UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PIONEER NATURAL RESOURCES	)	
CANADA INC.	)	**FE DOCKET NO. 00-65-NG**
	)	

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1627

OCTOBER 02, 2000

I. DESCRIPTION OF REQUEST

On September 21, 2000, Pioneer Natural Resources Canada Inc. (Pioneer) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)[1/] and DOE Delegation Order Nos. 0204-111 and 204-127, for blanket authorization to import up to 76.8 Bcf of natural gas from Canada over a period of two years beginning October 30, 2000, and extending through October 29, 2002. Pioneer, a Canadian corporation with its principal place of business in Calgary, Alberta, is a wholly owned subsidiary of Pioneer International Resources Company of Irving, Texas. Pioneer explores for, produces, and markets petroleum and natural gas.

The volumes of natural gas Pioneer proposes to import will be produced from reserves it owns in Canada, or they will be obtained by Pioneer in Canadian natural gas markets. The imports will enter the United States through the newly constructed pipeline facilities of Alliance Pipeline L.P. The Alliance Pipeline, which is about 1,900 miles long, originates in British Columbia, and extends through Alberta and Saskatchewan to the border of the United States and Canada. After crossing the border near Sherwood, North Dakota, the pipeline traverses parts of Minnesota and Iowa to its terminus near Chicago, Illinois. Pioneer will sell the imported gas at downstream delivery points off the Alliance pipeline system. The pipeline is scheduled to begin operating October 30, 2000.

II. FINDING

1/ 15 U.S.C. § 717b.

The application filed by Pioneer has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Pioneer to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Pioneer Natural Resources Canada Inc. (Pioneer) is authorized to import an aggregate of 76.8 Bcf of natural gas from Canada over a two-year period beginning on October 30, 2000, and extending through October 29, 2002. This natural gas will be imported at the border of the United States and Canada near Sherwood, North Dakota, through the Alliance pipeline system.

B. With respect to the natural gas imports authorized by this Order, Pioneer shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Pioneer must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller; (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter; (5) the point of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO.: 1901-0294]

C. The reports required by Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2001, and should cover the period from October 30, 2000, until the end of the fourth calendar quarter, December 31, 2000.

Issued in Washington, D.C., on October 02, 2000.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy