

EVERGREEN RESOURCES INC

Form DEFM14A

August 30, 2004

Table of Contents

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Evergreen Resources, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Table of Contents

Evergreen Resources, Inc.

1401 17th Street, Suite 1200
Denver, Colorado 80202
(303) 298-8100

**Notice of Special Meeting of Stockholders
To Be Held September 28, 2004**

To the Stockholders of Evergreen Resources, Inc.:

We will hold a special meeting of stockholders of Evergreen Resources, Inc., a Colorado corporation, at The Pinnacle Club, 555 17th Street, 38th Floor, Denver, Colorado 80202, on September 28, 2004, at 11:00 a.m., local time, for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Merger dated May 3, 2004, among Pioneer Natural Resources Company, a Delaware corporation, BC Merger Sub, Inc., a Colorado corporation, and Evergreen, pursuant to which Evergreen will become a wholly-owned subsidiary of Pioneer.
2. Approve an adjournment of the meeting, if necessary, to solicit additional proxies in favor of proposal number 1 above. A copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice.

Evergreen has fixed the close of business on July 30, 2004, as the record date for the determination of stockholders entitled to receive notice of and to vote at the special meeting or any adjournment or postponement of the special meeting. A list of the stockholders entitled to vote will be open for examination by stockholders at Evergreen Resources, Inc., 1401 17th Street, Suite 1200, Denver, Colorado 80202, during ordinary business hours beginning two business days from the date of this notice and continuing through the special meeting. The list will also be available at the special meeting.

The board of directors of Evergreen unanimously, except for Scott D. Sheffield, who recused himself from voting with respect to these matters and did not participate in the meeting in which such vote was taken:

has determined that the merger agreement, the merger in accordance with the terms of the merger agreement, and the other transactions contemplated thereby are advisable and in the best interests of Evergreen and its stockholders;

has approved and adopted the merger agreement, the merger and the other transactions contemplated thereby; and

recommends that the stockholders of Evergreen vote FOR approval of the merger agreement.

Mr. Sheffield recused himself from voting with respect to these matters and did not participate in the meeting in which such vote was taken because he is Chairman of the Board, President and Chief Executive Officer of Pioneer in addition to serving as a member of Evergreen's board of directors.

We cordially invite you to attend the special meeting in person. However, to ensure your representation at the special meeting, we encourage you to mark, sign, date and return the enclosed proxy card as promptly as possible in the enclosed return envelope. You may also vote by telephone or the Internet using the instructions on the proxy card. Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned your proxy card. If your shares are held in street name by your broker or other nominee, only that holder can vote

Table of Contents

your shares and the vote cannot be cast unless you provide instructions to your broker. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. If you attend the special meeting, you may vote in person even if you have returned a proxy card, or voted by telephone or the Internet using the instructions on the proxy card.

The merger agreement permits each holder of Evergreen common stock to elect the form of merger consideration it wishes to receive in exchange for its Evergreen shares, subject to certain aggregate limits, as explained in detail in the joint proxy statement/prospectus accompanying this notice. An election form, pursuant to which a holder of Evergreen common stock can make its election, is enclosed with the joint proxy statement/prospectus. If you wish to make an election regarding the form of merger consideration you wish to receive, you should complete and sign the election form and return it, together with all certificates representing your shares of Evergreen common stock, to Continental Stock Transfer & Trust Company, the exchange agent, in the enclosed return envelope.

Under Colorado law, dissenters' rights of appraisal will be available to record holders of Evergreen common stock. In order for stockholders to exercise such dissenters' rights of appraisal, they must follow the procedures prescribed by Colorado law, which are summarized under "The Merger - Dissenters' Rights of Appraisal of Evergreen Stockholders" beginning on page 82 of the accompanying joint proxy statement/prospectus and are presented in full in Annex D to the accompanying joint proxy statement/prospectus.

By Order of the Board of Directors,

KEVIN R. COLLINS,
Secretary

Denver, Colorado
August 27, 2004

IMPORTANT:

Whether or not you plan to attend the special meeting, we ask you to complete and promptly return the enclosed proxy card in the return envelope provided or to vote by telephone or the Internet using the instructions on the proxy card.

Completed election forms and common stock certificates should be sent in the same return envelope.

Table of Contents

JOINT PROXY STATEMENT/PROSPECTUS

To the stockholders of Pioneer Natural Resources Company and Evergreen Resources, Inc.:

The boards of directors of Pioneer Natural Resources Company and Evergreen Resources, Inc. have each approved an agreement and plan of merger to combine the two companies. Our combined enterprise will create a premier oil and gas asset portfolio in North America that will anchor the enterprise's significant exploration and international opportunities.

In exchange for Evergreen common stock issued and outstanding as of the effective time of the merger, Pioneer will issue in the merger a number of shares of Pioneer common stock equal to approximately 21% of the shares of Pioneer common stock outstanding immediately prior to the merger and pay in the merger approximately \$865 million in cash, excluding any net cash proceeds from Evergreen's sale of its Kansas properties in excess of \$15 million, if that sale occurs. After the merger, Evergreen will become a wholly-owned subsidiary of Pioneer. The combined company will continue to operate under the name Pioneer Natural Resources Company, and its common stock will continue to be listed on the New York Stock Exchange under the symbol PXD.

Pioneer and Evergreen will each hold a special meeting of its stockholders in connection with the proposed merger. Pioneer stockholders will vote to approve the issuance of shares of Pioneer common stock in the merger, and Evergreen stockholders will vote to approve the merger agreement.

Your vote is important. Whether or not you plan to attend your company's special meeting, please submit a proxy by following the instructions on your proxy card.

The approval of the issuance of shares of Pioneer common stock requires the affirmative vote of a majority of the votes cast by holders of Pioneer common stock by proxy or in person and entitled to vote as of the record date for the Pioneer special meeting. The total vote cast by Pioneer stockholders at the special meeting must represent more than 50% of all shares of Pioneer common stock issued and outstanding and entitled to vote as of the record date for the special meeting. The approval of the merger agreement by Evergreen stockholders requires the affirmative vote of the holders of a majority of the shares of Evergreen common stock issued and outstanding and entitled to vote as of the record date for the special meeting.

This joint proxy statement/ prospectus provides you with important information about the proposed merger. We encourage you to read this document carefully.

The date, place and time of each special meeting will be as follows:

Special Meeting for Pioneer stockholders:

September 28, 2004 at 9:00 a.m., local time
Dallas Marriott Las Colinas Hotel
223 West Las Colinas Blvd.
Irving, Texas 75039

Special Meeting for Evergreen stockholders:

September 28, 2004 at 11:00 a.m., local time
The Pinnacle Club
555 17th Street, 38th Floor
Denver, Colorado 80202

Our boards of directors recommend that Pioneer stockholders vote **FOR** the issuance of shares of Pioneer common stock in the merger and that Evergreen stockholders vote **FOR** the approval of the merger agreement.

Scott D. Sheffield
Chairman of the Board, President
and Chief Executive Officer
Pioneer Natural Resources Company

Mark S. Sexton
Chairman of the Board, President and
Chief Executive Officer
Evergreen Resources, Inc.

For a discussion of risk factors that you should consider in evaluating the merger, see Risk Factors beginning on page 23.

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Certain directors and officers of Pioneer and Evergreen have interests in the merger that are different from or in addition to the interests of other Pioneer and Evergreen stockholders. For a discussion of these interests, see *The Merger - Interests of Pioneer's Directors and Management* in the Merger on page 74 and *The Merger - Interests of Evergreen's Directors and Management* in the Merger beginning on page 74.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the issuance of Pioneer common stock in the merger, or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/ prospectus is dated August 27, 2004, and is first being mailed to stockholders on or about August 30, 2004.

Table of Contents

Table of Contents

ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about Pioneer and Evergreen that is not included in or delivered with this document. This information is included in documents filed with the SEC by Pioneer and Evergreen that are available without charge from the SEC's website at <http://www.sec.gov>. See "Where You Can Find More Information" beginning on page 137.

Copies of the documents relating to Pioneer may also be obtained without charge from Pioneer on the Internet at www.pioneerinc.com, under the "Investor" tab, under the "SEC Filings" section; or by contacting Pioneer Natural Resources Company, 5205 N. O'Connor Blvd., Suite 900, Irving, Texas 75039, Attention: Investor Relations; or by calling Pioneer's Investor Relations office at telephone number: (972) 969-3583.

Copies of the documents relating to Evergreen may be obtained without charge on the Internet at www.evergreengas.com, under the "Investor Relations" section; or by contacting Evergreen Resources, Inc., 1401 17th Street, Suite 1200, Denver, Colorado 80202, Attention: Investor Relations; or by calling Evergreen's Investor Relations office at telephone number: (303) 298-8100.

If you wish to obtain any of these documents from Pioneer or Evergreen, you should, to ensure timely delivery, make your request no later than September 21, 2004.

Pioneer's common stock trades on the New York Stock Exchange under the symbol "PXD". Evergreen's common stock trades on the New York Stock Exchange under the symbol "EVG".

All information in this document concerning Pioneer has been furnished by Pioneer. All information in this document concerning Evergreen has been furnished by Evergreen. Pioneer has represented to Evergreen, and Evergreen has represented to Pioneer, that the information furnished by and concerning it is true and complete in all material respects.

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>TERMS USED IN THIS DOCUMENT</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	3
<u>General</u>	3
<u>For Pioneer Stockholders</u>	5
<u>For Evergreen Stockholders</u>	6
<u>SUMMARY</u>	12
<u>The Companies</u>	12
<u>The Combined Company</u>	12
<u>The Merger</u>	14
<u>Comparative Market Price Information</u>	18
<u>Selected Historical Financial Information of Pioneer</u>	19
<u>Selected Historical Financial Information of Evergreen</u>	20
<u>Selected Unaudited Pro Forma Financial Information</u>	21
<u>Comparative Per Share Data</u>	22
<u>RISK FACTORS</u>	23
<u>Risks Relating to the Merger</u>	23
<u>Risks Relating to the Combined Company's Business After the Completion of the Merger</u>	25
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	37
<u>THE COMPANIES</u>	38
<u>Pioneer</u>	38
<u>Evergreen</u>	38
<u>THE PIONEER SPECIAL MEETING</u>	39
<u>Date, Time and Place</u>	39
<u>Purpose of the Special Meeting</u>	39
<u>Recommendation of the Pioneer Board of Directors</u>	39
<u>Record Date; Stock Entitled to Vote; Quorum</u>	39
<u>Vote Required</u>	40
<u>Voting by Pioneer Directors, Executive Officers and Significant Stockholders</u>	40
<u>Voting of Proxies</u>	40
<u>Revocation of Proxy</u>	41
<u>Expenses of Solicitation</u>	41
<u>Miscellaneous</u>	41
<u>THE EVERGREEN SPECIAL MEETING</u>	42
<u>Date, Time and Place</u>	42
<u>Purpose of the Special Meeting</u>	42
<u>Recommendation of the Evergreen Board of Directors</u>	42
<u>Record Date; Stock Entitled to Vote; Quorum</u>	42
<u>Vote Required</u>	42
<u>Voting by Evergreen Directors, Executive Officers and Significant Stockholders</u>	43
<u>Voting of Proxies</u>	43
<u>Revocation of Proxy</u>	43
<u>Expenses of Solicitation</u>	44
<u>Miscellaneous</u>	44

Table of Contents

	<u>Page</u>
<u>THE MERGER</u>	45
<u>General Description of the Merger</u>	45
<u>Background of the Merger</u>	46
<u>Recommendation of Pioneer's Board of Directors and Reasons for the Merger</u>	51
<u>Recommendation of Evergreen's Board of Directors and Reasons for the Merger</u>	53
<u>Certain Financial Projections</u>	56
<u>Opinion of Pioneer's Financial Advisor</u>	57
<u>Opinion of Evergreen's Financial Advisor</u>	64
<u>Funding Related to the Merger</u>	73
<u>Interests of Pioneer's Directors and Management in the Merger</u>	74
<u>Interests of Evergreen's Directors and Management in the Merger</u>	74
<u>Material United States Federal Income Tax Consequences of the Merger</u>	76
<u>Accounting Treatment</u>	82
<u>Dissenters' Rights of Appraisal of Evergreen Stockholders</u>	82
<u>Regulatory Filings and Approvals Required to Complete the Merger</u>	84
<u>Stockholder Litigation</u>	84
<u>Effective Time of the Merger</u>	85
<u>New York Stock Exchange Listing of Pioneer Common Stock to be Issued in the Merger</u>	85
<u>Delisting and Deregistration of Evergreen Common Stock</u>	85
<u>Resale of Pioneer Common Stock</u>	85
<u>THE MERGER AGREEMENT</u>	86
<u>The Merger: Post-Closing Merger</u>	86
<u>Closing</u>	86
<u>Merger Consideration</u>	86
<u>Exchange of Shares: Fractional Shares</u>	91
<u>Representations and Warranties</u>	92
<u>Conduct of Business Pending the Merger</u>	94
<u>Acquisition Proposals</u>	95
<u>Employee Benefit Matters</u>	97
<u>Other Covenants and Agreements</u>	98
<u>Conditions to the Completion of the Merger</u>	99
<u>Termination</u>	100
<u>Termination Fee</u>	102
<u>Expenses</u>	103
<u>Amendment: Waiver</u>	103
<u>OTHER AGREEMENTS</u>	104
<u>Non-Competition Agreement</u>	104
<u>Consulting and Non-Competition Agreements</u>	104
<u>Evergreen Rights Agreement Amendment</u>	104
<u>DIRECTORS AND MANAGEMENT FOLLOWING THE MERGER</u>	104
<u>Directors of Pioneer</u>	104
<u>Committees of the Board of Directors of Pioneer</u>	105
<u>Compensation of Directors of Pioneer</u>	105

Table of Contents

	<u>Page</u>
<u>Management of Pioneer</u>	105
<u>Directors of Evergreen and BC Merger Sub</u>	105
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND</u>	
<u>MANAGEMENT</u>	105
<u>Pioneer</u>	105
<u>Evergreen</u>	107
<u>COMPARATIVE STOCK PRICES AND DIVIDENDS</u>	109
<u>Pioneer</u>	109
<u>Evergreen</u>	109
<u>UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS</u>	111
<u>DESCRIPTION OF PIONEER CAPITAL STOCK</u>	125
<u>Common Stock</u>	125
<u>Preferred Stock</u>	125
<u>Rights Agreement</u>	126
<u>Stock Exchange Listing</u>	128
<u>COMPARISON OF STOCKHOLDER RIGHTS</u>	128
<u>Authorized Capital</u>	128
<u>Classified Board of Directors</u>	128
<u>Removal of Directors</u>	129
<u>Indemnification and Limitation of Liability of Directors, Officers and</u>	
<u>Other Agents</u>	129
<u>Inspection of Stockholder List</u>	130
<u>Consideration for Issuance of Shares</u>	131
<u>Dividends and Repurchases of Shares</u>	131
<u>Stockholder Voting on Mergers and Certain Other Transactions</u>	132
<u>Stockholder Approval of Certain Business Combinations Under</u>	
<u>Delaware Law</u>	132
<u>Interested Director Transactions</u>	133
<u>Loans to Directors and Officers</u>	134
<u>Stockholder Derivative Suits</u>	134
<u>Appraisal/Dissenters Rights</u>	134
<u>Dissolution</u>	135
<u>LEGAL MATTERS</u>	135
<u>EXPERTS</u>	135
<u>Pioneer</u>	135
<u>Evergreen</u>	136
<u>STOCKHOLDER PROPOSALS</u>	136
<u>Pioneer</u>	136
<u>Evergreen</u>	136
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	137
<u>LIST OF ANNEXES</u>	139
<u>ANNEXES</u>	

Table of Contents

TERMS USED IN THIS DOCUMENT

Throughout this document, unless the context otherwise requires, the following terms have the following meanings:

The term **Bbl** means a standard barrel of 42 U.S. gallons and represents the basic unit for measuring the production of crude oil, NGLs and condensate.

The term **Bcf** means one billion cubic feet under prescribed conditions of pressure and temperature and is a measure of gas volumes.

The term **Bcfe** is a measure of gas and oil volumes which includes gas measured in Bcf and oil converted to gas at six Mcf of gas per Bbl of oil.

The term **BC Merger Sub** refers to BC Merger Sub, Inc., a Colorado corporation that is a wholly-owned subsidiary of Pioneer.

The term **BOE** means a barrel of oil equivalent and is a standard 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 gas to oil, being approximately six Mcf of gas per Bbl of oil.

The term **combined company** refers to Pioneer as combined with Evergreen following the merger and the post-closing merger.

The term **effective time** refers to the time that the merger becomes effective pursuant to Colorado law.

The term **Evergreen** refers to Evergreen Resources, Inc., a Colorado corporation. Discussions of Evergreen's activities include Evergreen's subsidiaries.

The term **Exchange Act** refers to the Securities Exchange Act of 1934.

The term **GAAP** means accounting principles generally accepted in the United States of America.

The term **HSR Act** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The term **Internal Revenue Code** means the Internal Revenue Code of 1986, as amended.

The term **IRS** refers to the United States Internal Revenue Service.

The term **MBbl** means one thousand Bbls.

The term **MBOE** means one thousand BOE.

The term **MMBOE** means one million BOE.

The term **Mcf** means one thousand cubic feet under prescribed conditions of pressure and temperature and is a measure of gas volumes.

The term **Mcfe** is a measure of gas and oil volumes which includes gas measured in Mcf and oil converted to gas at six Mcf of gas per Bbl of oil.

The term **MMcf** means one million cubic feet under prescribed conditions of pressure and temperature and is a measure of gas volumes.

The term **merger** refers to the merger of BC Merger Sub with and into Evergreen, with Evergreen surviving the merger and becoming a wholly-owned subsidiary of Pioneer.

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The term merger agreement refers to the Agreement and Plan of Merger, dated May 3, 2004, among Pioneer, Evergreen and BC Merger Sub.

The term NGLs means natural gas liquids.

Table of Contents

The term **NYMEX** means the New York Mercantile Exchange.

The term **Pioneer** refers to Pioneer Natural Resources Company, a Delaware corporation. Discussions of Pioneer's activities include Pioneer's subsidiaries.

The term **post-closing merger** refers to the merger of Evergreen, immediately following the merger, with and into a wholly-owned limited liability company subsidiary of Pioneer, with the limited liability company subsidiary as the surviving entity that is wholly-owned by Pioneer.

The term **proved reserves** means the estimated quantities of crude oil, natural gas, and NGLs 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.

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.

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.

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.

The term **SEC** refers to the United States Securities and Exchange Commission.

The term **Securities Act** refers to the Securities Act of 1933.

The term **standardized measure** means the after-tax present value of estimated future net revenues 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.

The terms **we**, **our** and **us** refer to Pioneer and Evergreen, collectively.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

GENERAL

Q: Why is the merger being proposed?

A: Our companies are proposing the merger because we believe it will create substantial strategic benefits for Pioneer and Evergreen. The proposed merger will combine the businesses of Pioneer and Evergreen to create a premier oil and gas asset portfolio in North America that will anchor the combined company's significant exploration and international opportunities and allow the combined company to balance the risk profiles of its growth opportunities between lower-risk extension drilling in the onshore United States and Argentina and higher-risk exploration opportunities in Alaska, the deepwater Gulf of Mexico, North Africa and West Africa. We believe that the merger will, among other things:

- strengthen our asset position in North America;
- create a new core area with some of the best long-lived gas assets in North America;
- provide a better balance of low and high-risk drilling opportunities;
- lengthen our proved reserves to production ratio;
- add approximately 2,000 drilling locations in the Raton Basin targeting gas reserves;
- leverage unconventional gas expertise;
- leverage our expertise in lower-pressure gas gathering systems and telemetry;
- add a substantial Rocky Mountain acreage position in key growth basins;
- enhance our Canadian asset portfolio; and
- increase the value and development potential of Evergreen's properties in the Rocky Mountains.

Please review the more detailed description of our reasons for the merger in The Merger Recommendation of Pioneer's Board of Directors and Reasons for the Merger beginning on page 51 and The Merger Recommendation of Evergreen's Board of Directors and Reasons for the Merger beginning on page 53.

Q. How will the merger occur?

A: The combination of Pioneer and Evergreen will consist of two separate mergers. First, BC Merger Sub will merge with and into Evergreen, with Evergreen surviving the merger and becoming a wholly-owned subsidiary of Pioneer. When this merger occurs, Evergreen stockholders will be entitled to receive the merger consideration. See The Merger Agreement Merger Consideration beginning on page 86. Second, immediately after the first merger, Evergreen will merge with and into a wholly-owned limited liability company subsidiary of Pioneer, with the limited liability company subsidiary surviving the second merger as a wholly-owned subsidiary of Pioneer.

Q: When will the merger be completed?

A: The merger will be completed when the conditions described in The Merger Agreement Conditions to the Completion of the Merger are satisfied or, where permitted, waived. We believe the conditions will be satisfied at the special stockholders meetings of Pioneer and Evergreen that are scheduled to be held on September 28, 2004. We expect to complete the merger as quickly as practicable after the special meetings.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this document, please fill out and sign your proxy card or vote by telephone or the Internet according to the instructions provided on the

3

Table of Contents

proxy card. Please mail your signed proxy card in the enclosed return envelope, or vote by telephone or the Internet, as soon as possible so that your shares may be represented at your company's special meeting. Your proxy will instruct the persons named on the proxy card to vote your shares at the applicable special meeting as you direct.

In addition, if you are an Evergreen stockholder and you wish to make an election regarding the form of merger consideration you wish to receive, you should complete and sign the election form enclosed with this joint proxy statement/prospectus and return it, together with all certificates representing your shares of Evergreen common stock, in the same return envelope so that the exchange agent will receive it by no later than 5:00 p.m., Eastern time, on September 27, 2004. Further information regarding the forms of merger consideration available to Evergreen stockholders and the election procedure is contained in The Merger Agreement Merger Consideration Election Procedures for Base Merger Consideration on page 89.

Q: Can I change my vote after I have mailed my signed proxy?

A: Yes. You may change your vote at any time before your proxy is voted at your company's special meeting. You can do this in several ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy card. Third, if you vote by telephone or the Internet, you may change your vote by telephone or the Internet by following the instructions given to you when you call or visit the Internet site. Fourth, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote. Further information about these procedures is contained in The Pioneer Special Meeting beginning on page 39 and The Evergreen Special Meeting beginning on page 42.

Q: If my shares are held in a street name by my broker, will my broker vote my shares for me?

A: No. Your broker will not vote your shares for or against approval of the merger, the merger agreement or the issuance of Pioneer common stock pursuant to the merger unless you tell your broker how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted.

Q: Do I have dissenters' rights of appraisal?

A: If you are an Evergreen stockholder you will have dissenters' rights of appraisal as a result of the merger. See The Merger Dissenters Rights of Appraisal of Evergreen Stockholders beginning on page 82. Pioneer stockholders do not have dissenters' rights of appraisal.

Q: Where can I find more information about the companies?

A: Both Pioneer and Evergreen file periodic reports with the SEC. You may read and copy this information at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available through the Internet at the EDGAR database maintained by the SEC at <http://www.sec.gov> and at the offices of the New York Stock Exchange.

Copies of the documents relating to Pioneer may also be obtained without charge from Pioneer on the Internet at www.pioneernc.com, under the Investor tab, under the SEC Filings section; or by contacting Pioneer Natural Resources Company, 5205 N. O'Connor Blvd., Suite 900, Irving, Texas 75039, Attention: Investor Relations; or by calling Pioneer's Investor Relations office at telephone number: (972) 969-3583.

Copies of the documents relating to Evergreen may be obtained without charge on the Internet at www.evergreengas.com, under the Investor Relations section; or by contacting Evergreen Resources, Inc., 1401 17th Street, Suite 1200, Denver, Colorado 80202, Attention: Investor Relations; or by calling Evergreen's Investor Relations office at telephone number: (303) 298-8100.

Table of Contents

Q: What approvals are required to complete the merger in addition to Pioneer and Evergreen stockholder approvals?

A: Under the HSR Act, Pioneer and Evergreen cannot complete the merger until they have filed certain information and materials with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission and the applicable waiting period has expired or been terminated. The required filings with the Department of Justice and the Federal Trade Commission were made on June 22, 2004, and the waiting period expired on July 22, 2004. See The Merger Regulatory Filings and Approvals Required to Complete the Merger on page 84.

Q: Is Pioneer's obligation to complete the merger subject to Pioneer receiving financing?

A: No. Although Pioneer has agreed upon the terms of a credit facility with JPMorgan Chase Bank and a syndicate of other banks pursuant to which the lenders have agreed, subject to the closing of the transactions contemplated by the merger agreement, to provide financing for the merger, Pioneer must complete the merger regardless of whether it receives financing.

FOR PIONEER STOCKHOLDERS

Q: When and where is the special meeting of the Pioneer stockholders?

A: The Pioneer special meeting will take place on September 28, 2004 at 9:00 a.m., local time. The location of the special meeting is the Dallas Marriott Las Colinas Hotel located at 223 West Las Colinas Blvd., Irving, Texas 75039.

Q: On what matters are Pioneer stockholders voting and why?

A: Pioneer stockholders are voting on a proposal to approve the issuance of new shares of Pioneer common stock in the merger. This stockholder vote is required under the rules of the New York Stock Exchange because the aggregate number of shares of Pioneer common stock to be issued to Evergreen stockholders in the merger will exceed 20% of the total number of shares of Pioneer common stock issued and outstanding immediately prior to the completion of the merger. The approval of the issuance of Pioneer common stock in the merger is a condition to the completion of the merger.

Q: How many shares of Pioneer common stock will Pioneer issue in the merger?

A: In exchange for Evergreen common stock issued and outstanding as of the effective time of the merger, including shares issuable pursuant to Evergreen restricted stock awards for which the applicable restrictions lapse as of the effective time, Pioneer will issue in the merger approximately 25.4 million shares of Pioneer common stock, which represent approximately 21% of the shares of Pioneer common stock outstanding immediately prior to the merger. Another 2.4 million shares of Pioneer common stock will be issuable upon exercise of Evergreen stock options. Also, upon conversion of Evergreen's 4.75% Senior Convertible Notes due 2021, Pioneer will issue approximately 2.3 million additional shares of Pioneer common stock. Approximately 242,000 additional shares of Pioneer common stock will be issuable after the merger upon the lapse of restrictions associated with Evergreen restricted stock awards for which the applicable restrictions do not lapse as of the effective time.

Q: How will Pioneer stockholders be affected by the merger and share issuance?

A: After the merger, each Pioneer stockholder will have the same number of shares of Pioneer common stock that the stockholder held immediately prior to the merger. However, because Pioneer will be issuing new shares of Pioneer common stock to Evergreen stockholders in the merger, each outstanding share of Pioneer common stock immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of Pioneer common stock outstanding after the merger. As a result of the merger, each Pioneer stockholder will own shares in a larger company with more assets.

Table of Contents

Q: What are the tax consequences of the merger?

A: It is a condition to the merger that Pioneer and Evergreen each receive an opinion of counsel to the effect that none of Pioneer, BC Merger Sub or Evergreen will recognize gain as a result of the merger. Each of Pioneer and Evergreen has received an opinion that satisfies these requirements. For a full description of the material federal income tax consequences of the merger, see *The Merger* Material United States Federal Income Tax Consequences of the Merger beginning on page 76.

Q: What vote of Pioneer stockholders is required to approve the issuance of Pioneer common stock in the merger?

A: The approval of the issuance of shares of Pioneer common stock in the merger requires the affirmative vote of a majority of the votes cast by holders of Pioneer common stock by proxy or in person and entitled to vote as of the record date for the special meeting. The total vote cast by Pioneer stockholders at the meeting must represent more than 50% of all shares of Pioneer common stock issued and outstanding and entitled to vote as of the record date for the special meeting.

Q: What will happen if I abstain from voting?

A: An abstention will count as present for purposes of establishing a quorum at the Pioneer special meeting. However, neither an abstention nor a failure to vote will affect the outcome of the vote regarding the issuance of shares of Pioneer common stock in the merger because they will not be counted as votes cast either for or against the proposal. Nevertheless, an abstention may result in the total votes cast at the special meeting representing fewer than 50% of all shares of Pioneer common stock issued and outstanding and entitled to vote as of the record date for the special meeting, in which case the vote would not satisfy the stockholder approval requirement for the issuance of shares of Pioneer common stock in the merger.

Q: Are there risks associated with the merger that I should consider in deciding how to vote?

A: Yes. You should carefully read the detailed description of the risks associated with the merger and the combined company's operations described in *Risk Factors* beginning on page 23.

Q: Whom should I contact if I have questions?

A: If you have any questions about the merger agreement, the merger or the issuance of shares of Pioneer common stock in the merger, or if you need additional copies of this joint proxy statement/ prospectus or the enclosed proxy card, you should contact:

D.F. King & Co., Inc.
48 Wall Street
New York, New York 10005
Telephone: (800) 859-8509

FOR EVERGREEN STOCKHOLDERS