

Pioneer Natural Resources Company and U.S. Silica Announce West Texas Sand Supply Agreement

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[Pioneer Natural Resources Company](#) (NYSE: PXD) (“Pioneer”) and U.S. Silica Holdings, Inc. (NYSE: SLCA) (“U.S. Silica”) today announced that the companies have entered into a long-term sand supply agreement by which Pioneer will purchase an interest in U.S. Silica’s sand reserves at its Lamesa, Texas, mine in West Texas. This agreement secures a long-term supply of sand from the mine, with U.S. Silica processing and supplying sand to Pioneer for 15 years.

Timothy L. Dove, Pioneer President and CEO, stated, “We are pleased to announce our agreement with U.S. Silica that provides Pioneer with low-cost West Texas sand for the foreseeable future. Strategically located in close proximity to our Midland Basin acreage, delivered sand from the Lamesa mine will cost approximately half that of our current delivered sand, reducing well costs into 2019 and beyond. The long-term nature of this agreement will benefit both companies. U.S. Silica has been a trusted partner for many years, and this contract solidifies their position as one of our key suppliers of proppant.”

Bryan Shinn, U.S. Silica President and CEO, stated, “We are pleased and excited to have the opportunity to expand and deepen our relationship with Pioneer, one of our largest and most dependable customers. This unique, very long-term contract at our new Lamesa site delivers significant value for both companies in the Permian and is clearly aligned with our stated goal of generating sustainable and predictable free cash flow yield from our oil and gas sand mining assets.”

The sand reserves and sand supply will be from U.S. Silica’s previously announced mine that is located about 60 miles north of Midland, near Lamesa, Texas. The mine is expected to produce approximately six million tons annually of predominately fine grade 100 mesh and 40/70 mesh sand, with initial production expected in the fourth quarter of 2018. Pioneer expects to receive its initial sand volumes during the first quarter of 2019, with its supply increasing from approximately 1.4 million tons in 2019 to 2 million tons per year in 2020 and future years.

Pioneer is a large independent oil and gas exploration and production company, headquartered in Dallas, Texas, with operations in the United States. For more information concerning Pioneer, visit www.pxd.com.

U.S. Silica is a leading producer of commercial silica used in the oil and gas industry, and in a wide range of industrial applications, headquartered in Katy, Texas, and with offices located in Chicago, Illinois, and Frederick, Maryland. For more information concerning U.S. Silica, visit www.ussilica.com.

Except for historical information contained herein, the statements in this news release are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements and the business prospects of Pioneer are subject to a number of risks and uncertainties that may cause Pioneer’s actual results in future periods to differ materially from the forward-looking statements, including the risks described in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse impact on it. 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. Pioneer undertakes no duty to publicly update these statements except as required by law.

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