



**PIONEER NATURAL RESOURCES
RESOURCE DEVELOPMENT COUNCIL
NOVEMBER 16, 2005**

ALASKA RESOURCES 2006



ALASKA E&P OPPORTUNITIES

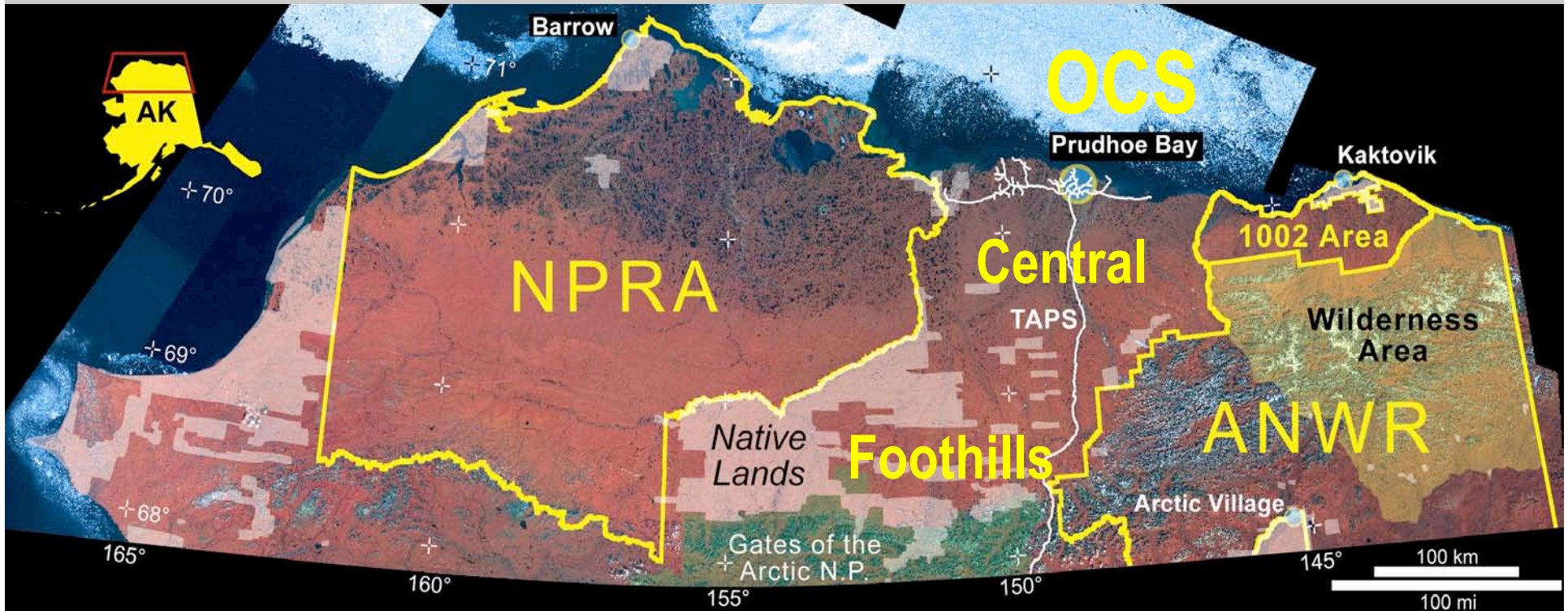
- PRESENTATION OUTLINE
 - North Slope E&P Areas and Challenges
 - Keys to Success in Alaska
 - Pioneer's Alaska Portfolio
 - Summary



NORTH SLOPE E&P AREAS AND CHALLENGES



NORTH SLOPE EXPLORATION AREAS



Central

- Relatively Mature
- Oil Prone
- Near Infrastructure
- Smaller, Lower Quality Reservoirs
- Viscous Resource

Foothills

- Lightly Explored
- Gas Prone
- Huge Resource
- No Infrastructure
- Challenged by Topography

NPRA

- Under-Explored
- Oil & Gas
- Huge Resource
- On Trend with Big Fields
- Little Infrastructure

OCS

- Under-Explored
- Oil & Gas
- Huge Resource
- Technical Challenges
- Higher Costs

ANWR

- Un-Explored
- Huge Resource
- On Trend with Big Fields
- No Current Access



Alaska Investment Considerations

Strengths

- Prolific petroleum system
- High impact opportunities
- Located in North America
- Pipeline (TAPS) to market

Weaknesses

- High operations & transport cost
- Infrastructure challenged
- Long project cycle times
- Low returns @ lower oil prices
- Limited season for access

Opportunities

- Business opportunities opening for Independents
- Improving regulatory process
- North Slope gas resources

Threats

- Higher taxes
- Regulatory delays or costs
- Project delays or cost overruns
- Return to lower oil prices



KEYS TO SUCCESS IN ALASKA



NEW ENTRANT PRIORITIES

- PORTFOLIO BUILDING – Need critical mass for cost effective operations and risk mitigation
- REDUCING COSTS – Must find ways to reduce the cost of all E&P activities
- ACCESSING INFRASTRUCTURE
 - Access to existing facilities for smaller fields
 - Gas exploration requires Alaska Natural Gas Pipeline
- SECURE PERMITTING, HSE and STAKEHOLDER RELATIONS EXPERTISE
 - Improving, but challenging regulatory environment
 - Highest HSE Standards in the oilfield
 - Complex Stakeholder Group



PIONEER ALASKA STRATEGY

Goal: Reduce Cost and Commercialize Economically Challenged Resources on the North Slope

- Achieve a Step Change in the North Slope Cost Structure
 - Independent Mindset
 - Challenge Existing Methods
 - Bring in Successful Concepts from Other Areas
 - Collaborate with Contracting Community
- Decrease Project Cycle Times
- Leverage Existing Infrastructure



ARCTIC FOX RIG

- DESCRIPTION
 - Fit for Purpose Exploration Rig
 - Rig Construction Underwritten by Pioneer Contract
 - Owned and Operated by Doyon/Akita JV
 - Light Weight, Mobile – Breaks Down in Truckable Modules
 - Telescoping Double – Capacity to ~12,000'
 - Delivery early December 2005
- OBJECTIVES
 - Reduce Exploration Well Costs
 - Spend Less Time/Money on Ice Roads
 - Amortize Fixed Costs Over More Wells
 - Accelerate Evaluation of Exploration Acreage
 - Drill More Wells Each Season



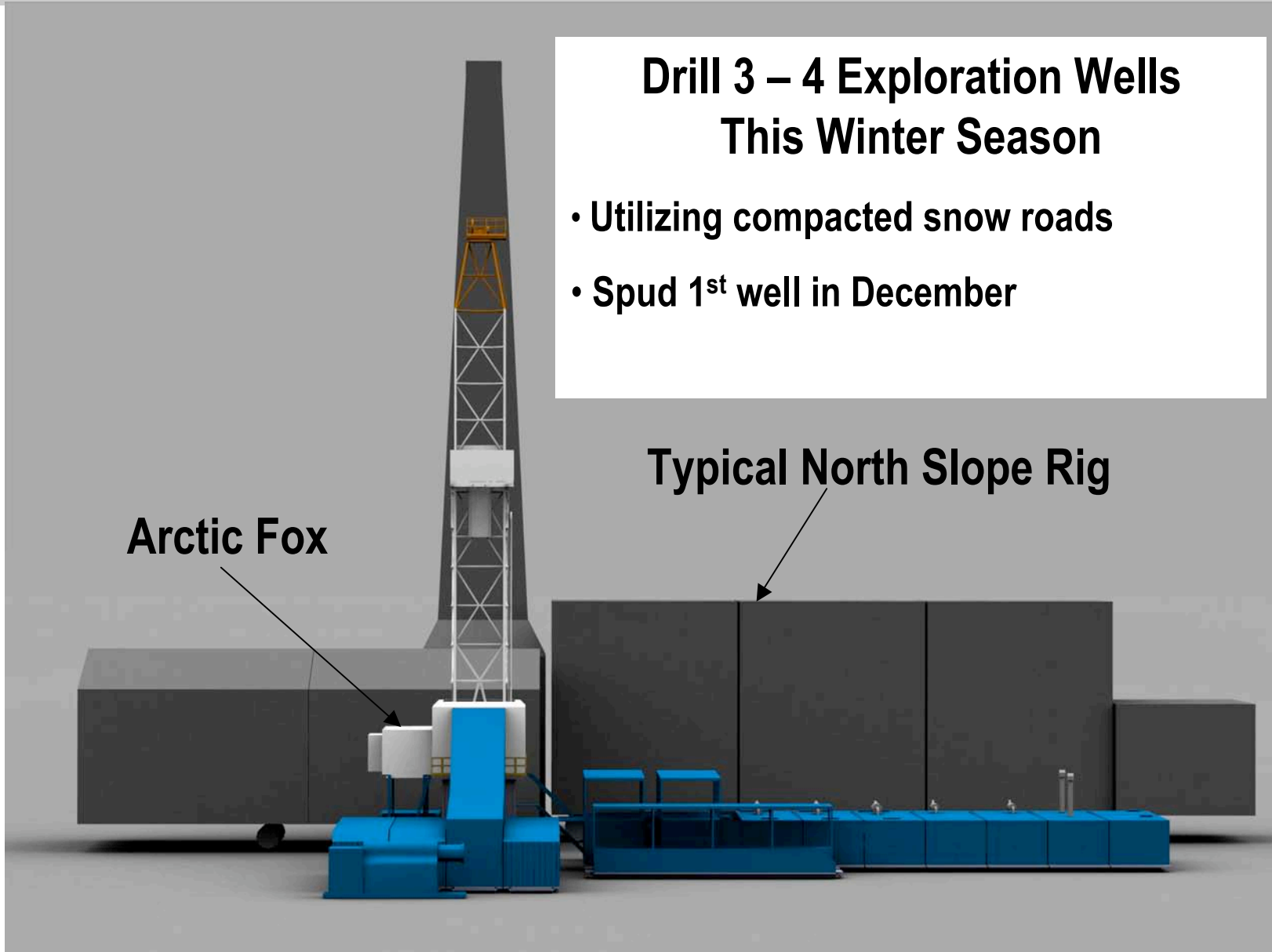
ARCTIC FOX EXPLORATION RIG

**Drill 3 – 4 Exploration Wells
This Winter Season**

- Utilizing compacted snow roads
- Spud 1st well in December

Arctic Fox

Typical North Slope Rig

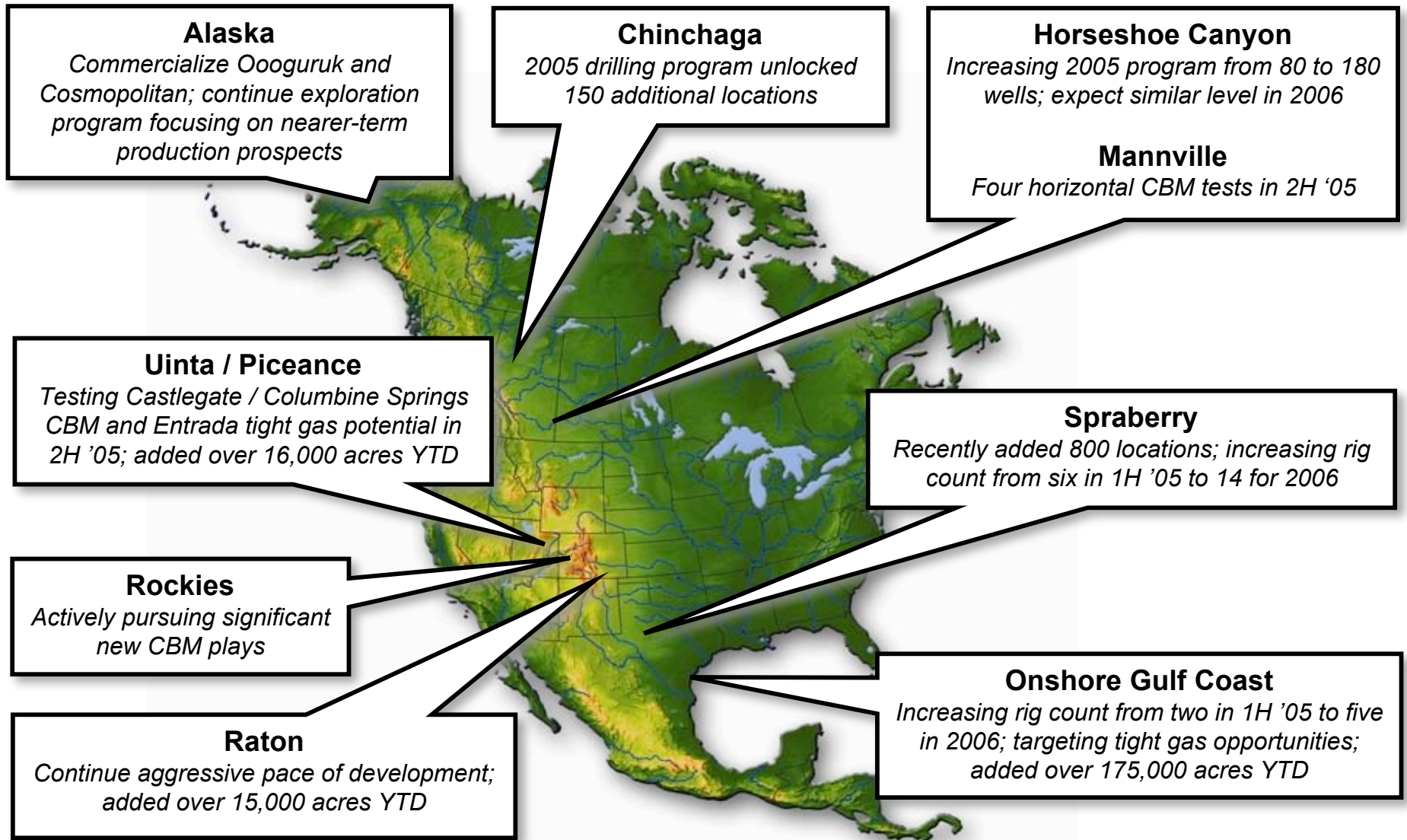




PIONEER'S ALASKA PORTFOLIO

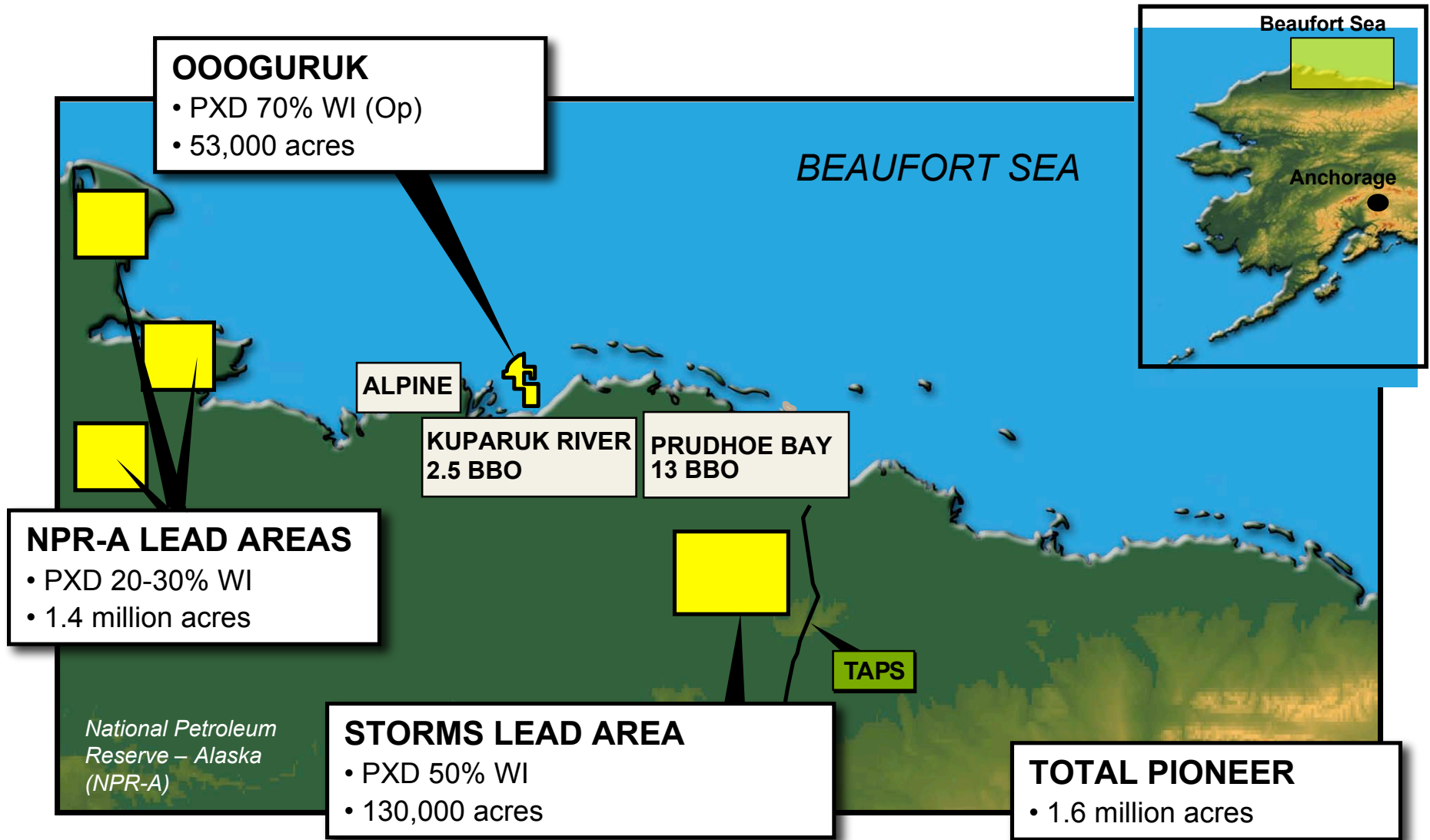


Pioneer Growth Opportunities



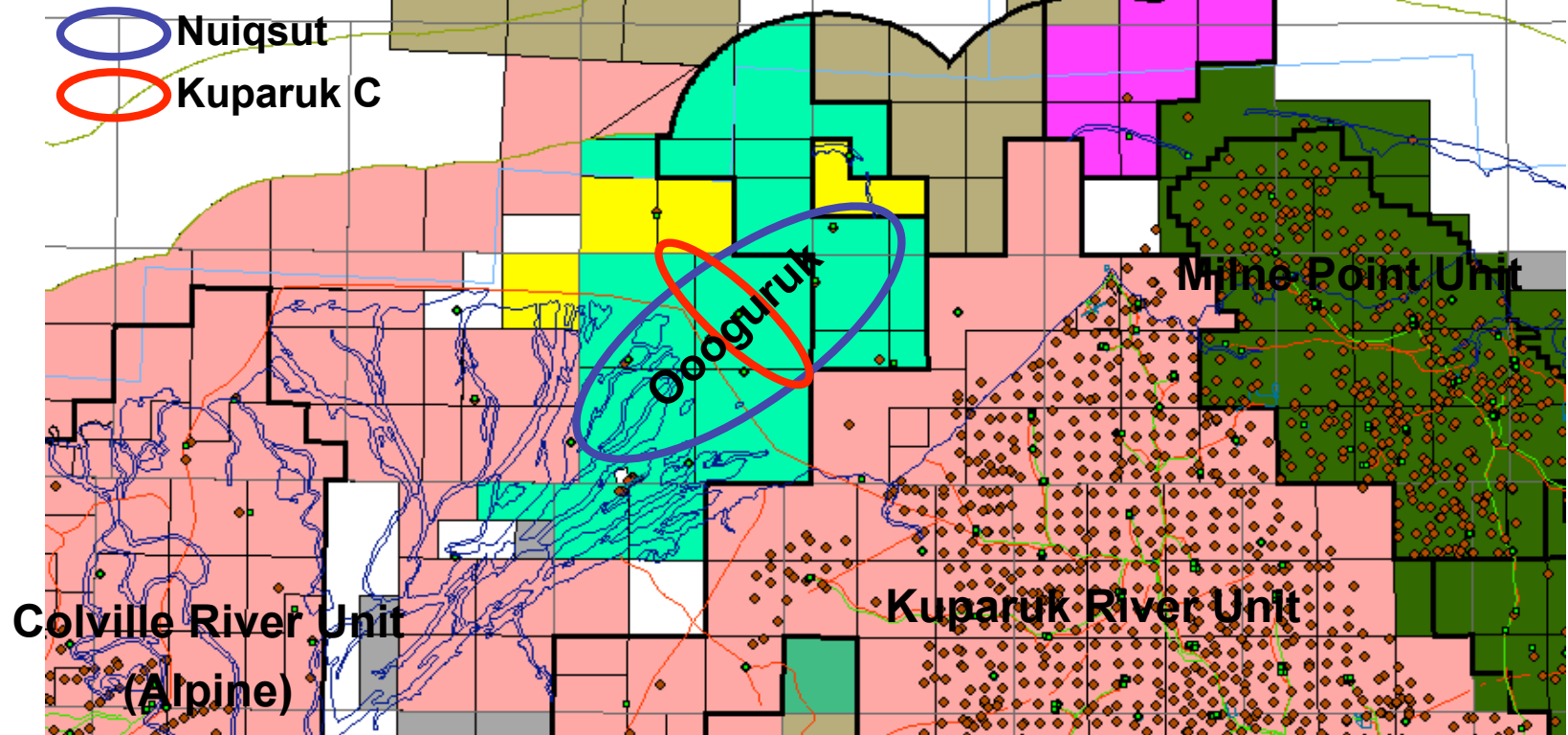


NORTH SLOPE OPPORTUNITIES



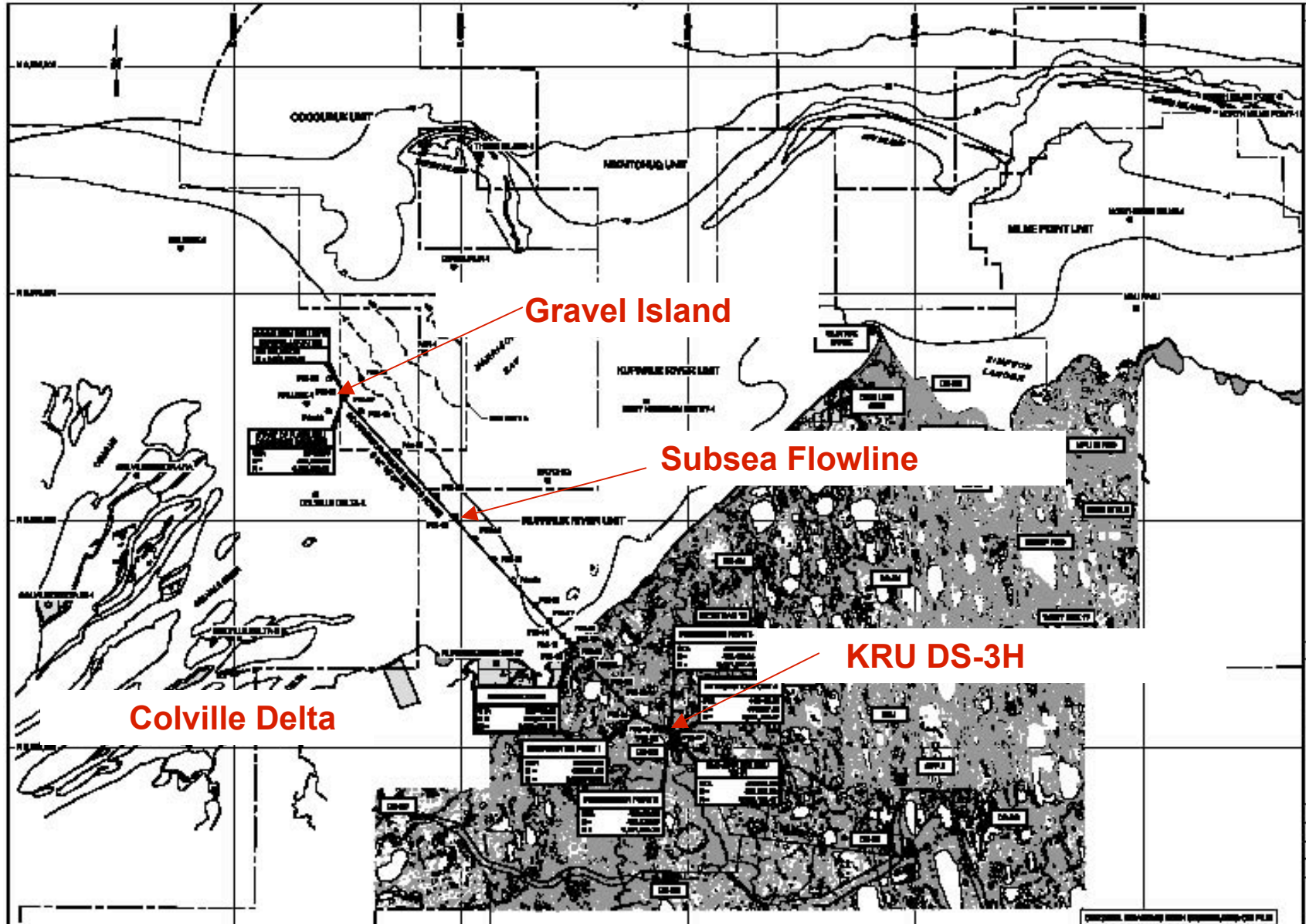


OOOGURUK LOCATION MAP





PROPOSED OOOGURUK DRILLSITE





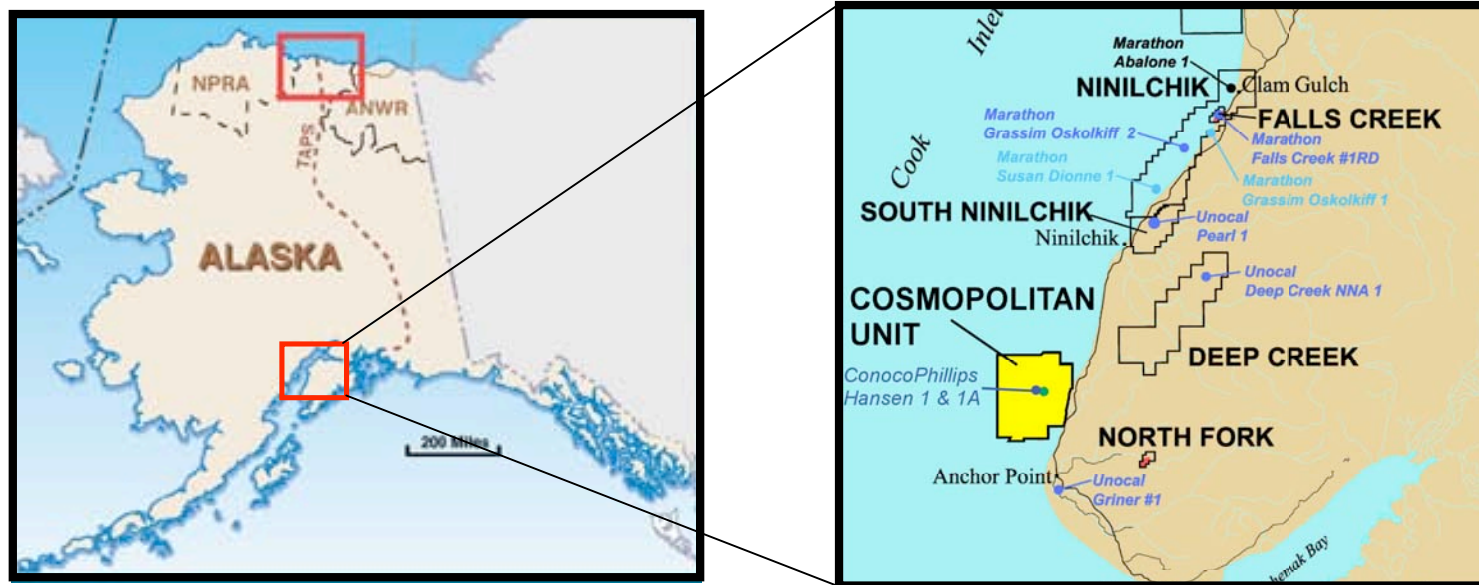
OOOGURUK PROJECT TIMELINE

- GOAL – Reach Go Forward Decision in 4Q 2005 and Commence Laying Gravel in 1Q 2006
- MILESTONES TO YEAR END
 - Conclude Commercial Negotiations
 - Conclude Permitting Process
 - Secure Equipment & Service Providers
- FIRST OIL GOAL 2007/2008



COSMOPOLITAN ACQUISITION

- 25,000 acres in Cook Inlet
- Shooting new 3-D seismic to further refine previous discovery
- Acquired 10% WI, with option to increase to 50% WI and assume operatorship from ConocoPhillips



 PXD Areas of Operations

 Cosmopolitan Unit



SUMMARY

- NORTH SLOPE EXPLORATION AREAS
 - World Class Potential
 - Remote, High Cost Areas
 - Infrastructure Challenged, Particularly for Gas
- KEYS TO SUCCESS
 - Portfolio Building
 - Accessing Infrastructure
 - Working to Reduce Cost
 - Accessing Expertise in HSE, Permitting and Stakeholder Relations
- PIONEER PORTFOLIO
 - Strong Position in the Central Slope Near Infrastructure
 - Undeveloped Discovery – Oooguruk
 - Exploration Area - Storms
 - Large Acreage & Seismic Holdings in NPRA
 - New Interest in Cook Inlet
 - Cosmopolitan Undeveloped Discovery