

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**PIONEER NATURAL RESOURCES )  
CANADA INC. )**

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**FE DOCKET NO. 02-69-NG**

**ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA**

**DOE/FE ORDER NO. 1817**

**OCTOBER 10, 2002**

## I. DESCRIPTION OF REQUEST

On October 3, 2002, Pioneer Natural Resources Canada Inc. (Pioneer) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for a two-year, blanket-type authorization to import natural gas from Canada, beginning on October 30, 2002. Pioneer will import up to 76.8 Bcf billion cubic feet (Bcf) by means of short-term and spot market arrangements. The volumes of natural gas Pioneer proposes to import primarily will come from reserves it owns in Canada. They will enter the United States through the pipeline facilities of Alliance Pipeline L.P. (Alliance) near Sherwood, North Dakota, and Pioneer will sell the gas at downstream delivery points off that transmission system. These imports will not require the construction of any new pipeline facilities.

Pioneer is a Canadian corporation with its headquarters in Calgary, Alberta, and a wholly owned subsidiary of Pioneer International Resources Company of Irving, Texas. It explores for, produces, and markets petroleum and natural gas in Canada and the United States. In an order FE issued October 2, 2000, Pioneer received identical broad-based, authority which extended from October 30, 2000, through October 29, 2002.<sup>2/</sup> Granting a new authorization will enable Pioneer to import an equal quantity of natural gas from Canada for an additional two years under the same conditions. Once again, each purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

<sup>2/</sup> See DOE/FE Order No. 1627 (2 FE ¶ 70,540).

## II. FINDING

Pioneer's application 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 up to 76.8 Bcf of natural gas from Canada, over a two-year period beginning on October 30, 2002, and extending through October 29, 2004. 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 will 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 will also provide the following details of each import transaction: (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 breakdowns of the contract price.

[OMB NO.: 1901-0294]

C. The reports required by Ordering Paragraph B will 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 is due not later than January 30, 2003, and should cover the period from October 30, 2002, until the end of the fourth calendar quarter, December 31, 2002.

Issued in Washington, D.C., on October 10, 2002.

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