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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - two related corporations deemed to have ceased to be reporting issuers after all of the securities of one of the corporations held by one shareholder. The other corporation has a de minimis presence in Canada and all Canadian security holders will continue to receive the same continuous disclosure documents that are provided to shareholders in the United States

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

**IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA,
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF PIONEER NATURAL RESOURCES CANADA INC.
AND PIONEER NATURAL RESOURCES COMPANY**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the “Jurisdictions”) has received an application from Pioneer Natural Resources Canada Inc. (“Pioneer Canada”) and Pioneer Natural Resources Company (“PNRC”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that Pioneer Canada and PNRC be deemed to have ceased to be reporting issuers or equivalent under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS PNRC has represented to the Decision Makers that:

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- 3.1 PNRC is incorporated under the laws of Delaware and pursuant to Order #97/11/508 of the Alberta Securities Commission and similar orders of the British Columbia, Saskatchewan, Manitoba, Quebec and Nova Scotia securities commissions (collectively, the “Commission Orders”) which were issued in accordance with the Arrangement (defined below) declared that, among other things, PNRC was deemed to be a reporting issuer in such provinces on December 18, 1997, the effective date of the Arrangement and in Ontario and Newfoundland PNRC became a reporting issuer or the equivalent thereof pursuant to the operation of law;
- 3.2 the head office of PNRC is located at 5205 N. O'Connor Blvd., Suite 1400, Irving, Texas, U.S.A.;
- 3.3 the authorized capital of PNRC consists of 100,000,000 shares of preferred stock, par value \$0.01, and 500,000,000 shares of common stock, par value \$0.01 (the “PNRC Shares”) of which one preferred share and approximately 119.58 million PNRC Shares are outstanding as of January 29, 2003;
- 3.4 the PNRC Shares are currently listed and posted for trading on the New York Stock Exchange (the “NYSE”) and were delisted from trading on the Toronto Stock Exchange (the “TSX”) on December 31, 2002;
- 3.5 no securities of PNRC are listed or quoted on any exchange in Canada;
- 3.6 PNRC is subject to and in compliance with the reporting requirements of applicable United States securities legislation and the NYSE;
- 3.7 all of the shareholders of PNRC resident in Canada (whether registered or unregistered) will continue to be provided with the same continuous disclosure documents that are provided to shareholders of PNRC resident in the United States, including annual audited financial statements;
- 3.8 on September 3, 1997, PNRC and Chauvco Resources Ltd. (“Chauvco”) entered into a combination agreement pursuant to which the businesses of Pioneer Natural Resources (Canada) Ltd., a predecessor to Pioneer Canada, and Chauvco were

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combined pursuant to a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (Alberta) (the “ABCA”);

- 3.9 as of June 17, 2003, there are fewer than 50 holders of PNRC Shares resident in Canada, holding less than 0.3%, in aggregate, of the currently issued and outstanding PNRC Shares, with 15 or fewer holders of PNRC Shares resident in any one of the Jurisdictions;
 - 3.10 as of May 9, 2003 PNRC was not in default of the securities legislation of the Jurisdictions;
 - 3.11 other than the PNRC Shares, certain notes held primarily by U.S. resident investors, the preferred share and certain securities under its incentive plans, PNRC has no securities outstanding; and
 - 3.12 as of the date hereof, PNRC does not currently intend to seek public financing by way of an offering of its securities in Canada;
4. AND WHEREAS Pioneer Canada has represented to the Decision Makers that:
- 4.1 Pioneer Canada was incorporated as Pioneer Natural Resources (Canada) Ltd. under the laws of British Columbia. As part of the Arrangement, Pioneer Canada was continued under the ABCA on December 18, 1997. On January 1, 1999 Pioneer Canada amalgamated with Pioneer Natural Resources (Canada) Ltd., PNRC Oil & Gas Ltd. and Pioneer Petroleum (TRI) Ltd. and continued under the name Pioneer Natural Resources Canada Inc. On January 1, 2001, Pioneer Canada amalgamated with its wholly-owned subsidiary CR International Limited;
 - 4.2 pursuant to the terms of the Commission Orders, Pioneer Natural Resources (Canada) Ltd., a corporate predecessor to Pioneer Canada, was deemed to be a reporting issuer in the Province of Alberta and in British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland. However, the Commission Orders exempted Pioneer Canada from the continuous disclosure requirements of applicable

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provincial securities legislation provided that, among other things:

- (a) PNRC sent copies of all disclosure material of PNRC to Canadian resident holders of Exchangeable Shares of Pioneer Canada which was provided to U.S. resident holders of PNRC Shares;
 - (b) PNRC filed all continuous disclosure documents of PNRC which were required to be filed by it with the United States Securities and Exchange Commission pursuant to applicable U.S. securities legislation with the securities commissions in Canada; and
 - (c) PNRC remained the direct or indirect holder of all shares of Pioneer Canada, other than the Exchangeable Shares.
- 4.3 the principal office of Pioneer Canada is located at 2900, 255 – 5th Avenue S.W., Calgary, Alberta and its registered office is located at 3700, 400 – 3rd Avenue S.W., Calgary, Alberta;
- 4.4 the authorized share capital of Pioneer Canada consists of an unlimited number of common shares (the “Common Shares”) and an unlimited number of exchangeable shares (the “Exchangeable Shares”);
- 4.5 as of the date hereof all of the issued and outstanding share capital of Pioneer Canada, is held by Pioneer International Resources Company, a wholly-owned subsidiary of PNRC;
- 4.6 pursuant to the Arrangement, Exchangeable Shares were issued to those shareholders of Chauvco who elected to receive such exchangeable shares as partial consideration for their Chauvco common shares;
- 4.7 on December 18, 2002:
- (a) all of the then issued and outstanding Exchangeable Shares were automatically redeemed in accordance with their terms in exchange for PNRC Shares (the “Automatic Redemption”); and

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- (b) the Exchangeable Shares were delisted from trading on the TSX;
- 4.8 there are no securities of Pioneer Canada listed or quoted on any exchange;
- 4.9 after the completion of the Automatic Redemption, PNRC became the indirect holder of all of the securities of Pioneer Canada;
- 4.10 Pioneer Canada has no securities which are held by members of the public, including debt securities, outstanding, other than the Common Shares;
- 4.11 Pioneer Canada is not in default of the securities legislation of the Jurisdictions;
- 4.12 Pioneer Canada does not currently intend to seek public financing by way of an offering of its securities in Canada;
- 5. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
- 6. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- 7. THE DECISION of the Decision Makers under the Legislation is that Pioneer Canada and PNRC are deemed to have ceased to be a reporting issuers or the equivalent under the Legislation.

DATED this 28th day of July, 2003

Patricia M. Johnston
Legal Services & Policy Development