset by a slight decline in well maintenance costs. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's principal investing activities during 2000 and 1999 were for expenditures related to oil and gas equipment upgrades on active properties.

Proceeds from asset dispositions of $31,944 received during 2000 were due to equipment credits received on two fully depleted wells. Proceeds of $120 were recognized in 1999 primarily from equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $467,257, of which $4,673 was distributed to the managing general partner and $462,584 to the limited partners. In 1999, cash distributions to the partners were $155,762, of which $1,558 was distributed to the managing general partner and $154,204 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements of Parker & Parsley 86-A, Ltd:
  Independent Auditors' Report..
  Balance Sheets as of December 31, 2000 and 1999.................................
  Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998..
  Statements of Partners' Capital for the Years Ended December 31, 2000, 1999 and 1998...
  Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998..
  Notes to Financial Statements...

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 86-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 86-A, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 86-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000
ASSETS	

Current assets:	
Cash	$ 46,169
Accounts receivable - oil and gas sales	150,881
Total current assets	197,050
Oil and gas properties - at cost, based on the successful efforts accounting method	7,132,242
Accumulated depletion	(6,721,529)
Net oil and gas properties	410,713
	$ 607,763

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:	
Accounts payable - affiliate	$ 12,398
Partners' capital:	
Managing general partner	4,647
Limited partners (10,131 interests)	590,718
	595,365
	$ 607,763

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999
Revenues:		
Oil and gas	$ 881,177	$ 555,781
Interest	6,917	3,777
Gain on disposition of assets	31,944	-
	920,038	559,558

Costs and expenses:		
Oil and gas production	364,985	341,430
General and administrative	28,772	16,673
Depletion	25,907	76,980
Impairment of oil and gas properties	12,800	28,052
	432,464	463,135
Net income (loss)	$ 487,574	$ 96,423
Allocation of net income (loss):		
Managing general partner	$ 4,876	$ 964
Limited partners	$ 482,698	$ 95,459
Net income (loss) per limited partnership interest	$ 47.65	$ 9.42

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners
Partners' capital at January 1, 1998	$ 8,487	$ 970,792
Distributions	(964)	(95,413)
Net loss	(2,485)	(246,030)
Partners' capital at December 31, 1998	5,038	629,349
Distributions	(1,558)	(154,204)
Net income	964	95,459
Partners' capital at December 31, 1999	4,444	570,604
Distributions	(4,673)	(462,584)
Net income	4,876	482,698

Partners' capital at December 31, 2000	$ 4,647	$ 590,718

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999
Cash flows from operating activities:		
Net income (loss)	$ 487,574	$ 96,423
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment of oil and gas properties	12,800	28,052
Depletion	25,907	76,980
Gain on disposition of assets	(31,944)	-
Changes in assets and liabilities:		
Accounts receivable	(76,338)	(26,964)
Accounts payable	(6,824)	7,385
Net cash provided by operating activities	411,175	181,876
Cash flows from investing activities:		
Additions to oil and gas properties	(6,531)	(7,619)
Proceeds from asset dispositions	31,944	120
Net cash provided by (used in) investing activities	25,413	(7,499)
Cash flows used in financing activities:		
Cash distributions to partners	(467,257)	(155,762)
Net increase (decrease) in cash	(30,669)	18,615
Cash at beginning of year	76,838	58,223
Cash at end of year	$ 46,169	$ 76,838

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

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PARKER & PARSLEY 86-A, LTD.

(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non- partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environ mental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $12,800, $28,052 and $23,593 related to its proved oil and gas properties during 2000, 1999 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $695,197 less

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than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999
Net income (loss) per statements of operations	$ 487,574	$ 96,423
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	16,131	66,147
Impairment of oil and gas properties for financial reporting purposes	12,800	28,052
Timing difference	67,848	-
Other, net	(1,032)	(1,773)
Net income per Federal income tax returns	$ 583,321	$ 188,849

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999
Development costs	$ 6,531	$ 7,619

Capitalized oil and gas properties consist of the following:

	2000
Proved properties:	
Property acquisition costs	$ 264,211
Completed wells and equipment	6,868,031
	7,132,242
Accumulated depletion	(6,721,529)
Net oil and gas properties	$ 410,713

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 167,350	$ 167,820
Reimbursement of general and administrative expenses	$ 24,184	$ 9,436

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer USA (1)
Revenues:	
Proceeds from disposition of depreciable properties	9.09091%
All other revenues	24.242425%
Costs and expenses:	
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%
Operating costs, direct costs and general and administrative expenses	24.242425%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 35 limited partner interests owned by Pioneer USA.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

Oil and NGLs (bbls)

Net proved reserves at January 1, 1998	315,662
Revisions	(123,571)
Production	(31,472)
Net proved reserves at December 31, 1998	160,619
Revisions	273,095
Production	(33,226)
Net proved reserves at December 31, 1999	400,488
Revisions	83,992
Production	(31,785)
Net proved reserves at December 31, 2000	452,695

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $12.60 per barrel of NGLs and $7.15 per mcf of gas, discounted at 10% was approximately $3,610,000 and undiscounted was $7,252,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year- end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

For the years ended Dec

	2000	1999
		(in thousands)
Oil and gas producing activities:		
Future cash inflows	$ 15,459	$ 9,741
Future production costs	(8,207)	(5,896)
	7,252	3,845
10% annual discount factor	(3,642)	(1,727)
Standardized measure of discounted future net cash flows	$ 3,610	$ 2,118

	For the years ended Dec	
	2000	1999
		(in thousands)
Oil and Gas Producing Activities:		
Oil and gas sales, net of production costs	$ (516)	$ (214)
Net changes in prices and production costs	1,408	829
Revisions of previous quantity estimates	753	1,942
Accretion of discount	212	24
Changes in production rates, timing and other	(365)	(704)
Change in present value of future net revenues	1,492	1,877
Balance, beginning of year	2,118	241
Balance, end of year	$ 3,610	$ 2,118

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999
Plains Marketing, L.P.	51%	48%
Genesis Crude Oil, L.P.	-	-
Western Gas Resources, Inc.	7%	9%

At December 31, 2000, the amount receivable from Plains Marketing, L.P. was $31,479, which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $10,131,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	45	Executive Vice President, Chi Financial Officer and Direc
Dennis E. Fagerstone	51	Executive Vice President and
Mark L. Withrow	53	Executive Vice President, Gen Counsel and Director
Danny Kellum	46	Executive Vice President - Do Operations and Director
Rich Dealy	34	Vice President and Chief Acco Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts

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Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 35 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 167,350	$ 167,820
Reimbursement of general and administrative expenses	$ 24,184	$ 9,436

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

S I G N A T U R E S

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.

Dated: March 28, 2001 By: Pioneer Natural Resources USA, Inc. Managing General Partner

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ------------------------------------- Scott D. Sheffield	President of Pioneer USA	Ma
/s/ Timothy L. Dove	Executive Vice President, Chief	Ma

Timothy L. Dove	Financial Officer and Director of Pioneer USA	
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	Ma
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	Ma
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	Ma
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	Ma

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PARKER & PARSLEY 86-A, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description
3(a)	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 86-A, Ltd. incorporated by reference to Exhibit 3a of the Partnership's Registration Statement on Form S-1 (Registration No. 33-3353) (hereinafter called the Partnership's Registration Statement)
4(a)	Form of Agreement of Limited Partnership of Parker & Parsley 86-A, Ltd. incorporated by reference to Exhibit A of Amendment No. 1 of the Partnership's Registration Statement
4(b)	Form of Subscription Agreement incorporated by reference to Exhibit C of Amendment No. 1 of the Partnership's Registration Statement
4(b)	Power of Attorney incorporated by reference to an Exhibit of the Partnership's Registration Statement
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4c of the Partnership's Registration Statement
10(b)	Development Program Agreement incorporated

by reference to Exhibit B of Amendment No. 1
of the Partnership's Registration Statement

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PARKER & PARSLEY 86-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended Dece		
	2001	2000	2000	1999	1998
1996					
Operating results:					
Oil and gas sales	$	$ 196,979	$ 881,177	$ 555,781	$ 415,842
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ 12,800	$ 28,052	$ 23,593
Net income (loss)	$	$ 105,432	$ 487,574	$ 96,423	$ (248,515)
Allocation of net income (loss):					
Managing general partner	$	$ 1,054	$ 4,876	$ 964	$ (2,485)
Limited partners	$	$ 104,378	$ 482,698	$ 95,459	$ (246,030)
Limited partners' net income (loss) per limited partnership interest	$	$ 10.30	$ 47.65	$ 9.42	$ (24.28)
Limited partners' cash distributions per limited partnership interest	$	$ 8.66	$ 45.66	$ 15.22	$ 9.42

At year end:					
Identifiable assets	$	$ 613,701	$ 607,763	$ 594,270	$ 646,224

(a) Including litigation settlement per limited partnership interest of $28.41 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 86-B, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 86-B, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a

multiple of distributions for the 12 months ended March 31, 2001

-- the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000

-- the going concern value per $1,000 limited partner investment as of March 31, 2001

-- the liquidation value per $1,000 limited partner investment as of March 31, 2001

-- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

- Information about the legal opinion for the limited partners
- The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 86-B, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$

Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment $
(b), (c)

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 33-3353B

PARKER & PARSLEY 86-B, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS

(State or other jurisdiction of incorporation or organization)

(
Iden

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS

(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $17,080,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 17,208.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None
PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 86-B, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 17,208 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 36% and 16% were attributable to sales made to Plains Marketing, L.P. and Mobil Oil Corporation, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.
The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

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liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 56 oil and gas wells. At December 31, 2000, 43 wells were producing. Nine wells and interests in two abandoned wells were sold and two wells were plugged and abandoned.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 17,208 outstanding limited partnership interests held of record by 1,409 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $923,558 and $357,887, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997

Operating results:				
Oil and gas sales	$ 1,756,242	$ 1,056,533	$ 928,899	$ 1,369,807
Gain on litigation settlement, net	$ -	$ -	$ -	$ -
Impairment of oil and gas properties	$ 13,279	$ -	$ 509,585	$ 561,432
Net income (loss)	$ 933,292	$ 246,008	$ (807,041)	$ (158,796
Allocation of net income (loss):				
Managing general partner	$ 9,333	$ 2,460	$ (8,070)	$ (1,587
Limited partners	$ 923,959	$ 243,548	$ (798,971)	$ (157,209
Limited partners' net income (loss) per limited partnership interest	$ 53.69	$ 14.15	$ (46.43)	$ (9.14
Limited partners' cash distributions per limited partnership interest	$ 53.67	$ 20.80	$ 18.70	$ 46.77
At year end:				
Identifiable assets	$ 2,252,955	$ 2,266,438	$ 2,363,955	$ 3,520,172

(a) Including litigation settlement per limited partnership interest of $32.55 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 66% to $1,756,242 for 2000 as compared to $1,056,533 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 41,276 barrels of oil, 21,061 barrels of natural gas liquids ("NGLs") and 79,859 mcf of gas were sold, or 75,647 barrel of oil equivalents ("BOEs"). In 1999, 40,490 barrels of oil, 22,642 barrels of NGLs and 86,726 mcf of gas were sold, or

77,586 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 increased $12.27, or 71%, from $17.18 in 1999 to $29.45 in 2000. The average price received per barrel of NGLs increased $5.61, or 60%, from $9.39 in 1999 to $15.00 in 2000. The average price received per mcf of gas increased 65% from $1.71 in 1999 to $2.82 in 2000. 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 in 2000.

A gain on disposition of assets of $21,074 was received during 2000 due to the sale of equipment on one plugged and abandoned well. Abandoned property costs of $12,161 were also incurred during 2000 to plug and abandon this well.

Total costs and expenses increased in 2000 to $861,600 as compared to $821,102 in 1999, an increase of $40,498, or 5%. The increase was due to increases in production costs, general and administrative expenses ("G&A"), the impairment of oil and gas properties and abandoned property costs, offset by a decline in depletion.

Production costs were $670,780 in 2000 and $611,991 in 1999, resulting in an increase of $58,789, or 10%. This increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 66% from $31,696 in 1999 to $52,687 in 2000 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. The Partnership paid the managing general partner $44,975 in 2000 and $19,909 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated

to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $13,279 related to its oil and gas properties during 2000.

Depletion was $112,693 in 2000 as compared to $177,415 in 1999, representing a decrease of $64,722, or 36%. This decrease was primarily due to a 65,045 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 14% to $1,056,533 from $928,899 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 40,490 barrels of oil, 22,642 barrels of NGLs and 86,726 mcf of gas were sold, or 77,586 BOEs. In 1998, 47,107 barrels of oil, 23,292 barrels of NGLs and 97,715 mcf of gas were sold, or 86,685 BOEs.

The average price received per barrel of oil increased $4.10, or 31%, from $13.08 in 1998 to $17.18 in 1999. The average price received per barrel of NGLs increased $2.59, or 38%, from $6.80 in 1998 to $9.39 in 1999. The average price received per mcf of gas increased 8% from $1.58 in 1998 to $1.71 in 1999.

A gain on disposition of assets of $6,371 was recognized during 1998 from the sale of equipment on one well plugged and abandoned during 1998. Abandoned property costs of $20,389 were also incurred during 1998 to plug and abandon this well.

Total costs and expenses decreased in 1999 to $821,102 as compared to $1,755,278 in 1998, a decrease of $934,176, or 53%. The decrease was due to declines in the impairment of oil and gas properties, depletion, production costs and abandoned property costs, offset by an increase in G&A.

Production costs were $611,991 in 1999 and $662,691 in 1998, resulting in a $50,700 decrease, or 8%. This decrease was due to lower well maintenance costs and ad valorem taxes, offset by an increase in workover costs incurred to stimulate well production.

During this period, G&A increased 14% from $27,867 in 1998 to $31,696 in 1999 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. The Partnership paid the managing general partner $19,909 in 1999 and $21,984 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $509,585 related to its oil and gas properties during 1998.

Depletion was $177,415 in 1999 compared to $534,746 in 1998. This represented a decrease of $357,331, or 67%. This decrease was the result of a combination of factors that included an increase in proved reserves of 343,529 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 6,617 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North

American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $561,909 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $706,708, offset by increases in production costs paid of $58,789, G&A expenses paid of $20,991, abandoned costs paid of $12,161 and working capital of $52,858. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $726,611 to oil and gas receipts, offset by $19,903 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 Provided by (Used in) Investing Activities

The Partnership's investing activities during 2000 and 1999 were related to expenditures for oil and gas equipment upgrades on active properties.

Proceeds from disposition of assets of $23,670 was recognized during 2000. The gain was comprised of $21,074 received from the sale of equipment on one well plugged and abandoned during the current period and $2,596 from equipment credits received on one active well. Proceeds of $8,980 in 1999 were from equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $932,887, of which $9,329 was distributed to the managing general partner and $923,558 to the limited partners. In 1999, cash distributions to the partners were $361,502, of which $3,615 was distributed to the managing general partner and $357,887 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements of Parker & Parsley 86-B, Ltd:
Independent Auditors' Report...
Balance Sheets as of December 31, 2000 and 1999..................................

Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998....................
Statements of Partners' Capital for the Years Ended December 31, 2000, 1999 and 1998....................
Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998....................
Notes to Financial Statements....................

INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 86-B, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 86-B, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 86-B, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000
ASSETS	
Current assets:	
Cash	$ 220,466
Accounts receivable - oil and gas sales	260,049
Total current assets	480,515
Oil and gas properties - at cost, based on the successful efforts accounting method	11,805,173
Accumulated depletion	(10,032,733)
Net oil and gas properties	1,772,440
	$ 2,252,955
LIABILITIES AND PARTNERS' CAPITAL	
Current liabilities:	
Accounts payable - affiliate	$ 15,305
Partners' capital:	
Managing general partner	21,100
Limited partners (17,208 interests)	2,216,550
	2,237,650
	$ 2,252,955

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999
Revenues:		
Oil and gas	$ 1,756,242	$ 1,056,533

Interest	17,576	10,577
Gain on disposition of assets	21,074	-
	1,794,892	1,067,110
Costs and expenses:		
Oil and gas production	670,780	611,991
General and administrative	52,687	31,696
Impairment of oil and gas properties	13,279	-
Depletion	112,693	177,415
Abandoned property	12,161	-
	861,600	821,102
Net income (loss)	$ 933,292	$ 246,008
Allocation of net income (loss):		
Managing general partner	$ 9,333	$ 2,460
Limited partners	$ 923,959	$ 243,548
Net income (loss) per limited partnership interest	$ 53.69	$ 14.15

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners
Partners' capital at January 1, 1998	$ 33,572	$ 3,451,264
Distributions	(3,251)	(321,805)
Net loss	(8,070)	(798,971)
Partners' capital at December 31, 1998	22,251	2,330,488
Distributions	(3,615)	(357,887)
Net income	2,460	243,548

Partners' capital at December 31, 1999	21,096	2,216,149
Distributions	(9,329)	(923,558)
Net income	9,333	923,959
Partners' capital at December 31, 2000	$ 21,100	$ 2,216,550

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999
Cash flows from operating activities:		
Net income (loss)	$ 933,292	$ 246,008
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment of oil and gas properties	13,279	-
Depletion	112,693	177,415
Gain on disposition of assets	(21,074)	-
Changes in assets and liabilities:		
Accounts receivable	(80,309)	(59,316)
Accounts payable	(13,888)	17,977
Net cash provided by operating activities	943,993	382,084
Cash flows from investing activities:		
Additions to oil and gas properties	(20,718)	(8,474)
Proceeds from disposition of assets	23,670	8,980
Net cash provided by (used in) investing activities	2,952	506
Cash flows used in financing activities:		
Cash distributions to partners	(932,887)	(361,502)
Net increase (decrease) in cash	14,058	21,088
Cash at beginning of year	206,408	185,320
Cash at end of year	$ 220,466	$ 206,408

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the

respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non- partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $13,279 and $509,585 related to its proved oil and gas properties during 2000 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $38,785 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999
Net income (loss) per statements of operations	$ 933,292	$ 246,008
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	104,139	168,298
Impairment of oil and gas properties for financial reporting purposes	13,279	-
Intangible development costs capitalized for financial reporting purposes and expensed for tax reporting purposes	(13,305)	-
Other, net	(142)	11,789
Net income per Federal income tax returns	$ 1,037,263	$ 426,095

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999
Development costs	$ 20,718	$ 8,474

Capitalized oil and gas properties consist of the following:

	2000
Proved properties:	
Property acquisition costs	$ 439,613
Completed wells and equipment	11,365,560
	11,805,173
Accumulated depletion	(10,032,733)
Net oil and gas properties	$ 1,772,440

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

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	2000	1999
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 298,127	$ 298,479
Reimbursement of general and administrative expenses	$ 44,975	$ 19,909

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer USA (1)
Revenues:	
Proceeds from disposition of depreciable properties	9.09091%
All other revenues	24.242425%
Costs and expenses:	
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%
Operating costs, direct costs and general and administrative expenses	24.242425%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 128 limited partner interests owned by Pioneer USA.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

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	Oil and NGLs (bbls)
Net proved reserves at January 1, 1998	940,047
Revisions	(401,595)
Production	(70,399)
Net proved reserves at December 31, 1998	468,053
Revisions	550,528
Production	(63,132)
Net proved reserves at December 31, 1999	955,449
Revisions	42,519
Production	(62,337)
Net proved reserves at December 31, 2000	935,631

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.61 per barrel of NGLs and $7.82 per mcf of gas, discounted at 10% was approximately $7,100,000 and undiscounted was $14,263,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

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	For the years ended Dec	
	2000	1999
	(in thousands)	
Oil and gas producing activities:		
Future cash inflows	$ 30,354	$ 23,606
Future production costs	(16,091)	(13,697)
	14,263	9,909
10% annual discount factor	(7,163)	(4,671)
Standardized measure of discounted future net cash flows	$ 7,100	$ 5,238

	For the years ended Dec	
	2000	1999
	(in thousands)	
Oil and Gas Producing Activities:		
Oil and gas sales, net of production costs	$ (1,085)	$ (445)
Net changes in prices and production costs	2,757	2,398
Revisions of previous quantity estimates	121	3,891
Accretion of discount	524	82
Changes in production rates, timing and other	(455)	(1,507)
Change in present value of future net revenues	1,862	4,419
Balance, beginning of year	5,238	819
Balance, end of year	$ 7,100	$ 5,238

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

2000	1999

Plains Marketing, L.P.	36%	35%
Genesis Crude Oil, L.P.	-	-
Western Gas Resources, Inc.	2%	4%
Mobil Oil Corporation	16%	15%
Texaco Trading & Transportation	4%	8%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and Mobil Oil Corporation were $54,631 and $21,954, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Program and Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating

and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $17,208,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chi Financial Officer and Direc
Dennis E. Fagerstone	51	Executive Vice President and
Mark L. Withrow	53	Executive Vice President, Gen Counsel and Director
Danny Kellum	46	Executive Vice President - Do Operations and Director
Rich Dealy	34	Vice President and Chief Acco Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

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Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr.

Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

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ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately

25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Note 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 128 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

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	2000	1999
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 298,127	$ 298,479
Reimbursement of general and administrative expenses	$ 44,975	$ 19,909

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

S I G N A T U R E S

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-B, LTD.

Dated: March 29, 2001 By: Pioneer Natural Resources USA, Inc.
Managing General Partner

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield Scott D. Sheffield	President of Pioneer USA	Ma
/s/ Timothy L. Dove Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	Ma
/s/ Dennis E. Fagerstone Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	Ma
/s/ Mark L. Withrow Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	Ma
/s/ Danny Kellum Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	Ma
/s/ Rich Dealy Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	Ma

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PARKER & PARSLEY 86-B, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description
3(a)	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 86-B, Ltd. incorporated by reference to Exhibit 3a of the Partnership's Registration Statement on Form S-1 (Registration No. 33-3353) (hereinafter called the Partnership's Registration Statement)
4(a)	Form of Agreement of Limited Partnership of Parker & Parsley 86-B, Ltd. incorporated by reference to Exhibit A of Amendment No. 1 of the Partnership's Registration Statement
4(b)	Form of Subscription Agreement incorporated by reference to Exhibit C of Amendment No. 1 of the Partnership's Registration Statement

4(b)	Power of Attorney incorporated by reference to an Exhibit of the Partnership's Registration Statement
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4c of the Partnership's Registration Statement
10(b)	Development Program Agreement incorporated by reference to Exhibit B of Amendment No. 1 of the Partnership's Registration Statement

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PARKER & PARSLEY 86-B, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 402,132	$1,756,242	$1,056,533	$ 928,899
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ 13,279	$ --	$ 509,585
Net income (loss)	$	$ 191,450	$ 933,292	$ 246,008	$ (807,041)
Allocation of net income (loss):					
Managing general partner	$	$ 1,915	$ 9,333	$ 2,460	$ (8,070)
Limited partners	$	$ 189,535	$ 923,959	$ 243,548	$ (798,971)
Limited partners' net income (loss) per limited partnership interest	$	$ 11.01	$ 53.69	$ 14.15	$ (46.43)

Limited partners' cash distributions per limited partnership interest	$	$ 10.40	$ 53.67	$ 20.80	$ 18.70
At year end:					
Identifiable assets	$	$2,283,933	$2,252,955	$2,266,438	$2,363,955

(a) Including litigation settlement per limited partnership interest of $32.55 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

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

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 86-C, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 86-C, Ltd.:

o A table containing:

-- the aggregate initial investment by the limited partners

-- the aggregate historical limited partner distributions through March 31, 2001

-- the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA

- -- the merger value per $1,000 limited partner investment as of March 31, 2001
- -- the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
- -- the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
- -- the going concern value per $1,000 limited partner investment as of March 31, 2001
- -- the liquidation value per $1,000 limited partner investment as of March 31, 2001
- -- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 86-C, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$

-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 33-3353C

PARKER & PARSLEY 86-C, LTD.
(Exact name of Registrant as specified in its charter)

TEXAS	75-2142283
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $19,257,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 19,317.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 86-C, Ltd. (the "Partnership") is a limited partnership organized in 1986 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 19,317 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA is responsible for all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 37% and 15% were attributable to sales made to Plains Marketing, L.P. and TEPPCO Crude Oil LLC, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.
The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

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liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 60 productive oil and gas wells. Four wells were sold and three wells were abandoned due to uneconomical operations. At December 31, 2000, 53 wells were producing.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

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PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 19,317 outstanding limited partnership interests held of record by 1,332 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $821,264 and $236,960, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	1996
Operating results:					
Oil and gas sales	$1,865,405	$1,067,096	$ 973,632	$1,484,170	$1,750,71
Gain on litigation settlement, net	$ -	$ -	$ -	$ -	$ 704,86
Impairment of oil and gas properties	$ -	$ 26,652	$ 277,277	$ 895,701	$ 132,77
Net income (loss)	$ 828,383	$ 105,421	$ (423,942)	$ (577,071)	$1,142,50
Allocation of net income (loss):					
Managing general partner	$ 8,284	$ 1,054	$ (4,240)	$ (5,770)	$ 11,42
Limited partners	$ 820,099	$ 104,367	$ (419,702)	$ (571,301)	$1,131,08
Limited partners' net income (loss) per limited partnership interest	$ 42.45	$ 5.40	$ (21.73)	$ (29.58)	$ 58.5
Limited partners' cash distributions per limited limited partnership interest	$ 42.52	$ 12.27	$ 15.20	$ 37.84	$ 69.4
At year end:					
Identifiable assets	$1,948,019	$1,958,255	$2,071,111	$2,820,637	$4,193,44

(a) Including litigation settlement per limited partnership interest of $36.12 in 1996.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 75% to $1,865,405 for 2000 as compared to $1,067,096 in 1999. The increase in revenues resulted from higher average prices received, offset by a slight decline in production. In 2000, 41,783 barrels of oil, 24,546 barrels of natural gas liquids ("NGLs") and 95,610 mcf of gas were sold, or 82,264 barrel of oil equivalents ("BOEs"). In 1999, 37,899 barrels of oil, 26,995 barrels of NGLs and 105,081 mcf of gas were sold, or 82,408 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 increased $12.25, or 71%, from $17.18 in 1999 to $29.43 in 2000. The average price received per barrel of NGLs increased $5.79, or 62%, from $9.27 in 1999 to $15.06 in 2000. The average price received per mcf of gas increased 76% from $1.58 in 1999 to $2.78 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $1,051,119 as compared to $969,444 in 1999, an increase of $81,675, or 8%. The increase was due to increases in production costs and general and administrative ("G&A") expenses, offset by declines in depletion and the impairment of oil and gas properties.

Production costs were $848,089 in 2000 and $713,921 in 1999, resulting in an increase of $134,168, or 19%. The increase was primarily due to additional well maintenance and workover costs incurred to stimulate well production and higher production taxes associated with higher oil and gas 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 75% from $32,012 in 1999 to $55,962 in 2000 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. The Partnership paid the managing general partner $46,688 in 2000 and $17,953 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $26,652 related to its oil and gas properties during 1999.

Depletion was $147,068 in 2000 compared to $196,859 in 1999, representing a decrease of $49,791, or 25%. This decrease was primarily due to a 158,291 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1999, offset by an increase in oil production of 3,884 barrels for the period ended December 31, 2000 compared to the same period in 1999.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 10% to $1,067,096 from $973,632 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 37,899 barrels of oil, 26,995 barrels of NGLs and 105,081 mcf of gas were sold, or 82,408 BOEs. In 1998, 44,016 barrels of oil, 30,658 barrels of NGLs and 129,149 mcf of gas were sold, or 96,199 BOEs.

The average price received per barrel of oil increased $3.92, or 30%, from $13.26 in 1998 to $17.18 in 1999. The average price received per barrel of NGL's increased $2.81, or 43%, from $6.46 in 1998 to $9.27 in 1999. The average price received per mcf of gas increased 6% from $1.49 in 1998 to $1.58 in 1999.

Total costs and expenses decreased in 1999 to $969,444 as compared to $1,406,971 in 1998, a decrease of $437,527, or 31%. The decrease was due to declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A.

Production costs were $713,921 in 1999 and $737,587 in 1998, resulting in a $23,666 decrease, or 3%. The decrease was due to declines in well maintenance costs and ad valorem taxes.

During this period, G&A increased 10% from $29,209 in 1998 to $32,012 in 1999 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. The Partnership paid the managing general partner $17,953 in 1999 and $21,776 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized non-cash SFAS 121 charges of $26,652 and $277,277 related to its oil and gas properties during 1999 and 1998, respectively.

Depletion was $196,859 in 1999 compared to $362,898 in 1998. This represented a decrease of $166,039, or 46%. This decrease was primarily due to an increase in proved reserves of 291,530 barrels of oil during 1999 as a result of higher commodity prices and a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of

1998 and a decline in oil production of 6,117 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $596,449 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $804,637, offset by increases in production costs paid of $134,168, G&A expenses paid of $23,950 and working capital of $50,070. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $753,537 to oil and gas receipts and an increase of $51,100 resulting from the increase in oil production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional well maintenance and workover costs incurred to stimulate well production. The increase in G&A was primarily due to 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 2000 and 1999 were related to expenditures for oil and gas equipment upgrades on active properties.

Proceeds from asset dispositions of $847 were recognized during 1999 from equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $829,560, of which $8,296 was distributed to the managing general partner and $821,264 to the limited partners. In 1999, cash distributions to the partners were $239,353, of which $2,393 was distributed to the managing general partner and $236,960 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 86-C, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 86-C, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 86-C, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 161,347	$ 142,687
Accounts receivable - oil and gas sales	296,462	194,380
Total current assets	457,809	337,067
Oil and gas properties - at cost, based on the successful efforts accounting method	14,598,140	14,582,050
Accumulated depletion	(13,107,930)	(12,960,862)
Net oil and gas properties	1,490,210	1,621,188
	$ 1,948,019	$ 1,958,255
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 30,112	$ 39,171
Partners' capital:		
Managing general partner	17,871	17,883
Limited partners (19,317 interests)	1,900,036	1,901,201
	1,917,907	1,919,084

	$ 1,948,019	$ 1,958,255

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$1,865,405	$1,067,096	$ 973,632
Interest	14,097	7,769	9,397
	1,879,502	1,074,865	983,029
Costs and expenses:			
Oil and gas production	848,089	713,921	737,587
General and administrative	55,962	32,012	29,209
Impairment of oil and gas properties	-	26,652	277,277
Depletion	147,068	196,859	362,898
	1,051,119	969,444	1,406,971
Net income (loss)	$ 828,383	$ 105,421	$ (423,942)
Allocation of net income (loss):			
Managing general partner	$ 8,284	$ 1,054	$ (4,240)
Limited partners	$ 820,099	$ 104,367	$ (419,702)
Net income (loss) per limited partnership interest	$ 42.45	$ 5.40	$ (21.73)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 26,428	$2,747,103	$2,773,531
Distributions	(2,966)	(293,607)	(296,573)
Net loss	(4,240)	(419,702)	(423,942)
Partners' capital at December 31, 1998	19,222	2,033,794	2,053,016
Distributions	(2,393)	(236,960)	(239,353)
Net income	1,054	104,367	105,421
Partners' capital at December 31, 1999	17,883	1,901,201	1,919,084
Distributions	(8,296)	(821,264)	(829,560)
Net income	8,284	820,099	828,383
Partners' capital at December 31, 2000	$ 17,871	$1,900,036	$1,917,907

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 828,383	$ 105,421	$(423,942)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	-	26,652	277,277
Depletion	147,068	196,859	362,898
Changes in assets and liabilities:			
Accounts receivable	(102,082)	(82,147)	91,550
Accounts payable	(9,059)	21,076	(29,011)
Net cash provided by operating activities	864,310	267,861	278,772
Cash flows from investing activities:			
Additions to oil and gas properties	(16,090)	(13,291)	(19,770)
Proceeds from asset dispositions	-	847	626
Net cash used in investing activities	(16,090)	(12,444)	(19,144)
Cash flows used in financing activities:			
Cash distributions to partners	(829,560)	(239,353)	(296,573)
Net increase (decrease) in cash	18,660	16,064	(36,945)
Cash at beginning of year	142,687	126,623	163,568
Cash at end of year	$ 161,347	$ 142,687	$ 126,623

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions $26,652 and $277,277 related to its proved oil and gas properties during 1999 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $533,255 less than the tax basis at December 31, 2000.

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The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 828,383	$ 105,421	$(423,942)
Depletion and depreciation provisions for tax reporting purposes less than amounts for			

financial reporting purposes	132,379	182,068	348,153
Impairment of oil and gas properties for financial reporting purposes	-	26,652	277,277
Salvage income	-	-	431
Other, net	(2,097)	(2,839)	4,014
Net income per Federal income tax returns	$ 958,665	$ 311,302	$ 205,933

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 16,090	$ 13,291	$ 19,770

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 645,990	$ 645,990
Completed wells and equipment	13,952,150	13,936,060
	14,598,140	14,582,050
Accumulated depletion	(13,107,930)	(12,960,862)
Net oil and gas properties	$ 1,490,210	$ 1,621,188

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NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 373,973	$ 354,129	$ 348,965
Reimbursement of general and administrative expenses	$ 46,688	$ 17,953	$ 21,776

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer USA (1)	Partnership
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 60 limited partner interests owned by Pioneer USA.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs	Gas

	(bbls)	(mcf)
Net proved reserves at January 1, 1998	831,525	1,374,642
Revisions	(383,916)	(502,202)
Production	(74,674)	(129,149)
Net proved reserves at December 31, 1998	372,935	743,291
Revisions	507,962	924,982
Production	(64,894)	(105,081)
Net proved reserves at December 31, 1999	816,003	1,563,192
Revisions	148,591	(208,305)
Production	(66,329)	(95,610)
Net proved reserves at December 31, 2000	898,265	1,259,277

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.39 per barrel of NGLs and $7.64 per mcf of gas, discounted at 10% was approximately $6,568,000 and undiscounted was $12,019,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 3		
	2000	1999	199
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 29,187	$ 20,004	$ 4,
Future production costs	(17,168)	(12,833)	(3,
	12,019	7,171	
10% annual discount factor	(5,451)	(3,031)	(
Standardized measure of discounted future net cash flows	$ 6,568	$ 4,140	$

	For the years ended December		
	2000	1999	19
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (1,017)	$ (353)	$
Net changes in prices and production costs	2,672	1,767	(
Revisions of previous quantity estimates	714	3,173	
Accretion of discount	414	55	
Changes in production rates, timing and other	(355)	(1,056)	
Change in present value of future net revenues	2,428	3,586	(
Balance, beginning of year	4,140	554	
Balance, end of year	$ 6,568	$ 4,140	$

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998

Plains Marketing, L.P.	37%	36%	-
TEPPCO Crude Oil LLC	15%	14%	-
Genesis Crude Oil, L.P.	-	-	50%
Western Gas Resources Inc.	5%	7%	31%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and TEPPCO Crude Oil LLP were $72,179 and $15,378, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The general partner of the Partnership is Pioneer USA. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $19,317,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 60 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$373,973	$ 354,129	$348,965
Reimbursement of general and administrative expenses	$ 46,688	$ 17,953	$ 21,776

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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.

Dated: March 27, 2001

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

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ------------------------------ Scott D. Sheffield	President of Pioneer USA	March 27, 2001
/s/ Timothy L. Dove ------------------------------ Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 27, 2001
/s/ Dennis E. Fagerstone ------------------------------ Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 27, 2001
/s/ Mark L. Withrow ------------------------------ Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 27, 2001
/s/ Danny Kellum ------------------------------ Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 27, 2001

/s/ Rich Dealy ------------------------------ Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 27, 2001

PARKER & PARSLEY 86-C, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
3(a)	Amended and Restated Certificate of Limited Partnership of Parker & Parsley 86-C, Ltd. incorporated by reference to Exhibit 3a of the Partnership's Registration Statement on Form S-1 (Registration No. 33-3353) (hereinafter called the Partnership's Registration Statement)	-
4(a)	Form of Agreement of Limited Partnership of Parker & Parsley 86-C, Ltd. incorporated by reference to Exhibit A of Amendment No. 1 of the Partnership's Registration Statement	-
4(b)	Form of Subscription Agreement incorporated by reference to Exhibit C of Amendment No. 1 of the Partnership's Registration Statement	-
4(b)	Power of Attorney incorporated by reference to an Exhibit of the Partnership's Registration Statement	-
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit 4c of the Partnership's Registration Statement	-
10(b)	Development Program Agreement incorporated by reference to Exhibit B of Amendment No. 1 of the Partnership's Registration Statement	-

PARKER & PARSLEY 86-C, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31, 2001	Three months ended March 31, 2000	Years ended December 31 2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 417,147	$1,865,405	$1,067,096	$ 973,632
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ --	$ 26,652	$ 277,277
Net income (loss)	$	$ 146,975	$ 828,383	$ 105,421	$ (423,942)
Allocation of net income (loss):					
Managing general partner	$	$ 1,470	$ 8,284	$ 1,054	$ (4,240)
Limited partners	$	$ 145,505	$ 820,099	$ 104,367	$ (419,702)
Limited partners' net income (loss) per limited partnership interest	$	$ 7.53	$ 42.45	$ 5.40	$ (21.73)
Limited partners' cash distributions per limited limited partnership interest	$	$ 8.35	$ 42.52	$ 12.27	$ 15.20
At year end:					
Identifiable assets	$	$1,946,021	$1,948,019	$1,958,255	$2,071,111

(a) Including litigation settlement per limited partnership interest of $36.12 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley Private Investment 86, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley Private Investment 86, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in

year of initial investment

- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$ 1
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 2
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 2
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley Private Investment 86, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley Private Investment 86, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley Private Investment 86, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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

BALANCE SHEETS
December 31

ASSETS	
Current assets:	
Cash	$
Accounts receivable - oil and gas sales	
Total current assets	
Oil and gas properties - at cost, based on the successful efforts accounting method	
Accumulated depletion	
Net oil and gas properties	

	$
	===
LIABILITIES AND PARTNERS' CAPITAL	
Current liabilities:	
Accounts payable - affiliate	$
Partners' capital:	
Managing general partner	
Limited partners (123 interests)	
	--
	--
	$
	===

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

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

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 611,774	$ 354,462	$ 301,556
Interest	4,927	2,697	3,224

	616,701	357,159	304,780
Costs and expenses:			
Oil and gas production	287,563	236,129	213,042
General and administrative	12,235	7,089	6,031
Impairment of oil and gas properties	--	--	98,274
Depletion	49,103	65,740	151,842
	348,901	308,958	469,189
Net income (loss)	$ 267,800	$ 48,201	$ (164,409)
Allocation of net income (loss):			
Managing general partner	$ 2,678	$ 482	$ (1,644)
Limited partners	$ 265,122	$ 47,719	$ (162,765)
Net income (loss) per limited partnership interest	$2,155.46	$ 387.96	$(1,323.29)

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

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

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	L p
Partners' capital at January 1, 1998	$ 13,138	$
Distributions	(1,107)	
Net loss	(1,644)	
Partners' capital at December 31, 1998	10,387	

Distributions	(685)	
Net income	482	
Partners' capital at December 31, 1999	10,184	
Distributions	(2,761)	
Net income	2,678	
Partners' capital at December 31, 2000	$ 10,101	$

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

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

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	
Cash flows from operating activities:		
Net income (loss)	$ 267,800	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment of oil and gas properties	-	
Depletion	49,103	
Changes in assets and liabilities:		
Accounts receivable	(40,175)	
Accounts payable	(5,085)	
Net cash provided by operating activities	271,643	
Cash flows from investing activities:		

Additions to oil and gas properties	(10,643)	
Proceeds from asset dispositions	-	
Net cash used in investing activities	(10,643)	
Cash flows used in financing activities:		
Cash distributions to partners	(276,142)	
Net increase (decrease) in cash	(15,142)	
Cash at beginning of year	72,318	
Cash at end of year	$ 57,176	$

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 $98,274 related to its proved oil and gas properties during 1998.

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NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $209,861 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	
Net income (loss) per statements of operations	$ 267,800	$
Depletion and depreciation provisions for tax reporting less than amounts for financial reporting purposes	43,051	
Impairment of oil and gas properties for financial reporting purposes	-	
Other, net	(688)	

Net income per Federal income tax returns	$ 310,163	$

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	
Development costs	$ 10,643	$

Capitalized oil and gas properties consist of the following:

Proved properties:	
Property acquisition costs	$
Completed wells and equipment	
Accumulated depletion	
Net oil and gas properties	$

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 113,494	$
Reimbursement of general and administrative expenses	$ 10,107	$

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The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Pioneer USA and the Partnership are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnership as follows:

	Pioneer U
Revenues:	
Proceeds from disposition of depreciable properties	9.09
All other revenues	24.24
Costs and expenses:	
Lease acquisition costs, drilling and completion costs and all other costs	9.09
Operating costs, direct costs and general and administrative expenses	24.24

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)
Net proved reserves at January 1, 1998	268,312
Revisions	(79,340)
Production	(22,245)
Net proved reserves at December 31, 1998	166,727
Revisions	157,207
Production	(20,843)
Net proved reserves at December 31, 1999	303,091
Revisions	35,219
Production	(20,938)
Net proved reserves at December 31, 2000	317,372

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.44 per barrel of NGLs and $7.89 per mcf of gas, discounted at 10% was approximately $2,493,000 and undiscounted $4,970,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years e	
	2000	
Oil and gas producing activities:		
Future cash inflows	$ 10,955	$
Future production costs	(5,985)	
	4,970	
10% annual discount factor	(2,477)	
Standardized measure of discounted future net cash flows	$ 2,493	$

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	For the years ended	
	2000	199
		(in
Oil and Gas Producing Activities:		
Oil and gas sales, net of production costs	$ (324)	$
Net changes in prices and production costs	864	
Revisions of previous quantity estimates	293	
Accretion of discount	164	
Changes in production rates, timing and other	(140)	
Change in present value of future net revenues	857	
Balance, beginning of year	1,636	
Balance, end of year	$ 2,493	$

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000
Plains Marketing, L.P.	45%
Mobil Oil Corporation	19%
Genesis Crude Oil, L.P.	-
Western Gas Resources, Inc.	3%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and Mobil Oil Corporation were $23,848 and $10,948, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $4,920,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and organization and offering costs

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allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

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PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.
(A TEXAS LIMITED PARTNERSHIP)

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 73% to $611,774 for 2000 as compared to $354,462 in 1999. The increase in revenues resulted from higher average prices received and an increase in production. In 2000, 13,860 barrels of oil, 7,078 barrels of natural gas liquids ("NGLs") and 33,570 mcf of gas were sold, or 26,533 barrel of oil equivalents ("BOEs"). In 1999, 13,331 barrels of oil, 7,512 barrels of NGLs and 30,923 mcf of gas were sold, or 25,997 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 increased $12.11, or 70%, from $17.34 in 1999 to $29.45 in 2000. The average price received per barrel of NGLs increased $5.74, or 62%, from $9.27 in 1999 to $15.01 in 2000. The average price received per mcf of gas increased 68% from $1.73 in 1999 to $2.90 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $348,901 as compared to $308,958 in 1999, an increase of $39,943, or 13%. The increase was primarily due to increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $287,563 in 2000 and $236,129 in 1999, resulting in a $51,434 increase, or 22%. The increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 73% from $7,089 in 1999 to $12,235 in 2000, 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. The Partnership paid the managing general partner $10,107 in 2000 and $3,583 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Depletion was $49,103 in 2000 as compared to $65,740 in 1999, representing a decrease of $16,637, or 25%. This decrease was primarily due to a 34,384 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 18% to $354,462 from $301,556 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 13,331 barrels of oil, 7,512 barrels of NGLs and 30,923 mcf of gas were sold, or 25,997 BOEs. In 1998, 14,914 barrels of oil, 7,331 barrels of NGLs and 33,219 mcf of gas were sold, or 27,782 BOEs.

The average price received per barrel of oil increased $4.00, or 30%, from $13.34 in 1998 to $17.34 in 1999. The average price received per barrel of NGLs increased $2.58, or 39%, from $6.69 in 1998 to $9.27 in 1999. The average price received per mcf of gas increased 7% from $1.61 in 1998 to $1.73 in 1999.

Total costs and expenses decreased in 1999 to $308,958 as compared to $469,189 in 1998, a decrease of $160,231, or 34%. The decrease was primarily due to declines in the impairment of oil and gas properties and depletion, offset by increases in production costs and G&A.

Production costs were $236,129 in 1999 and $213,042 in 1998, resulting in a $23,087 increase, or 11%. The increase was due to increased workover costs and well maintenance costs incurred to stimulate well production, offset by a decrease in ad valorem taxes.

During this period, G&A increased 18% from $6,031 in 1998 to $7,089 in 1999 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. The Partnership paid the managing general partner $3,583 in 1999 and $4,004 in 1998 for G&A incurred on behalf of the Partnership.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $98,274 related to its oil and gas properties during 1998.

Depletion was $65,740 in 1999 compared to $151,842 in 1998, representing a decrease of $86,102, or 57%. This decrease was the result of a combination of factors that included an increase in proved reserves of 97,690 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 1,583 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum Industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $170,228 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $259,542, offset by increases in production costs paid of $51,434, G&A expenses paid of $5,146 and working capital of $32,734. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $242,798 to oil and gas receipts and an increase of $16,744 resulting from the increase in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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.

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Net Cash Used in Investing Activities

The Partnership's principal investing activities during 2000 and 1999 included expenditures related to equipment upgrades on various oil and gas properties.

Proceeds from asset dispositions in 1999 of $701 were from equipment credits received on two wells.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $276,142, of which $2,761 was distributed to the managing general partner and $273,381 to the limited partners. In 1999, cash distributions to the partners were $68,473, of which $685 was distributed to the managing general partner and $67,788 to the limited partners.

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PARKER & PARSLEY PRIVATE INVESTMENT 86, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,	Years ended December 31

	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 139,554	$ 611,774	$ 354,462	$ 301,556
Impairment of oil and gas properties	$	$ --	$ --	$ --	$ 98,274
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 50,191	$ 267,800	$ 48,201	$ (164,409)
Allocation of net income (loss):					
Managing general partner	$	$ 502	$ 2,678	$ 482	$ (1,644)
Limited partners	$	$ 49,689	$ 265,122	$ 47,719	$ (162,765)
Limited partners' net income (loss) per limited partnership interest	$	$ 403.98	$ 2,155.46	$ 387.96	$(1,323.29)
Limited partners' cash distributions per limited partnership interest	$	$ 562.71	$ 2,222.61	$ 551.12	$ 891.21
At year end:					
Total assets	$	$ 913,254	$ 918,400	$ 931,827	$ 946,558

(a) Including litigation settlement per limited partnership interest of $1,474.06 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-A CONV., LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 87-A Conv., Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 87-A Conv., Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 87-A CONV., LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$ 1
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 87-A Conv., Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 87-A Conv., Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 87-A Conv., Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 42,044	$ 53,265
Accounts receivable - oil and gas sales	58,386	34,510
Total current assets	100,430	87,775
Oil and gas properties - at cost, based on the successful efforts accounting method	2,703,338	2,701,261
Accumulated depletion	(2,357,166)	(2,326,550)
Net oil and gas properties	346,172	374,711
	$ 446,602	$ 462,486
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 5,133	$ 6,175
Partners' capital:		
Managing general partner	4,417	4,565
Limited partners (3,856 interests)	437,052	451,746

	441,469	456,311
	$ 446,602	$ 462,486

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

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 380,908	$ 234,259	$ 194,541
Interest	3,744	2,131	2,599
Gain on disposition of assets	857	1,184	102
	385,509	237,574	197,242
Costs and expenses:			
Oil and gas production	150,075	126,927	143,008
General and administrative	11,235	6,978	5,727
Impairment of oil and gas properties	5,726	--	63,814
Depletion	24,890	35,270	83,255
	191,926	169,175	295,804
Net income (loss)	$ 193,583	$ 68,399	$ (98,562)

Allocation of net income (loss):			
Managing general partner	$ 1,936	$ 684	$ (986)
Limited partners	$ 191,647	$ 67,715	$ (97,576)
Net income (loss) per limited partnership interest	$ 49.70	$ 17.56	$ (25.30)

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

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 6,329	$ 626,350	$ 632,679
Distributions	(761)	(75,346)	(76,107)
Net loss	(986)	(97,576)	(98,562)
Partners' capital at December 31, 1998	4,582	453,428	458,010

Distributions	(701)	(69,397)	(70,098)
Net income	684	67,715	68,399
Partners' capital at December 31, 1999	4,565	451,746	456,311
Distributions	(2,084)	(206,341)	(208,425)
Net income	1,936	191,647	193,583
Partners' capital at December 31, 2000	$ 4,417	$ 437,052	$ 441,469

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

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 193,583	$ 68,399	$ (98,562)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	5,726	--	63,814
Depletion	24,890	35,270	83,255

Gain on disposition of assets	(857)	(1,184)	(102)
Changes in assets and liabilities:			
Accounts receivable	(23,876)	(12,786)	17,191
Accounts payable	(1,042)	1,263	(2,930)
Net cash provided by operating activities	198,424	90,962	62,666
Cash flows from investing activities:			
Additions to oil and gas properties	(2,560)	(5,634)	(2,338)
Proceeds from disposition of assets	1,340	1,238	2,095
Net cash used in investing activities	(1,220)	(4,396)	(243)
Cash flows used in financing activities:			
Cash distributions to partners	(208,425)	(70,098)	(76,107)
Net increase (decrease) in cash	(11,221)	16,468	(13,684)
Cash at beginning of year	53,265	36,797	50,481
Cash at end of year	$ 42,044	$ 53,265	$ 36,797

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

PARKER & PARSLEY 87-A CONV., LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $5,726 and $63,814 related to its proved oil and gas properties during 2000 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $34,055 less than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 193,583	$ 68,399	$(98,562)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	21,481	31,994	77,835
Impairment of oil and gas properties for financial reporting purposes	5,726	--	63,814
Salvage income	--	--	1,795
Other, net	(320)	(923)	1,074
Net income per Federal income tax returns	$ 220,470	$ 99,470	$ 45,956

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 2,560	$ 5,634	$ 2,338

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 126,683	$ 126,683
Completed wells and equipment	2,576,655	2,574,578
	2,703,338	2,701,261
Accumulated depletion	(2,357,166)	(2,326,550)
Net oil and gas properties	$ 346,172	$ 374,711

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 57,269	$ 58,965	$ 59,200
Reimbursement of general and administrative expenses	$ 9,809	$ 4,592	$ 4,507

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Pioneer USA, Parker & Parsley 87-A, Ltd. and the Partnership (the "Partnerships") are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnerships as follows:

	Pioneer USA (1)	Partnerships (2)
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 35 limited partner interests owned by Pioneer USA.

(2) The allocation between the Partnership and Parker & Parsley 87-A, Ltd. is 11.80396% and 88.19604%, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

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	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	173,242	260,824
Revisions	(70,303)	(79,797)
Production	(14,371)	(24,025)
Net proved reserves at December 31, 1998	88,568	157,002
Revisions	121,459	218,318
Production	(13,578)	(24,503)
Net proved reserves at December 31, 1999	196,449	350,817
Revisions	(1,562)	(40,268)
Production	(13,096)	(20,355)
Net proved reserves at December 31, 2000	181,791	290,194

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.38 per barrel of NGLs and $7.67 per mcf of gas, discounted at 10% was approximately $1,465,000 and undiscounted was $2,903,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 6,182	$ 4,834	$ 964
Future production costs	(3,279)	(2,837)	(754)
	2,903	1,997	210
10% annual discount factor	(1,438)	(931)	(61)
Standardized measure of discounted future net cash flows	$ 1,465	$ 1,066	$ 149

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (231)	$ (107)	$ (52)
Net changes in prices and production costs	663	480	(462)
Revisions of previous quantity estimates	(56)	878	(87)
Accretion of discount	106	15	71
Changes in production rates, timing and other	(83)	(349)	(26)
Change in present value of future net revenues	399	917	(556)
Balance, beginning of year	1,066	149	705
Balance, end of year	$ 1,465	$ 1,066	$ 149

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	43%	40%	--
Phillips Petroleum Company	10%	--	--
Genesis Crude Oil, L.P.	--	--	54%
Western Gas Resources, Inc.	4%	7%	29%
NGTS LLC	8%	--	--

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and Phillips Petroleum Company were $16,353 and $3,196, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Program and Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The partners entered into subscription agreements for aggregate capital contributions of $3,856,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and organization and offering costs allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

PARKER & PARSLEY 87-A CONV., LTD.
(A TEXAS LIMITED PARTNERSHIP)

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 63% to $380,908 for 2000 as compared to $234,259 in 1999. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 2000, 8,407 barrels of oil, 4,689 barrels of natural gas liquids ("NGLs") and 20,355 mcf of gas were sold, or 16,489 barrel of oil equivalents ("BOEs"). In 1999, 8,263 barrels of oil, 5,315 barrels of NGLs and 24,503 mcf of gas were sold, or 17,662 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 increased $12.40, or 73%, from $17.06 in 1999 to $29.46 in 2000. The average price received per barrel of NGLs increased $6.20, or 63%, from $9.81 in 1999 to $16.01 in 2000. The average price received per mcf of gas increased 70% from $1.68 in 1999 to $2.86 in 2000. 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 in 2000.

Total costs and expenses increased in 2000 to $191,926 as compared to $169,175 in 1999, an increase of $22,751, or 13%. The increase was primarily due to increases in production costs, impairment of oil and gas properties and general and administrative expenses ("G&A"), offset by a decline in depletion.

Gains on disposition of assets of $857 and $1,184 were due to equipment credits received on one well during 2000 and 1999, respectively.

Production costs were $150,075 in 2000 and $126,927 in 1999, resulting in a $23,148 increase, or 18%. The increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 61% from $6,978 in 1999 to $11,235 in 2000, 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. The Partnership paid the managing general partner $9,809 in 2000 and $4,592 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $5,726 related to its oil and gas properties during 2000.

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Depletion was $24,890 in 2000 as compared to $35,270 in 1999, representing a decrease of $10,380, or 29%. This decrease was primarily due to an 8,116 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 20% to $234,259 from $194,541 in 1998. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 1999, 8,263 barrels of oil, 5,315 barrels of NGLs and 24,503 mcf of gas were sold, or 17,662 BOEs. In 1998, 9,354 barrels of oil, 5,017 barrels of NGLs and 24,025 mcf of gas were sold, or 18,375 BOEs.

The average price received per barrel of oil increased $3.84, or 29%, from $13.22 in 1998 to $17.06 in 1999. The average price received per barrel of NGLs increased $3.05, or 45%, from $6.76 in 1998 to $9.81 in 1999. The average price received per mcf of gas increased 9% from $1.54 in 1998 to $1.68 in 1999.

Total costs and expenses decreased in 1999 to $169,175 as compared to $295,804 in 1998, a decrease of $126,629, or 43%. The decrease was primarily due to declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A.

Production costs were $126,927 in 1999 and $143,008 in 1998, resulting in a $16,081 decrease, or 11%. The decrease was due to declines in well maintenance costs, workover expenses and ad valorem taxes, offset by an increase in production taxes due to increased oil and gas revenues.

During this period, G&A increased 22% from $5,727 in 1998 to $6,978 in 1999 primarily due to a higher allocation 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. The Partnership paid the managing general partner $4,592 in 1999 and $4,507 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $63,814 related to its oil and gas properties during 1998.

Depletion was $35,270 in 1999 compared to $83,255 in 1998, representing a decrease of $47,985, or 58%. This decrease was primarily due to an increase in proved reserves of 71,246 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 1,091 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $107,462 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $148,262, offset by increases in production costs paid of $23,148, G&A expenses paid of $4,257 and working capital of $13,395. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $165,908 to oil and gas receipts, offset by $17,646 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and workover and well maintenance costs incurred to stimulate well production. The increase in G&A was primarily due to 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 2000 and 1999 were related to upgrades of equipment on active properties.

Proceeds from asset dispositions of $1,340 and $1,238 received during 2000 and 1999, respectively, were primarily due to equipment credits received on active properties.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $208,425, of which $2,084 was distributed to the managing general partner and $206,341 to the limited partners. In 1999, cash distributions to the partners were $70,098, of which $701 was distributed to the managing general partner and $69,397 to the limited partners.

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PARKER & PARSLEY 87-A CONV., LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 86,783	$ 380,908	$ 234,259	$ 194,541
Impairment of oil and gas properties	$	$ --	$ 5,726	$ --	$ 63,814
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 43,193	$ 193,583	$ 68,399	$ (98,562)
Allocation of net income (loss):					
Managing general partner	$	$ 432	$ 1,936	$ 684	$ (986)
Limited partners	$	$ 42,761	$ 191,647	$ 67,715	$ (97,576)

Limited partners' net income (loss) per limited partnership interest	$	$ 11.09	$ 49.70	$ 17.56	$ (25.30)
Limited partners' cash distributions per limited partnership interest	$	$ 11.58	$ 53.51	$ 18.00	$ 19.54
At year end:					
Total assets	$	$ 462,018	$ 446,602	$ 462,486	$ 462,922

(a) Including litigation settlement per limited partnership interest of $29.44 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-A, LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED   , 2001

THE DATE OF THIS SUPPLEMENT IS   , 2001

This document contains important information specific to Parker & Parsley 87-A, Ltd. and supplements the proxy statement/prospectus dated   , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 87-A, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001

-- the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA

-- the merger value per $1,000 limited partner investment as of March 31, 2001

-- the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001

-- the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000

-- the going concern value per $1,000 limited partner investment as of March 31, 2001

-- the liquidation value per $1,000 limited partner investment as of March 31, 2001

-- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 87-A, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	

-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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 incorporation or organization)	(I.R.S. Employer Identification Number)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $28,636,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 28,811.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

Parker & Parsley 87-A, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 28,811 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers. Of the Partnership's total oil and gas revenues for 2000, approximately 43% and 11% was attributable to sales made to Plains Marketing, L.P. and NGTS LLC, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.

The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located primarily in the Spraberry Trend area of West Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 96 oil and gas wells. Two wells were dry holes. Six uneconomical wells were plugged and abandoned and 15 oil and gas wells have been sold. At December 31, 2000, 73 wells were producing.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998, and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 28,811 outstanding limited partnership interests held of record by 2,148 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $1,541,726 and $518,518, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	199
Operating results:					
Oil and gas sales	$ 2,845,556	$ 1,750,425	$ 1,453,492	$ 2,232,898	$ 2,62
Gain on litigation settlement, net	$ -	$ -	$ -	$ -	$ 84
Impairment of oil and gas properties	$ 42,807	$ -	$ 477,501	$ 732,890	$ 34
Net income (loss)	$ 1,444,249	$ 511,237	$ (736,103)	$ (49,528)	$ 1,80
Allocation of net income (loss):					
Managing general partner	$ 14,442	$ 5,112	$ (7,361)	$ (495)	$ 1
Limited partners	$ 1,429,807	$ 506,125	$ (728,742)	$ (49,033)	$ 1,78
Limited partners' net income (loss) per limited partnership interest	$ 49.63	$ 17.57	$ (25.29)	$ (1.70)	$
Limited partners' cash distributions per limited partnership interest	$ 53.51	$ 18.00	$ 19.54	$ 42.52	$
At year end:					
Identifiable assets	$ 3,343,783	$ 3,464,619	$ 3,466,459	$ 4,793,102	$ 6,17

(a) Including litigation settlement per limited partnership interest of $29.15 in 1996.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 63% to $2,845,556 for 2000 as compared to $1,750,425 in 1999. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 2000, 62,796 barrels of oil, 35,028 barrels of natural gas liquids ("NGLs") and 152,075 mcf of gas were sold, or 123,170 barrel of oil equivalents ("BOEs"). In 1999, 61,734 barrels of oil, 39,707 barrels of NGLs and 183,099 mcf of gas were sold, or 131,958 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 increased $12.40, or 73%, from $17.06 in 1999 to $29.46 in 2000. The average price received per barrel of NGLs increased $6.20, or 63%, from $9.81 in 1999 to $16.01 in 2000. The average price received per mcf of gas increased 70% from $1.68 in 1999 to $2.86 in 2000. The market price received 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 in 2000.

Gains on disposition of assets of $6,407 and $8,848 were due to equipment credits received on one well during 2000 and 1999, respectively.

Total costs and expenses increased in 2000 to $1,435,888 compared to $1,264,233 in 1999, an increase of $171,655, or 14%. The increase resulted from increases in production costs, the impairment of oil and gas properties and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $1,121,487 in 2000 and $948,362 in 1999, resulting in an increase of $173,125, or 18%. This increase was primarily due to higher production taxes associated with higher oil and gas prices 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 increased 63% from $52,563 in 1999 to $85,559 in 2000 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. The Partnership paid the managing general partner $73,296 in 2000 and $34,349 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $42,807 related to its oil and gas properties during 2000.

Depletion was $186,035 in 2000 as compared to $263,308 in 1999, representing a decrease of $77,273, or 29%. This decrease was primarily due to a 45,228 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 20% to $1,750,425 from $1,453,492 in 1998. The increase in revenues resulted from higher average prices received, offset by a decrease in production. In 1999, 61,734 barrels of oil, 39,707 barrels of NGLs and 183,099 mcf of gas were sold, or 131,958 BOEs. In 1998, 69,905 barrels of oil, 37,470 barrels of NGLs and 179,494 mcf of gas were sold, or 137,291 BOEs.

The average price received per barrel of oil increased $3.84, or 29%, from $13.22 in 1998 to $17.06 in 1999. The average price received per barrel of NGLs increased $3.05, or 45%, from $6.76 in 1998 to $9.81 in 1999. The average price received per mcf of gas increased 9% from $1.54 in 1998 to $1.68 in 1999.

A gain on disposition of assets of $8,848 was recognized during 1999 from equipment credits received on one fully depleted well. During 1998, a gain on disposition of assets of $765 was received from the sale of equipment on one saltwater disposal well plugged and abandoned in a prior year.

Total costs and expenses decreased in 1999 to $1,264,233 compared to $2,210,330 in 1998, a decrease of $946,097, or 43%. The decrease resulted from declines in the impairment of oil and gas properties, depletion and production costs, offset by an increase in G&A.

Production costs were $948,362 in 1999 and $1,068,450 in 1998, resulting in a $120,088 decrease, or 11%. This decrease was primarily attributable to reductions in well maintenance costs, workover expenses and ad valorem taxes, offset by an increase in production taxes due to increased in oil and gas revenues.

During this period, G&A increased, in aggregate, 23% from $42,787 in 1998 to $52,563 in 1999 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. The Partnership paid the managing general partner $34,349 in 1999 and $33,674 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $477,501 related to its oil and gas properties during 1998.

Depletion was $263,308 in 1999 compared to $621,592 in 1998. This represented a decrease of $358,284, or 58%. This decrease was the result of a combination of factors that included an increase in proved reserves of 532,499 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 8,171 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $934,385 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $1,107,108 and a decline in working capital of $33,398, offset by increases in production costs paid of $173,125 and G&A expenses paid of $32,996. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $1,239,482 to oil and gas receipts, offset by $132,374 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional well maintenance and workover costs incurred to stimulate well production. The increase in G&A was primarily due to 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 2000 and 1999 were related to the upgrades of oil and gas equipment on active properties.

Proceeds from asset dispositions of $10,011 and $9,249 received during 2000 and 1999, respectively, were from equipment credits on one well in each year.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $1,557,299, of which $15,573 was distributed to the managing general partner and $1,541,726 to the limited partners. In 1999, cash distributions to the partners were $523,756, of which $5,238 was distributed to the managing general partner and $518,518 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 87-A, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 87-A, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 87-A, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 321,340	$ 339,531
Accounts receivable - oil and gas sales	435,508	324,832
Total current assets	756,848	664,363
Oil and gas properties - at cost, based on the successful efforts accounting method	20,198,629	20,183,108
Accumulated depletion	(17,611,694)	(17,382,852)
Net oil and gas properties	2,586,935	2,800,256
	$ 3,343,783	$ 3,464,619

LIABILITIES AND PARTNERS' CAPITAL

Current liabilities:		
Accounts payable - affiliate	$ 37,865	$ 45,651
Partners' capital:		
Managing general partner	33,032	34,163
Limited partners (28,811 interests)	3,272,886	3,384,805
	3,305,918	3,418,968
	$ 3,343,783	$ 3,464,619

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

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PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 2,845,556	$ 1,750,425	$ 1,453,492
Interest	28,174	16,197	19,970
Gain on disposition of assets	6,407	8,848	765
	2,880,137	1,775,470	1,474,227
Costs and expenses:			
Oil and gas production	1,121,487	948,362	1,068,450
General and administrative	85,559	52,563	42,787
Impairment of oil and gas properties	42,807	--	477,501
Depletion	186,035	263,308	621,592
	1,435,888	1,264,233	2,210,330
Net income (loss)	$ 1,444,249	$ 511,237	$ (736,103)

Allocation of net income (loss):			
Managing general partner	$ 14,442	$ 5,112	$ (7,361)
Limited partners	$ 1,429,807	$ 506,125	$ (728,742)
Net income (loss) per limited partnership interest	$ 49.63	$ 17.57	$ (25.29)

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

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 47,336	$ 4,688,910	$ 4,736,246
Distributions	(5,686)	(562,970)	(568,656)
Net loss	(7,361)	(728,742)	(736,103)
Partners' capital at December 31, 1998	34,289	3,397,198	3,431,487
Distributions	(5,238)	(518,518)	(523,756)
Net income	5,112	506,125	511,237
Partners' capital at December 31, 1999	34,163	3,384,805	3,418,968
Distributions	(15,573)	(1,541,726)	(1,557,299)
Net income	14,442	1,429,807	1,444,249
Partners' capital at December 31, 2000	$ 33,032	$ 3,272,886	$ 3,305,918

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

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 1,444,249	$ 511,237	$ (736,103)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	42,807	--	477,501
Depletion	186,035	263,308	621,592
Gain on disposition of assets	(6,407)	(8,848)	(765)
Changes in assets and liabilities:			
Accounts receivable	(110,676)	(162,539)	128,574
Accounts payable	(7,786)	10,679	(21,884)
Net cash provided by operating activities	1,548,222	613,837	468,915
Cash flows from investing activities:			
Additions to oil and gas properties	(19,125)	(42,098)	(17,466)
Proceeds from disposition of assets	10,011	9,249	15,652
Net cash used in investing activities	(9,114)	(32,849)	(1,814)
Cash flows used in financing activities:			
Cash distributions to partners	(1,557,299)	(523,756)	(568,656)
Net increase (decrease) in cash	(18,191)	57,232	(101,555)
Cash at beginning of year	339,531	282,299	383,854
Cash at end of year	$ 321,340	$ 339,531	$ 282,299

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

PARKER & PARSLEY 87-A, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $42,807 and $477,501 related to its proved oil and gas properties during 2000 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $254,091 less than the tax basis at December 31, 2000.

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The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 1,444,249	$ 511,237	$ (736,103)
Intangible development costs capitalized for financial reporting purposes and expensed for tax reporting purposes	--	--	(6)
Depletion and depreciation provisions for tax reporting purposes less than amount for financial reporting purposes	162,602	238,819	584,799
Impairment of oil and gas properties for financial reporting purposes	42,807	--	477,501
Salvage income	1,288	--	13,408
Other, net	(3,728)	(5,120)	6,254
Net income per Federal income tax returns	$ 1,647,218	$ 744,936	$ 345,853

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 19,125	$ 42,098	$ 17,466

Capitalized oil and gas properties consist of the following:

	2000	1999

Proved properties:		
Property acquisition costs	$ 946,545	$ 946,545
Completed wells and equipment	19,252,084	19,236,563
	20,198,629	20,183,108
Accumulated depletion	(17,611,694)	(17,382,852)
Net oil and gas properties	$ 2,586,935	$ 2,800,256

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 428,017	$ 440,563	$ 442,313
Reimbursement of general and administrative expenses	$ 73,296	$ 34,349	$ 33,674

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA, Parker & Parsley 87-A Conv., L.P. and the Partnership (the "Partnerships") are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnerships as follows:

	Pioneer USA (1)	Partnerships(2)
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion and all other costs	9.09091%	90.90909%

Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 175 limited partner interests owned by Pioneer USA.

(2) The allocation between the Partnership and Parker & Parsley 87-A Conv., L.P. is 88.19604% and 11.80396%, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	1,294,911	1,949,548
Revisions	(525,530)	(596,528)
Production	(107,375)	(179,494)
Net proved reserves at December 31, 1998	662,006	1,173,526
Revisions	907,814	1,631,783
Production	(101,441)	(183,099)
Net proved reserves at December 31, 1999	1,468,379	2,622,210
Revisions	(35,573)	(336,529)
Production	(97,824)	(152,075)
Net proved reserves at December 31, 2000	1,334,982	2,133,606

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.83 per barrel of NGLs and $7.67 per mcf of gas, discounted at 10% was approximately $10,856,000 and undiscounted was $21,368,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and gas producing activities:			
Future cash inflows	$ 45,412	$ 36,134	$ 7,206
Future production costs	(24,044)	(21,211)	(5,635)
	21,368	14,923	1,571
10% annual discount factor	(10,512)	(6,959)	(455)
Standardized measure of discounted future net cash flows	$ 10,856	$ 7,964	$ 1,116

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (1,724)	$ (802)	$ (385)
Net changes in prices and production costs	4,989	3,587	(3,456)
Revisions of estimated future development costs	-	-	-
Revisions of previous quantity estimates	(618)	6,565	(652)
Accretion of discount	796	111	527
Changes in production rates, timing and other	(551)	(2,613)	(189)
Change in present value of future net revenues	2,892	6,848	(4,155)
Balance, beginning of year	7,964	1,116	5,271
Balance, end of year	$ 10,856	$ 7,964	$ 1,116

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	43%	39%	-
Genesis Crude Oil, L.P.	-	-	54%
Western Gas Resources, Inc.	3%	7%	29%
NGTS LLC	11%	9%	1%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and NGTS LLC were $122,179 and $4,335, respectively, which is included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The general partner of the Partnership is

Pioneer USA. Pioneer USA, the managing general partner, has the power and authority to manage, control and administer all Program and Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement,

the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $28,811,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director
Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA, Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 175 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 428,017	$ 440,563	$ 442,313
Reimbursement of general and administrative expenses	$ 73,296	$ 34,349	$ 33,674

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1%

of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data", regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules.

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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.

Dated: March 29, 2001

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

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ------------------------------- Scott D. Sheffield	President of Pioneer USA	March 29, 2001
/s/ Timothy L. Dove ------------------------------- Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 29, 2001
/s/ Dennis E. Fagerstone ------------------------------- Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 29, 2001
/s/ Mark L. Withrow ------------------------------- Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 29, 2001
/s/ Danny Kellum ------------------------------- Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 29, 2001
/s/ Rich Dealy ------------------------------- Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 29, 2001

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PARKER & PARSLEY 87-A, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
4(a)	Agreement of Limited Partnership of Parker & Parsley 87-A, Ltd. incorporated by reference to Exhibit A of the Partnership's Registration Statement on Form S-1 (Registration No. 33-16910) (hereinafter called the Partnership's Registration Statement	-
4(b)	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit D of the Partnership's Registration Statement	-
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit D of the Partnership's Registration Statement	-
10(b)	Development Program Agreement incorporated by reference to Exhibit C of the Partnership's Registration Statement	-

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PARKER & PARSLEY 87-A, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 648,941	$2,845,556	$1,750,425	$1,453,492

Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ 42,807	$ --	$ 477,501
Net income (loss)	$	$ 323,110	$1,444,249	$ 511,237	$ (736,103)
Allocation of net income (loss):					
Managing general partner	$	$ 3,231	$ 14,442	$ 5,112	$ (7,361)
Limited partners	$	$ 319,879	$1,429,807	$ 506,125	$ (728,742)
Limited partners' net income (loss) per limited partnership interest	$	$ 11.10	$ 49.63	$ 17.57	$ (25.29)
Limited partners' cash distributions per limited partnership interest	$	$ 11.58	$ 53.51	$ 18.00	$ 19.54
At year end:					
Identifiable assets	$	$3,462,012	$3,343,783	$3,464,619	$3,466,459

(a) Including litigation settlement per limited partnership interest of $29.15 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-B, CONV., LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 87-B Conv., Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 87-B Conv., Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- The partnership's financial statements, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY 87-B CONV., LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$ 1
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$ 1
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners. Although not required by the partnership agreement, the opinion will also state that neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to

Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2000 and 1999

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 87-B Conv., Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 87-B Conv., Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 87-B Conv., Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

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PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 62,552	$ 71,344
Accounts receivable - oil and gas sales	87,620	36,226
Total current assets	150,172	107,570
Oil and gas properties - at cost, based on the successful efforts accounting method	3,280,150	3,277,595
Accumulated depletion	(2,733,516)	(2,675,751)
Net oil and gas properties	546,634	601,844
	$ 696,806	$ 709,414
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 6,423	$ 7,274
Partners' capital:		
Managing general partner	6,889	7,006
Limited partners (4,919 interests)	683,494	695,134
	690,383	702,140
	$ 696,806	$ 709,414

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

PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$ 469,502	$ 278,326	$ 236,434
Interest	5,144	3,117	3,558
Gain on disposition of assets	1,005	--	3,419
	475,651	281,443	243,411
Costs and expenses:			
Oil and gas production	172,228	155,029	146,967
General and administrative	13,873	8,214	7,093
Impairment of oil and gas properties	21,231	--	48,745
Depletion	36,534	49,790	120,823
Abandoned property	--	--	965
	243,866	213,033	324,593
Net income (loss)	$ 231,785	$ 68,410	$ (81,182)
Allocation of net income (loss):			
Managing general partner	$ 2,318	$ 684	$ (812)

Limited partners	$ 229,467	$ 67,726	$ (80,370)
Net income (loss) per limited partnership interest	$ 46.65	$ 13.77	$ (16.34)

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

PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total
Partners' capital at January 1, 1998	$ 9,098	$ 902,134	$ 911,232
Distributions	(1,056)	(104,488)	(105,544)
Net loss	(812)	(80,370)	(81,182)
Partners' capital at December 31, 1998	7,230	717,276	724,506
Distributions	(908)	(89,868)	(90,776)
Net income	684	67,726	68,410
Partners' capital at December 31, 1999	7,006	695,134	702,140

Distributions	(2,435)	(241,107)	(243,542)
Net income	2,318	229,467	231,785
Partners' capital at December 31, 2000	$ 6,889	$ 683,494	$ 690,383

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

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PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 231,785	$ 68,410	$ (81,182)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	21,231	--	48,745
Depletion	36,534	49,790	120,823
Gain on disposition of assets	(1,005)	--	(3,419)
Changes in assets and liabilities:			
Accounts receivable	(51,394)	(7,809)	15,837
Accounts payable	(851)	2,071	(4,734)

Net cash provided by operating activities	236,300	112,462	96,070
Cash flows from investing activities:			
Additions to oil and gas properties	(2,609)	(4,857)	(5,631)
Proceeds from disposition of assets	1,059	1,226	3,419
Net cash used in investing activities	(1,550)	(3,631)	(2,212)
Cash flows used in financing activities:			
Cash distributions to partners	(243,542)	(90,776)	(105,544)
Net increase (decrease) in cash	(8,792)	18,055	(11,686)
Cash at beginning of year	71,344	53,289	64,975
Cash at end of year	$ 62,552	$ 71,344	$ 53,289

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

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PARKER & PARSLEY 87-B CONV., LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $21,231 and $48,745 related to its proved oil and gas properties during 2000 and 1998, respectively.

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NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $63,837 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 231,785	$ 68,410	$(81,182)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	33,614	47,165	116,988
Impairment of oil and gas properties for financial reporting purposes	21,231	--	48,745
Other, net	(643)	(5,995)	(1,248)

Net income per Federal income tax returns	$ 285,987	$ 109,580	$ 83,303

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 2,609	$ 4,857	$ 5,631

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 135,396	$ 135,396
Completed wells and equipment	3,144,754	3,142,199
	3,280,150	3,277,595
Accumulated depletion	(2,733,516)	(2,675,751)
Net oil and gas properties	$ 546,634	$ 601,844

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$74,535	$73,744	$71,600

Reimbursement of general and administrative expenses	$12,385	$ 5,720	$ 5,800

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Pioneer USA, Parker & Parsley 87-B, Ltd. and the Partnership (the "Partnerships") are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnerships as follows:

	Pioneer USA (1)	Partnerships (2)
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 10 limited partner interests owned by Pioneer USA.

(2) The allocation between the Partnership and Parker & Parsley 87-B, Ltd. is 19.66971% and 80.33029%, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	230,505	316,120
Revisions	(76,948)	(70,310)
Production	(17,879)	(25,477)

Net proved reserves at December 31, 1998	135,678	220,333
Revisions	155,187	272,717
Production	(16,758)	(24,436)
Net proved reserves at December 31, 1999	274,107	468,614
Revisions	(9,351)	(76,076)
Production	(16,015)	(23,682)
Net proved reserves at December 31, 2000	248,741	368,856

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.26 per barrel of NGLs and $7.62 per mcf of gas, discounted at 10% was approximately $1,851,000 and undiscounted was $3,947,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 31,		
	2000	1999	1998

	(in thousands)		
Oil and gas producing activities:			
Future cash inflows	$ 8,237	$ 6,760	$ 1,480
Future production costs	(4,290)	(3,786)	(1,130)
	3,947	2,974	350
10% annual discount factor	(2,096)	(1,454)	(110)
Standardized measure of discounted future net cash flows	$ 1,851	$ 1,520	$ 240

	For the years ended December 31,		
	2000	1999	1998
	(in thousands)		
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (297)	$ (123)	$ (89)
Net changes in prices and production costs	795	742	(585)
Revisions of previous quantity estimates	(143)	1,162	(100)
Accretion of discount	152	24	94
Changes in production rates, timing and other	(176)	(525)	(21)
Change in present value of future net revenues	331	1,280	(701)
Balance, beginning of year	1,520	240	941
Balance, end of year	$ 1,851	$ 1,520	$ 240

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	49%	50%	-
Genesis Crude Oil, L.P.	2%	1%	57%
Western Gas Resources, Inc.	4%	6%	26%
Phillips Petroleum Company	16%	-	-

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and Phillips Petroleum Company were $23,391 and $10,443, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Program and Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The partners entered into subscription agreements for aggregate capital contributions of $4,919,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and organization and offering costs allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

PARKER & PARSLEY 87-B CONV., LTD.
(A TEXAS LIMITED PARTNERSHIP)

THIS REPORT 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 69% to $469,502 for 2000 as compared to $278,326 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 10,352 barrels of oil, 5,663 barrels of natural gas liquids ("NGLs") and 23,682 mcf of gas were sold, or 19,962 barrel of oil equivalents ("BOEs"). In 1999, 10,784 barrels of oil, 5,974 barrels of NGLs and 24,436 mcf of gas were sold, or 20,831 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 increased $12.60, or 75%, from $16.71 in 1999 to $29.31 in 2000. The average price received per barrel of NGLs increased $7.17, or 74%, from $9.73 in 1999 to $16.90 in 2000. The average price received per mcf of gas increased 82% from $1.64 in 1999 to $2.98 in 2000. 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 in 2000.

A gain on disposition of assets of $1,005, recognized during 2000, was attributable to credits received from the disposal of oil and gas equipment on one fully depleted well.

Total costs and expenses increased in 2000 to $243,866 as compared to $213,033 in 1999, an increase of $30,833, or 14%. The increase was primarily due to the impairment of oil and gas properties and increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $172,228 in 2000 and $155,029 in 1999, resulting in a $17,199 increase, or 11%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and additional well maintenance costs incurred to stimulate well production, offset by a decline in 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 increased 69% from $8,214 in 1999 to $13,873 in 2000, 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. The Partnership paid the managing general partner $12,385 in 2000 and $5,720 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $21,231 related to its oil and gas properties during 2000.

Depletion was $36,534 in 2000 as compared to $49,790 in 1999, representing a decrease of $13,256, or 27%. This decrease was primarily due to a 2,194 barrels of oil increase in proved reserves during 2000 as a result of higher commodity

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prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 18% to $278,326 from $236,434 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 10,784 barrels of oil, 5,974 barrels of NGLs and 24,436 mcf of gas were sold, or 20,831 BOEs. In 1998, 12,040 barrels of oil, 5,839 barrels of NGLs and 25,477 mcf of gas were sold, or 22,125 BOEs.

The average price received per barrel of oil increased $3.54, or 27%, from $13.17 in 1998 to $16.71 in 1999. The average price received per barrel of NGLs increased $2.91, or 43%, from $6.82 in 1998 to $9.73 in 1999. The average price received per mcf of gas increased 10% from $1.49 in 1998 to $1.64 in 1999.

A gain on disposition of assets of $3,419 was recognized during 1998 from the sale of oil and gas equipment on one well abandoned in a prior year. Abandoned property costs of $965 in 1998 were related to this abandonment.

Total costs and expenses decreased in 1999 to $213,033 as compared to $324,593 in 1998, a decrease of $111,560, or 34%. The decrease was primarily due to declines in depletion, the impairment of oil and gas properties and abandoned property costs, offset by increases in production costs and G&A.

Production costs were $155,029 in 1999 and $146,967 in 1998, resulting in an $8,062 increase, or 5%. The increase was due to increases in well maintenance costs and workover costs incurred to stimulate well production, offset by a decline in ad valorem taxes.

During this period, G&A increased 16% from $7,093 in 1998 to $8,214 in 1999 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. The Partnership paid the managing general partner $5,720 in 1999 and $5,800 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $48,745 related to its oil and gas properties during 1998.

Depletion was $49,790 in 1999 compared to $120,823 in 1998, representing a decrease of $71,033, or 59%. This decrease was the result of a 92,485 barrels of oil increase in proved reserves during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 1,256 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum Industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

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Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $123,838 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $193,203, offset by increases in production costs paid of $17,199, G&A expenses paid of $5,659 and working capital of $46,507. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $213,360 to oil and gas receipts, offset by $20,157 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional well maintenance costs incurred to stimulate well production, offset by a decline in workover expense. The increase in G&A was primarily due to 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 2000 and 1999 were related to expenditures for oil and gas equipment upgrades on active properties.

Proceeds from asset dispositions of $1,059 were comprised of $1,005 received from salvage income on one fully depleted well and $54 from equipment credits received on one active well. Proceeds of $1,226 received during 1999 were from equipment credits received on one temporarily abandoned well.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $243,542, of which $2,435 was distributed to the managing general partner and $241,107 to the limited partners. In 1999, cash distributions to the partners were $90,776, of which $908 was distributed to the managing general partner and $89,868 to the limited partners.

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PARKER & PARSLEY 87-B CONV., LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 111,198	$ 469,502	$ 278,326	$ 236,434
Impairment of oil and gas properties	$	$ --	$ 21,231	$ --	$ 48,745
Gain on litigation settlement, net	$	$ --	$ --	$ --	$ --
Net income (loss)	$	$ 60,346	$ 231,785	$ 68,410	$ (81,182)
Allocation of net income (loss):					
Managing general partner	$	$ 604	$ 2,318	$ 684	$ (812)
Limited partners	$	$ 59,742	$ 229,467	$ 67,726	$ (80,370)
Limited partners' net income (loss) per limited partnership interest	$	$ 12.15	$ 46.65	$ 13.77	$ (16.34)
Limited partners' cash distributions per limited partnership interest	$	$ 10.07	$ 49.02	$ 18.27	$ 21.24
At year end:					
Total assets	$	$ 721,918	$ 696,806	$ 709,414	$ 729,709

(a) Including litigation settlement per limited partnership interest of $29.40 in 1996.

PIONEER NATURAL RESOURCES COMPANY
PIONEER NATURAL RESOURCES USA, INC.

1400 WILLIAMS SQUARE WEST
5205 NORTH O'CONNOR BLVD.
IRVING, TEXAS 75039

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY 87-B, LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley 87-B, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley 87-B, Ltd.:

- A table containing:
  - the aggregate initial investment by the limited partners
  - the aggregate historical limited partner distributions through March 31, 2001
  - the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA
  - the merger value per $1,000 limited partner investment as of March 31, 2001
  - the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001
  - the book value per $1,000 limited partner investment as of March 31, 2001 and as of December 31, 2000
  - the going concern value per $1,000 limited partner investment as of March 31, 2001
  - the liquidation value per $1,000 limited partner investment as of March 31, 2001
  - the ordinary tax loss per $1,000 limited partner investment in year of initial investment
- Information about the legal opinion for the limited partners

- o The partnership's quarterly report on Form 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001
- o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000
- o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

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PARKER & PARSLEY 87-B, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)	$
Aggregate Historical Limited Partner Distributions through March 31, 2001(a)	$
Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)	$
Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)	
Book Value per $1,000 Limited Partner Investment:	
-- as of March 31, 2001(b)	$
-- as of December 31, 2000(b)	$
Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)	$
Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment (b), (c)	$

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as any value or amount attributable to a single unit investment.

(c) Your ability to use your distributive share of the partnership's loss to offset your other income may have been subject to certain limitations at your level as a partner, and you may therefore wish to consult your tax advisor to determine the additional value, if any, actually realized by you in your particular circumstances.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained ___________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)
1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($1,000 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $20,044,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 20,089.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

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PART I

ITEM 1. BUSINESS

Parker & Parsley 87-B, Ltd. (the "Partnership") is a limited partnership organized in 1987 under the laws of the State of Texas. The Partnership's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 20,089 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 49% and 16% was attributable to sales made to Plains Marketing, L.P. and Phillips Petroleum Company. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or gas could have a material adverse effect on the Partnership's revenues, profitability and cash flow and could, under certain circumstances, result in a reduction in the carrying value of the Partnership's oil and gas properties.

Oil and gas production operations are subject to various types of regulations by local, state and federal agencies. The Partnership's operations are also subject to state conservation laws and regulations, including the establishment of maximum rates of production from wells and the regulation of spacing, plugging and abandonment of wells. Each state generally imposes a production or severance tax with respect to production and sale of oil and gas within their respective jurisdictions. Noncompliance with the laws and regulations may subject the Partnership to penalties, damages or other liabilities and compliance may increase the cost of the Partnership's operations.
The oil and gas business is also subject to environmental hazards such as oil spills, gas leaks and ruptures and discharges of toxic substances or gases that could expose the Partnership to substantial

liability due to pollution and other environmental damages. Although the Partnership believes that its business operations do not impair environmental quality and that its costs of complying with any applicable environmental regulations are not currently significant, the Partnership cannot predict what, if any, effect these environmental regulations may have on its current or future operations.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves.

No material part of the Partnership's business is seasonal and the Partnership conducts no foreign operations.

ITEM 2. PROPERTIES

The Partnership's properties consist of leasehold interests in properties on which oil and gas wells are located. Such property interests are often subject to landowner royalties, overriding royalties and other oil and gas leasehold interests.

Fractional working interests in developmental oil and gas prospects located in Texas were acquired by the Partnership, resulting in the Partnership's participation in the drilling of 64 oil and gas wells. At December 31, 2000, 49 wells were producing; one well was a dry hole from a previous year; five wells have been plugged and abandoned and nine wells were sold.

For information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities for the years then ended, see Note 7 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" below. Such reserves have been evaluated by Williamson Petroleum Consultants, Inc., an independent petroleum consultant.

ITEM 3. LEGAL PROCEEDINGS

The Partnership from time to time is a party to various legal proceedings incidental to its business involving claims in oil and gas leases or interests, other claims for damages in amounts not in excess of 10% of its current assets and other matters, none of which Pioneer USA believes to be material to the Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the partners during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR LIMITED PARTNERSHIP INTERESTS AND LIMITED PARTNERSHIP DISTRIBUTIONS

At March 8, 2001, the Partnership had 20,089 outstanding limited partnership interests held of record by 1,468 subscribers. There is no established public trading market for the limited partnership interests. Under the limited partnership agreement, Pioneer USA has made certain commitments to purchase partnership interests at a computed value.

Revenues which, in the sole judgement of the managing general partner, are not required to meet the Partnership's obligations are distributed to the partners at least quarterly in accordance with the limited partnership agreement. During the years ended December 31, 2000 and 1999, distributions of $984,669 and $367,015, respectively, were made to the limited partners.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the years ended December 31:

	2000	1999	1998	1997	1996
Operating results:					
Oil and gas sales	$1,917,791	$1,136,700	$ 965,599	$1,412,905	$1,725,580
Gain on litigation settlement, net	$ -	$ -	$ -	$ -	$ 590,715
Impairment of oil and gas properties	$ 86,674	$ -	$ 199,037	$ 768,208	$ -
Net income (loss)	$ 945,927	$ 279,094	$ (331,789)	$ (347,350)	$1,199,153

Allocation of net income (loss):					
Managing general partner	$ 9,459	$ 2,791	$ (3,318)	$ (3,473)	$ 11,992
Limited partners	$ 936,468	$ 276,303	$ (328,471)	$ (343,877)	$1,187,161
Limited partners' net income (loss) per limited partnership interest	$ 46.62	$ 13.75	$ (16.35)	$ (17.12)	$ 59.10
Limited partners' cash distributions per limited partnership interest	$ 49.02	$ 18.27	$ 21.24	$ 35.83	$ 87.23 (a
At year end:					
Identifiable assets	$2,848,775	$2,900,940	$2,984,346	$3,766,001	$4,914,489

(a) Including litigation settlement per limited partnership interest of $29.11 in 1996.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations

2000 compared to 1999

The Partnership's oil and gas revenues increased 69% to $1,917,791 for 2000 as compared to $1,136,700 in 1999. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 2000, 42,280 barrels of oil, 23,121 barrels of natural gas liquids ("NGLs") and 96,740 mcf of gas were sold, or 81,524 barrel of oil equivalents ("BOEs"). In 1999, 44,029 barrels of oil, 24,404 barrels of NGLs and 99,771 mcf of gas were sold, or 85,062 BOEs. Due to the decline characteristics of the Partnership's oil and gas properties, management expects a certain amount of decline in production to continue in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil increased $12.60, or 75%, from $16.71 in 1999 to $29.31 in 2000. The average price received per barrel of NGLs increased $7.17, or 74%, from $9.73 in 1999 to $16.90 in 2000. The average price received per mcf of gas increased 82% from $1.64 in 1999 to $2.98 in 2000. The market price received 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 in 2000.

A gain on disposition of assets of $4,102, recognized during 2000, was attributable to credits received from the disposal of oil and gas equipment on one fully depleted well.

Total costs and expenses increased in 2000 to $997,051 as compared to $870,434 in 1999, an increase of $126,617, or 15%. The increase was primarily due to the impairment of oil and gas properties and increases in production costs and general and administrative expenses ("G&A"), offset by a decline in depletion.

Production costs were $703,352 in 2000 and $633,091 in 1999, resulting in an increase of $70,261, or 11%. The increase was primarily due to higher production taxes associated with higher oil and gas prices and additional well maintenance costs incurred to stimulate production, offset by a decline in 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 increased 69% from $34,237 in 1999 to $57,746 in 2000 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. The Partnership paid the managing general partner $50,579 in 2000 and $23,361 in 1999 for G&A incurred on behalf of the Partnership. The remaining G&A was paid directly by the Partnership. The managing general partner determines the allocated expenses based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated

to reflect changes in Pioneer USA's overall business activities.

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 managing general partner reviews the Partnership's oil and gas properties for impairment whenever events or circumstances indicate a decline in the recoverability of the carrying value of the Partnership's assets may have occurred. As a result of the review and evaluation of its long-lived assets for impairment, the Partnership recognized a non-cash charge of $86,674 related to its oil and gas properties during 2000.

Depletion was $149,279 in 2000 compared to $203,106 in 1999, representing a decrease of $53,827, or 27%. The decrease was primarily due to an 8,836 barrels of oil increase in proved reserves during 2000 as a result of higher commodity prices.

1999 compared to 1998

The Partnership's 1999 oil and gas revenues increased 18% to $1,136,700 from $965,599 in 1998. The increase in revenues resulted from higher average prices received, offset by a decline in production. In 1999, 44,029 barrels of oil, 24,404 barrels of NGLs and 99,771 mcf of gas were sold, or 85,062 BOEs. In 1998, 49,182 barrels of oil, 23,854 barrels of NGLs and 104,072 mcf of gas were sold, or 90,381 BOEs.

The average price received per barrel of oil increased $3.54, or 27%, from $13.17 in 1998 to $16.71 in 1999. The average price received per barrel of NGLs increased $2.91, or 43%, from $6.82 in 1998 to $9.73 in 1999. The average price received per mcf of gas increased 10% from $1.49 in 1998 to $1.64 in 1999.

A gain on disposition of assets of $13,965 was received during 1998 from the sale of oil and gas equipment on one well abandoned in a prior year. Abandoned property costs of $3,943 were incurred in 1998. These costs were attributable to the plugging and abandonment of one uneconomical well in a prior year.

Total costs and expenses decreased in 1999 to $870,434 as compared to $1,326,204 in 1998, a decrease of $455,770, or 34%. The decrease was due to declines in depletion, the impairment of oil and gas properties and abandoned property costs, offset by increases in production costs and G&A.

Production costs were $633,091 in 1999 and $600,702 in 1998, resulting in a $32,389 increase, or 5%. The increase was due to increases in well maintenance costs and workover costs incurred to stimulate well production, offset by a decline in ad valorem taxes.

During this period, G&A increased 18% from $28,968 in 1998 to $34,237 in 1999 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. The Partnership paid the managing general partner $23,361 in 1999 and $23,688 in 1998 for G&A incurred on behalf of the Partnership.

The Partnership recognized a non-cash SFAS 121 charge of $199,037 related to its oil and gas

properties during 1998.

Depletion was $203,106 in 1999 compared to $493,554 in 1998. This represented a decrease of $290,448, or 59%. The decrease was the result of a combination of factors that included an increase in proved reserves of 377,754 barrels of oil during 1999 as a result of higher commodity prices, a reduction in the Partnership's net depletable basis from charges taken in accordance with SFAS 121 during the fourth quarter of 1998 and a decline in oil production of 5,153 barrels for the period ended December 31, 1999 compared to the same period in 1998.

Petroleum industry

The petroleum industry has been characterized by volatile oil, NGL and natural gas commodity prices and relatively stable supplier costs during the three years ended December 31, 2000. During 1998, weather patterns, regional economic recessions and political matters combined to cause worldwide oil supplies to exceed demand resulting in a substantial decline in oil prices. Also during 1998, but to a lesser extent, market prices for natural gas declined. During 1999 and 2000, the Organization of Petroleum Exporting Countries ("OPEC") and certain other crude oil exporting nations announced reductions in their planned export volumes. Those announcements, together with the enactment of the announced reductions in export volumes, had a positive impact on world oil prices, as have overall natural gas supply and demand fundamentals on North American natural gas prices. Although the favorable commodity price environment and stable field service cost environment is expected to continue during 2001, there is no assurance that commodity prices will not return to a less favorable level or that field service costs will not escalate in the future, both of which could negatively impact the Partnership's future results of operations and cash distributions.

Liquidity and capital resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased $569,152 during the year ended December 31, 2000 from 1999. This increase was due to an increase in oil and gas sales receipts of $789,348, offset by increases in production costs paid of $70,261, G&A expenses paid of $23,509 and working capital of $126,426. The increase in oil and gas receipts resulted from the increase in commodity prices during 2000 which contributed an additional $871,310 to oil and gas receipts, offset by $81,962 resulting from the decline in production during 2000. The increase in production costs was primarily due to increased production taxes associated with higher oil and gas prices and additional well maintenance costs incurred to stimulate well production, offset by a decline in workover expenses. The increase in G&A was primarily due to 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 2000 and 1999 were related to expenditures for oil and gas equipment upgrades on active properties.

Proceeds from asset dispositions of $4,326 and $5,007 were received during 2000 and 1999, respectively. The proceeds of $4,326 were due to $4,102 salvage income on one fully depleted well

and the remaining $224 on equipment credits received on an active well. The proceeds of $5,007 were due to equipment credits received on one temporarily abandoned well.

Net Cash Used in Financing Activities

In 2000, cash distributions to the partners were $994,615, of which $9,946 was distributed to the managing general partner and $984,669 to the limited partners. In 1999, cash distributions to the partners were $370,722, of which $3,707 was distributed to the managing general partner and $367,015 to the limited partners.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Partners
Parker & Parsley 87-B, Ltd.
(A Texas Limited Partnership):

We have audited the balance sheets of Parker & Parsley 87-B, Ltd. as of December 31, 2000 and 1999, and the related statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker & Parsley 87-B, Ltd. as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Dallas, Texas
March 9, 2001

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

BALANCE SHEETS
December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 257,845	$ 262,756
Accounts receivable - oil and gas sales	357,836	179,571
Total current assets	615,681	442,327
Oil and gas properties - at cost, based on the successful efforts accounting method	13,396,004	13,385,570
Accumulated depletion	(11,162,910)	(10,926,957)
Net oil and gas properties	2,233,094	2,458,613
	$ 2,848,775	$ 2,900,940
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable - affiliate	$ 25,998	$ 29,475
Partners' capital:		
Managing general partner	28,156	28,643
Limited partners (20,089 interests)	2,794,621	2,842,822
	2,822,777	2,871,465
	$ 2,848,775	$ 2,900,940

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

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PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF OPERATIONS
For the years ended December 31

	2000	1999	1998
Revenues:			
Oil and gas	$1,917,791	$1,136,700	$ 965,599
Interest	21,085	12,828	14,851
Gain on disposition of assets	4,102	-	13,965
	1,942,978	1,149,528	994,415
Costs and expenses:			
Oil and gas production	703,352	633,091	600,702
General and administrative	57,746	34,237	28,968
Impairment of oil and gas properties	86,674	-	199,037
Depletion	149,279	203,106	493,554
Abandoned property	-	-	3,943
	997,051	870,434	1,326,204
Net income (loss)	$ 945,927	$ 279,094	$ (331,789)
Allocation of net income (loss):			
Managing general partner	$ 9,459	$ 2,791	$ (3,318)
Limited partners	$ 936,468	$ 276,303	$ (328,471)
Net income (loss) per limited partnership interest	$ 46.62	$ 13.75	$ (16.35)

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

PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF PARTNERS' CAPITAL

	Managing general partner	Limited partners	Total

Partners' capital at January 1, 1998	$ 37,187	$3,688,711	$3,725,898
Distributions	(4,310)	(426,706)	(431,016)
Net loss	(3,318)	(328,471)	(331,789)
Partners' capital at December 31, 1998	29,559	2,933,534	2,963,093
Distributions	(3,707)	(367,015)	(370,722)
Net income	2,791	276,303	279,094
Partners' capital at December 31, 1999	28,643	2,842,822	2,871,465
Distributions	(9,946)	(984,669)	(994,615)
Net income	9,459	936,468	945,927
Partners' capital at December 31, 2000	$ 28,156	$2,794,621	$2,822,777

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

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PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

STATEMENTS OF CASH FLOWS
For the years ended December 31

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 945,927	$ 279,094	$(331,789)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of oil and gas properties	86,674	-	199,037
Depletion	149,279	203,106	493,554
Gain on disposition of assets	(4,102)	-	(13,965)
Changes in assets and liabilities:			
Accounts receivable	(178,265)	(63,538)	64,682
Accounts payable	(3,477)	8,222	(18,850)
Net cash provided by operating activities	996,036	426,884	392,669

Cash flows from investing activities:			
Additions to oil and gas properties	(10,658)	(19,835)	(22,998)
Proceeds from disposition of assets	4,326	5,007	13,965
Net cash used in investing activities	(6,332)	(14,828)	(9,033)
Cash flows used in financing activities:			
Cash distributions to partners	(994,615)	(370,722)	(431,016)
Net increase (decrease) in cash	(4,911)	41,334	(47,380)
Cash at beginning of year	262,756	221,422	268,802
Cash at end of year	$ 257,845	$ 262,756	$ 221,422

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

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PARKER & PARSLEY 87-B, LTD.
(A Texas Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA").

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Oil and gas properties - The Partnership utilizes the successful efforts method of accounting for its oil and gas properties and equipment. Under this method, all costs associated with productive wells and nonproductive development wells are capitalized while nonproductive exploration costs are expensed. Capitalized costs relating to proved properties are depleted using the unit-of-production method on a property-by-property basis based on proved oil (dominant mineral) reserves as evaluated by independent petroleum consultants. The carrying amounts of properties sold or otherwise disposed of and the related allowances for depletion are eliminated from the accounts and any gain or loss is included in results of operations.

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 long-lived assets to be held and used on an individual property basis, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Use of estimates in the preparation of financial statements - Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Net income (loss) per limited partnership interest - The net income (loss) per limited partnership interest is calculated by using the number of outstanding limited partnership interests.

Income taxes - A Federal income tax provision has not been included in the financial statements as the income of the Partnership is included in the individual Federal income tax returns of the

respective partners.

Statements of cash flows - For purposes of reporting cash flows, cash includes depository accounts held by banks.

General and administrative expenses - General and administrative expenses are allocated in part to the Partnership by the managing general partner. Allocated expenses are determined by the managing general partner based upon the level of activity of the Partnership relative to the non-partnership activities of the managing general partner. The method of allocation has been consistent over the past several years with certain modifications incorporated to reflect changes in Pioneer USA's overall business activities.

Reclassifications - Certain reclassifications may have been made to the 1999 and 1998 financial statements to conform to the 2000 financial statement presentations.

Environmental - The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability or component are fixed or reliably determinable. No such liabilities have been accrued as of December 31, 2000.

Revenue recognition - The Partnership uses the entitlements method of accounting for oil, natural gas liquids ("NGLs") and natural gas revenues.

NOTE 3. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with 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 December 31, 2000, 1999 and 1998, 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 non-cash impairment provisions of $86,674 and $199,037 related to its proved oil and gas properties during 2000 and 1998, respectively.

NOTE 4. INCOME TAXES

The financial statement basis of the Partnership's net assets and liabilities was $261,429 greater than the tax basis at December 31, 2000.

The following is a reconciliation of net income (loss) per statements of operations with the net income per Federal income tax returns for the years ended December 31:

	2000	1999	1998
Net income (loss) per statements of operations	$ 945,927	$279,094	$(331,789)
Intangible development costs capitalized for financial reporting purposes and expensed for tax reporting purposes	--	(273)	(5)
Depletion and depreciation provisions for tax reporting purposes less than amounts for financial reporting purposes	137,352	192,661	477,912
Impairment of oil and gas properties for financial reporting purposes	86,674	--	199,037
Loss on sale of assets for tax reporting purposes greater than amounts for financial reporting purposes	--	(25,328)	--
Other, net	(2,628)	2,156	(4,671)
Net income per Federal income tax returns	$1,167,325	$448,310	$ 340,484

NOTE 5. OIL AND GAS PRODUCING ACTIVITIES

The following is a summary of the costs incurred, whether capitalized or expensed, related to the Partnership's oil and gas producing activities for the years ended December 31:

	2000	1999	1998
Development costs	$ 10,658	$ 19,835	$ 22,998

Capitalized oil and gas properties consist of the following:

	2000	1999
Proved properties:		
Property acquisition costs	$ 552,956	$ 552,956
Completed wells and equipment	12,843,048	12,832,614
	13,396,004	13,385,570
Accumulated depletion	(11,162,910)	(10,926,957)
Net oil and gas properties	$ 2,233,094	$ 2,458,613

NOTE 6. RELATED PARTY TRANSACTIONS

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$ 304,400	$ 301,167	$ 292,411
Reimbursement of general and administrative expenses	$ 50,579	$ 23,361	$ 23,688

The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. In addition, Pioneer USA, Parker & Parsley 87-B Conv., Ltd. and the Partnership (the "Partnerships") are parties to the Program agreement.

The costs and revenues of the Program are allocated to Pioneer USA and the Partnerships as follows:

	Pioneer USA (1)	Partnerships (2)
Revenues:		
Proceeds from disposition of depreciable properties	9.09091%	90.90909%
All other revenues	24.242425%	75.757575%
Costs and expenses:		
Lease acquisition costs, drilling and completion costs and all other costs	9.09091%	90.90909%
Operating costs, direct costs and general and administrative expenses	24.242425%	75.757575%

(1) Excludes Pioneer USA's 1% general partner ownership which is allocated at the Partnership level and 45 limited partner interests owned by Pioneer USA.

(2) The allocation between the Partnership and Parker & Parsley 87-B Conv., Ltd. is 80.33029% and 19.66971%, respectively.

NOTE 7. OIL AND GAS INFORMATION (UNAUDITED)

The following table presents information relating to the Partnership's estimated proved oil and gas reserves at December 31, 2000, 1999 and 1998 and changes in such quantities during the years then ended. All of the Partnership's reserves are proved developed and located within the United States. The Partnership's reserves are based on an evaluation prepared by Williamson Petroleum Consultants, Inc., an independent petroleum consultant, using criteria established by the Securities and Exchange Commission.

	Oil and NGLs (bbls)	Gas (mcf)
Net proved reserves at January 1, 1998	941,555	1,291,273
Revisions	(314,311)	(287,194)
Production	(73,036)	(104,072)
Net proved reserves at December 31, 1998	554,208	900,007
Revisions	633,879	1,113,934
Production	(68,433)	(99,771)
Net proved reserves at December 31, 1999	1,119,654	1,914,170
Revisions	(38,404)	(311,039)
Production	(65,401)	(96,740)
Net proved reserves at December 31, 2000	1,015,849	1,506,391

As of December 31, 2000, the estimated present value of future net revenues of proved reserves, calculated using December 31, 2000 prices of $26.64 per barrel of oil, $13.26 per barrel of NGLs and $7.62 per mcf of gas, discounted at 10% was approximately $7,561,000 and undiscounted was $16,119,000.

Numerous uncertainties exist in estimating quantities of proved reserves and future net revenues therefrom. The estimates of proved reserves and related future net revenues set forth in this Report are based on various assumptions, which may ultimately prove to be inaccurate. Therefore, such estimates should not be construed as estimates of the current market value of the Partnership's proved reserves. The Partnership emphasizes that reserve estimates are inherently imprecise and, accordingly, the estimates are expected to change as future information becomes available.

Disclosures about Oil & Gas Producing Activities

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying year-end prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved oil and gas reserves less estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, discounted using a rate of 10% per year to reflect the estimated timing of the future cash flows. A Federal income tax provision has not been calculated as the income of the Partnership is included in the individual Federal income tax returns of the respective partners.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

	For the years ended December 3		
	2000	1999	19
		(in thousands)	
Oil and gas producing activities:			
Future cash inflows	$ 33,638	$ 27,613	$ 6
Future production costs	(17,519)	(15,463)	(4
	16,119	12,150	1
10% annual discount factor	(8,558)	(5,940)	
Standardized measure of discounted future net cash flows	$ 7,561	$ 6,210	$

	For the years ended December 31,		
	2000	1999	1998
		(in thousands)	
Oil and Gas Producing Activities:			
Oil and gas sales, net of production costs	$ (1,214)	$ (504)	$ (365)
Net changes in prices and production costs	3,247	3,033	(2,391)
Revisions of estimated future development costs	-	-	-
Revisions of previous quantity estimates	(587)	4,749	(410)
Accretion of discount	621	98	385
Changes in production rates, timing and other	(716)	(2,146)	(87)
Change in present value of future net revenues	1,351	5,230	(2,868)
Balance, beginning of year	6,210	980	3,848
Balance, end of year	$ 7,561	$ 6,210	$ 980

NOTE 8. MAJOR CUSTOMERS

The following table reflects the major customers of the Partnership's oil and gas sales (a major customer is defined as a customer whose sales exceed 10% of total sales) during the years ended December 31:

	2000	1999	1998
Plains Marketing, L.P.	49%	50%	-
Genesis Crude Oil, L.P.	2%	-	57%
Western Gas Resources, Inc.	4%	6%	26%
Phillips Petroleum Company	16%	9%	8%

At December 31, 2000, the amounts receivable from Plains Marketing, L.P. and Phillips Petroleum Company were $95,526 and $42,656, respectively, which are included in the caption "Accounts receivable - oil and gas sales" in the accompanying Balance Sheet.

Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on the ability of the Partnership to sell its oil, NGLs and gas production.

NOTE 9. PARTNERSHIP AGREEMENT

The following is a brief summary of the more significant provisions of the limited partnership agreement:

Managing general partner - The managing general partner of the Partnership is Pioneer USA. Pioneer USA has the power and authority to manage, control and administer all Program and Partnership affairs. As managing general partner and operator of the Partnership's properties, all production expenses are incurred by Pioneer USA and billed to the Partnership. The majority of the Partnership's oil and gas revenues are received directly by the Partnership, however, a portion of the oil and gas revenue is initially received by Pioneer USA prior to being paid to the Partnership. Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues.

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Limited partner liability - The maximum amount of liability of any limited partner is the total contributions of such partner plus his share of any undistributed profits.

Initial capital contributions - The limited partners entered into subscription agreements for aggregate capital contributions of $20,089,000. Pioneer USA is required to contribute amounts equal to 1% of initial Partnership capital less commission and offering expenses allocated to the limited partners and to contribute amounts necessary to pay costs and expenses allocated to it under the Partnership agreement to the extent its share of revenues does not cover such costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE PARTNERSHIP

The Partnership does not have any officers or directors. Under the limited partnership agreement, the Partnership's managing general partner, Pioneer USA, is granted the exclusive right and full authority to manage, control and administer the Partnership's business.

Set forth below are the names, ages and positions of the directors and executive officers of Pioneer USA. Directors of Pioneer USA are elected to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Name	Age at December 31, 2000	Position
Scott D. Sheffield	48	President
Timothy L. Dove	44	Executive Vice President, Chief Financial Officer and Director
Dennis E. Fagerstone	51	Executive Vice President and Director

Mark L. Withrow	53	Executive Vice President, General Counsel and Director
Danny Kellum	46	Executive Vice President - Domestic Operations and Director
Rich Dealy	34	Vice President and Chief Accounting Officer

Scott D. Sheffield. Mr. Sheffield is a graduate of The University of Texas with a B.S. in Petroleum Engineering. Since August 1997, he has served as President, Chief Executive Officer and a director of Pioneer and President of Pioneer USA. Mr. Sheffield assumed the position of Chairman of the Board of Pioneer in August 1999. He served as a director of Pioneer USA from August 1997 until his resignation from the board in June 1999. Mr. Sheffield was the President and a director of Parker & Parsley Petroleum Company ("Parker & Parsley") from May 1990 until August 1997 and was the Chairman of the Board and Chief Executive Officer of Parker & Parsley from October 1990 until August 1997. He was the sole director of Parker & Parsley from May 1990 until October 1990. Mr. Sheffield joined Parker & Parsley Development Company ("PPDC"), a predecessor of Parker & Parsley, as a petroleum engineer in 1979. He served as Vice President - Engineering of PPDC from September 1981 until April 1985 when he was elected President and a director. In March 1989, Mr. Sheffield was elected Chairman of the Board and Chief Executive Officer of PPDC. Before joining PPDC's predecessor, Mr. Sheffield was employed as a production and reservoir engineer for Amoco Production Company.

Timothy L. Dove. Mr. Dove earned a B.S. in Mechanical Engineering from Massachusetts Institute of Technology in 1979 and received his M.B.A. in 1981 from the University of Chicago. He became Executive Vice President - Business Development of Pioneer and Pioneer USA in August 1997 and was also appointed a director of Pioneer USA in August 1997. Mr. Dove assumed the position of Chief Financial Officer of Pioneer and Pioneer USA effective February 1, 2000. Mr. Dove joined Parker & Parsley in May 1994 as Vice President - International and was promoted to Senior Vice President - Business Development in October 1996, in which position he served until August 1997. Prior to joining Parker & Parsley, Mr. Dove was employed with Diamond Shamrock Corp., and its successor, Maxus Energy Corp, in various capacities in international exploration and production, marketing, refining and marketing and planning and development.

Dennis E. Fagerstone. Mr. Fagerstone, a graduate of the Colorado School of Mines with a B.S. in Petroleum Engineering, became an Executive Vice President of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. He served as Executive Vice President and Chief Operating Officer of MESA Inc. ("Mesa") from March 1, 1997 until August 1997. From October 1996 to February 1997, Mr. Fagerstone served as Senior Vice President and Chief Operating Officer of Mesa and from May 1991 to October 1996, he served as Vice President - Exploration and Production of Mesa. From June 1988 to May 1991, Mr. Fagerstone served as Vice President - Operations of Mesa.

Mark L. Withrow. Mr. Withrow, a graduate of Abilene Christian University with a B. S. in Accounting and Texas Tech University with a Juris Doctorate degree, became Executive Vice President, General Counsel and Secretary of Pioneer and Pioneer USA in August 1997. He was also appointed a director of Pioneer USA in August 1997. Mr. Withrow was Vice President - General Counsel of Parker & Parsley from January 1991, when he joined Parker & Parsley, to January 1995, when he was appointed Senior Vice President - General Counsel. He was

Parker & Parsley's Secretary from August 1992 until August 1997. Prior to joining Parker & Parsley, Mr. Withrow was the managing partner of the law firm of Turpin, Smith, Dyer, Saxe & MacDonald, Midland, Texas.

Danny Kellum. Mr. Kellum, who received a Bachelor of Science degree in Petroleum Engineering from Texas Tech University in 1979, was elected Executive Vice President - Domestic Operations of Pioneer and Pioneer USA on May 18, 2000 and Director of Pioneer USA on February 1, 2000. From January 2000 until May 2000, Mr. Kellum served as Vice President - Domestic Operations of Pioneer and Pioneer USA. Mr. Kellum served as Vice President Permian Division of Pioneer and Pioneer USA from April 1998 until December 1999. From 1989 until 1994 he served as Spraberry District Manager and as Vice President of the Spraberry and Permian Division for Parker & Parsley until August of 1997. Mr. Kellum joined Parker & Parsley as an operations engineer in 1981 after a brief career with Mobil Oil Corporation.

Rich Dealy. Mr. Dealy is a graduate of Eastern New Mexico University with a B.B.A. in Accounting and Finance and is a Certified Public Accountant. He became Vice President and Chief Accounting Officer of Pioneer and Pioneer USA in February 1998. Mr. Dealy served as Controller of Pioneer USA from August 1997 to February 1998. He served as Controller of Parker & Parsley from August 1995 to August 1997. Mr. Dealy joined Parker & Parsley as an Accounting Manager in July, 1992. He was previously employed with KPMG Peat Marwick as an Audit Senior, in charge of Parker & Parsley's audit.

ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. Management of the Partnership is performed by Pioneer USA, the managing general partner. The Partnership participates in oil and gas activities through an income tax partnership (the "Program") pursuant to the Program agreement. Under the Program agreement, Pioneer USA pays approximately 10% of the Program's acquisition, drilling and completion costs and approximately 25% of its operating and general and administrative expenses. In return, Pioneer USA is allocated approximately 25% of the Program's revenues.

The Partnership does not directly pay any salaries of the executive officers of Pioneer USA, but does pay a portion of Pioneer USA's general and administrative expenses of which these salaries are a part.

See Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for information regarding fees and reimbursements paid to the managing general partner by the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Beneficial owners of more than five percent

The Partnership is not aware of any person who beneficially owns 5% or more of the outstanding limited partnership interests of the Partnership. Pioneer USA owned 45 limited partner interests at January 1, 2001.

(b) Security ownership of management

The Partnership does not have any officers or directors. The managing general partner of the Partnership, Pioneer USA, has the exclusive right and full authority to manage, control and administer the Partnership's business. Under the limited partnership agreement, limited partners holding a majority of the outstanding limited partnership interests have the right to take certain actions, including the removal of the managing general partner or any other general partner. The Partnership is not aware of any current arrangement or activity which may lead to such removal. The Partnership is not aware of any officer or director of Pioneer USA who beneficially owns limited partnership interests in the Partnership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with the managing general partner

Pursuant to the limited partnership agreement, the Partnership had the following related party transactions with the managing general partner during the years ended December 31:

	2000	1999	1998
Payment of lease operating and supervision charges in accordance with standard industry operating agreements	$304,400	$ 301,167	$292,411
Reimbursement of general and administrative expenses	$ 50,579	$ 23,361	$ 23,688

Under the limited partnership agreement, the managing general partner pays 1% of the Partnership's acquisition, drilling and completion costs and 1% of its operating and general and administrative expenses. In return, it is allocated 1% of the Partnership's revenues. Also, see Notes 6 and 9 of Notes to Financial Statements included in "Item 8. Financial Statements and Supplementary Data" regarding the Partnership's participation with the managing general partner in oil and gas activities of the Program.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial statements

The following are filed as part of this Report:

Independent Auditors' Report

Balance sheets as of December 31, 2000 and 1999

Statements of operations for the years ended December 31, 2000, 1999 and 1998

Statements of partners' capital for the years ended December 31, 2000, 1999 and 1998

Statements of cash flows for the years ended December 31, 2000, 1999 and 1998

Notes to financial statements

2. Financial statement schedules

All financial statement schedules have been omitted since the required information is in the financial statements or notes thereto, or is not applicable nor required.

(b) Reports on Form 8-K

None.

(c) Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference as part of this Report.

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S I G N A T U R E S

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.

Dated: March 28, 2001 By: Pioneer Natural Resources USA, Inc.
Managing General Partner

By: /s/ Scott D. Sheffield

Scott D. Sheffield, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Scott D. Sheffield ---------------------------- Scott D. Sheffield	President of Pioneer USA	March 28, 2001
/s/ Timothy L. Dove ---------------------------- Timothy L. Dove	Executive Vice President, Chief Financial Officer and Director of Pioneer USA	March 28, 2001

/s/ Dennis E. Fagerstone ---------------------------- Dennis E. Fagerstone	Executive Vice President and Director of Pioneer USA	March 28, 2001
/s/ Mark L. Withrow ---------------------------- Mark L. Withrow	Executive Vice President, General Counsel and Director of Pioneer USA	March 28, 2001
/s/ Danny Kellum ---------------------------- Danny Kellum	Executive Vice President - Domestic Operations and Director of Pioneer USA	March 28, 2001
/s/ Rich Dealy ---------------------------- Rich Dealy	Vice President and Chief Accounting Officer of Pioneer USA	March 28, 2001

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PARKER & PARSLEY 87-B, LTD.

INDEX TO EXHIBITS

The following documents are incorporated by reference in response to Item 14(c):

Exhibit No.	Description	Page
4(a)	Agreement of Limited Partnership of Parker & Parsley 87-B, Ltd. incorporated by reference to Exhibit A of the Partnership's Registration Statement on Form S-1 (Registration No. 33-16910) (hereinafter called the Partnership's Registration Statement	-
4(b)	Form of Subscription Agreement and Power of Attorney incorporated by reference to Exhibit D of the Partnership's Registration Statement	-
4(c)	Specimen Certificate of Limited Partnership Interest incorporated by reference to Exhibit D of the Partnership's Registration Statement	-
10(b)	Development Program Agreement incorporated by reference to Exhibit C of the Partnership's Registration Statement	-

PARKER & PARSLEY 87-B, LTD.

SELECTED FINANCIAL DATA

The following selected financial data for the Partnership should be read in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements included in the attached supplemental information.

	Three months ended March 31,		Years ended December 31		
	2001	2000	2000	1999	1998
Operating results:					
Oil and gas sales	$	$ 453,944	$1,917,791	$1,136,700	$ 965,599
Gain on litigation settlement, net	$ --	$ --	$ --	$ --	$ --
Impairment of oil and gas properties	$	$ --	$ 86,674	$ --	$ 199,037
Net income (loss)	$	$ 246,373	$ 945,927	$ 279,094	$ (331,789)
Allocation of net income (loss):					
Managing general partner	$	$ 2,464	$ 9,459	$ 2,791	$ (3,318)
Limited partners	$	$ 243,909	$ 936,468	$ 276,303	$ (328,471)
Limited partners' net income (loss) per limited partnership interest	$	$ 12.14	$ 46.62	$ 13.75	$ (16.35)
Limited partners' cash distributions per limited partnership interest	$	$ 10.07	$ 49.02	$ 18.27	$ 21.24
At year end:					
Identifiable assets	$	$2,952,153	$2,848,775	$2,900,940	$2,984,346

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(a) Including litigation settlement per limited partnership interest of $29.11 in 1996.

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

SUPPLEMENTAL INFORMATION

OF

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD., A TEXAS LIMITED PARTNERSHIP

TO

PROXY STATEMENT/PROSPECTUS DATED , 2001

THE DATE OF THIS SUPPLEMENT IS , 2001

This document contains important information specific to Parker & Parsley Producing Properties 87-A, Ltd. and supplements the proxy statement/prospectus dated , 2001, of Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., by which Pioneer USA is soliciting proxies to be voted at a special meeting of 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 Natural Resources Company and cash for your partnership interests.

This document contains the following information concerning Parker & Parsley Producing Properties 87-A, Ltd.:

o A table containing:

-- the aggregate initial investment by the limited partners

-- the aggregate historical limited partner distributions through March 31, 2001

-- the aggregate merger value attributable to partnership interests of limited partners, excluding Pioneer USA

-- the merger value per $1,000 limited partner investment as of March 31, 2001

-- the merger value per $1,000 limited partner investment as a multiple of distributions for the 12 months ended March 31, 2001

-- the book value per $1,000 limited partner investment as of March

31, 2001 and as of December 31, 2000

- -- the going concern value per $1,000 limited partner investment as of March 31, 2001
- -- the liquidation value per $1,000 limited partner investment as of March 31, 2001
- -- the ordinary tax loss per $1,000 limited partner investment in year of initial investment

o Information about the legal opinion for the limited partners

o The partnership's quarterly report on From 10-Q, including management's discussion and analysis of financial condition and results of operations, for the three months ended March 31, 2001

o The partnership's annual report on Form 10-K, including management's discussion and analysis of financial condition and results of operations, for the year ended December 31, 2000

o Selected historical financial data for the partnership for the three months ended March 31, 2001 and 2000 and the five years ended December 31, 2000

PARKER & PARSLEY PRODUCING PROPERTIES 87-A, LTD.

SUPPLEMENTAL INFORMATION TABLE

Aggregate Initial Investment by the Limited Partners(a)

Aggregate Historical Limited Partner Distributions through March 31, 2001(a)

Aggregate Merger Value Attributable to Partnership Interests of Limited Partners, Excluding Pioneer USA(a)

Merger Value per $1,000 Limited Partner Investment as of March 31, 2001(b)

Merger Value per $1,000 Limited Partner Investment as a Multiple of Distributions for the 12 Months ended March 31, 2001(b)

Book Value per $1,000 Limited Partner Investment:

- -- as of March 31, 2001(b)
- -- as of December 31, 2000(b)

Going Concern Value per $1,000 Limited Partner Investment as of March 31, 2001(b)

Liquidation Value per $1,000 Limited Partner Investment as of March 31, 2001(b)

Ordinary Tax Loss per $1,000 Limited Partner Investment in Year of Initial Investment(c)

(a) Stated in thousands.

(b) Interests in some partnerships were sold in units at prices other than $1,000. We have presented this information based on a $1,000 initial investment for ease of use and comparison among partnerships. You should not assume that the amount shown per $1,000 investment is the same as the value or amount attributable to a single unit investment.

(c) Not applicable. Since this partnership purchased producing properties, there were no intangible drilling and development costs nor any related write-off for tax purposes.

INFORMATION ABOUT THE LEGAL OPINION FOR THE LIMITED PARTNERS

The partnership agreement for the partnership requires that special legal counsel render an opinion on behalf of the limited partners to Pioneer USA that (1) neither the grant nor the exercise of the right to approve the merger of the partnership by its limited partners will adversely affect the federal income tax classification of the partnership or any of its limited partners; and (2) neither the grant nor exercise of such right will result in the loss of any limited partner's limited liability. In addition, the counsel designated to render the opinion must be counsel other than counsel to Pioneer USA or the partnership. Both the designated counsel and the legal opinion must be approved by the limited partners. Pioneer USA has retained __________ of Dallas, Texas for the purpose of rendering this legal opinion on behalf of the limited partners to Pioneer USA. The merger proposals include an approval of that counsel and the form of its opinion. A copy of the opinion is attached as an exhibit to the merger proposals.

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

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)

1400 WILLIAMS SQUARE WEST, 5205 N. O'CONNOR BLVD., IRVING, TEXAS	75039

(Address of principal executive offices) (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP INTERESTS ($500 PER UNIT)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / X /

No market currently exists for the limited partnership interests of the Registrant. Based on the original purchase price, the aggregate market value of limited partnership interests owned by non-affiliates of the Registrant is $12,170,000.

As of March 8, 2001, the number of outstanding limited partnership interests was 24,426.

The following documents are incorporated by reference into the indicated parts of this Annual Report on Form 10-K: None

PARTS I AND II OF THIS ANNUAL REPORT ON FORM 10-K (THE "REPORT") CONTAIN 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. SEE "ITEM 1. BUSINESS" FOR A DESCRIPTION OF VARIOUS FACTORS THAT COULD MATERIALLY AFFECT THE ABILITY OF THE PARTNERSHIP TO ACHIEVE THE ANTICIPATED RESULTS DESCRIBED IN THE FORWARD LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

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's managing general partner is Pioneer Natural Resources USA, Inc. ("Pioneer USA"). Pioneer USA is a wholly-owned subsidiary of Pioneer Natural Resources Company ("Pioneer"). As of March 8, 2001, the Partnership had 24,426 limited partnership interests outstanding.

The Partnership does not have any employees of its own. Pioneer USA employs 701 persons, many of whom dedicated a part of their time to the conduct of the Partnership's business during the period for which this Report is filed. Pioneer USA supplies all management functions.

The Partnership engages in oil and gas development and production and is not involved in any industry segment other than oil and gas. The Partnership's production is geographically concentrated in West Texas.

The principal markets during 2000 for the oil produced by the Partnership were refineries and oil transmission companies that have facilities near the Partnership's oil producing properties. During 2000, Pioneer USA marketed the Partnership's gas to a variety of purchasers, none of which accounted for 10% or more of the Partnership's oil and gas revenues. Of the Partnership's total oil and gas revenues for 2000, approximately 59%, 15% and 11% were attributable to sales made to Plains Marketing, L.P., Phillips Petroleum Company and TEPPCO Crude Oil LLC, respectively. Pioneer USA is of the opinion that the loss of any one purchaser would not have an adverse effect on its ability to sell its oil, natural gas liquids ("NGLs") and gas production.

The Partnership's revenues, profitability, cash flow and future rate of growth are highly dependent on the prevailing prices of oil and gas, which are affected by numerous factors beyond the Partnership's control. Oil and gas prices historically have been very volatile. A substantial or extended decline in the prices of oil or ga