

## Definitions of Certain Terms and Conventions Used Herein

Within this Report, the following terms and conventions have specific meanings:

- "*Bbl*" means a standard barrel containing 42 United States gallons.
- "*Bcf*" means one billion cubic feet.
- "*BOE*" means a barrel of oil equivalent and is a standard convention used to express oil and gas volumes on a comparable oil equivalent basis. Gas equivalents are determined under the relative energy content method by using the ratio of 6.0 Mcf of gas to 1.0 Bbl of oil or natural gas liquid.
- "*BOEPD*" means BOE per day.
- "*Btu*" means British thermal unit, which is a measure of the amount of energy required to raise the temperature of one pound of water one degree Fahrenheit.
- "*CBM*" means coal bed methane.
- "*field fuel*" means gas consumed to operate field equipment (primarily compressors) prior to the gas being delivered to a sales point.
- "*GAAP*" means accounting principles that are generally accepted in the United States of America.
- "*IPO*" means initial public offering.
- "*LIBOR*" means London Interbank Offered Rate, which is a market rate of interest.
- "*LNG*" means liquefied natural gas
- "*MBbl*" means one thousand Bbls.
- "*MBOE*" means one thousand BOEs.
- "*Mcf*" means one thousand cubic feet and is a measure of natural gas volume.
- "*MMBbl*" means one million Bbls.
- "*MMBOE*" means one million BOEs.
- "*MMBtu*" means one million Btus.
- "*MMcf*" means one million cubic feet.
- "*MMcfpd*" means one million cubic per day
- "*Mont Belvieu-posted-price*" means the daily average natural gas liquids components as prices in *Oil Price Information Service* ("OPI") in the table "U.S. and Canada LP – Gas Weekly Averages" at Mont Belvieu, Texas.
- "*NGL*" means natural gas liquid.
- "*NYMEX*" means the New York Mercantile Exchange.
- "*NYSE*" means the New York Stock Exchange.
- "*Pioneer*" or the "*Company*" means Pioneer Natural Resources Company and its subsidiaries.
- "*proved reserves*" mean 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 lower 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.
  - (i) (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.
- "*SEC*" means the United States Securities and Exchange Commission.
- "*Standardized Measure*" means the after-tax present value of estimated future net cash flows of proved reserves, determined in accordance with the rules and regulations of the SEC, using prices and costs in effect at the specified date and a ten percent discount rate.
- "*VPP*" means volumetric production payment.
- "*U.S.*" means United States.
- With respect to information on the working interest in wells, drilling locations and acreage, "*net*" wells, drilling locations and acres are determined by multiplying "*gross*" wells, drilling locations and acres by the Company's working interest in such wells, drilling locations or acres. Unless otherwise specified, wells, drilling locations and acreage statistics quoted herein represent gross wells, drilling locations or acres.
- Unless otherwise indicated, all currency amounts are expressed in U.S. dollars.