

2026 ABAER 002

Proceeding 463

Cancen Oil Processors Inc.

Regulatory Appeal of an Administrative Penalty

Decision

[1] The Alberta Energy Regulator (AER) hearing panel assigned to this proceeding notes that Cancen Oil Processors Inc. has not responded to the notice of hearing or inquiries by the AER. The panel therefore finds that Cancen has not indicated any intent to pursue its regulatory appeal of an administrative penalty issued against it by the AER and cancels this proceeding.

Background

[2] On February 15, 2023, the AER issued an environmental protection order to Cancen under the *Environmental Protection and Enhancement Act (EPEA)*. The order required Cancen to take various actions to address a spill at a Cancen disposal well near New Sarepta, Alberta.

[3] The AER subsequently determined that Cancen had not complied with the order, and AER Regulatory Compliance issued Cancen an administrative penalty of \$303 768.58 under section 237(1) of *EPEA* on February 18, 2025. The administrative penalty consisted of a penalty assessment of \$105 000.00 under section 237(2)(a) of *EPEA* and an economic benefit assessment of \$198 768.58 under section 237(2)(b) of *EPEA*.

[4] On March 18, 2025, Cancen submitted a request for regulatory appeal of the administrative penalty. The AER received and reviewed submissions from Cancen and AER Regulatory Compliance and determined on August 28, 2025, that a hearing would be held to consider Cancen's regulatory appeal. This decision was made under section 91(1)(n) of *EPEA* and sections 36 and 38 of the *Responsible Energy Development Act (REDA)*.

[5] The purpose of the hearing was to determine whether the AER should confirm, vary, suspend, or revoke its decision to issue the administrative penalty.

Discussion

[6] The hearing panel was informed on September 22, 2025, that Mr. K. Talbot, President of Cancen Oil Processors Inc., was no longer Cancen's contact for this proceeding.

[7] On October 7, 2025, the hearing panel wrote to Cancen seeking information for a new contact and confirmation whether Cancen intended to continue with the regulatory appeal. The panel set a response deadline of October 22, 2025. No response was received from any authorized representative of Cancen.

[8] On November 6, 2025, the hearing panel wrote to Cancen and AER Regulatory Compliance seeking any contact information for Cancen and any submissions on next steps in the proceeding. Written replies were due December 5, 2025. The letter stated: “The hearing panel also gives notice that no response from Cancen to this letter could lead the hearing panel to consider whether to cancel or otherwise discontinue Cancen’s regulatory appeal.”

[9] AER Regulatory Compliance responded on November 17 and 18, 2025, providing contact information for Mr. R. Morawski, a Cancen director and shareholder. AER Regulatory Compliance suggested that the need for next steps depended on whether Cancen confirmed it wished to proceed with the regulatory appeal.

[10] On November 19, 2025, the hearing panel’s November 6, 2025, letter was emailed to Mr. Morawski with the same reply date of December 5, 2025. No reply was received from either Cancen or Mr. Morawski.

[11] On January 19, 2026, the AER issued the notice of hearing. The notice indicated that Cancen and AER Regulatory Compliance were considered parties to the regulatory appeal and must confirm in writing their intention to participate in the hearing—and the nature and scope of that participation—by February 9, 2026. The AER sent the notice of hearing directly to the contacts it had for Cancen.

[12] By letter dated February 9, 2026, AER Regulatory Compliance confirmed its intent to fully participate in the proceeding. To date, Cancen has not responded or confirmed its participation.

[13] Section 39(4) of *REDA* states:

The Regulator may dismiss all or part of a request for regulatory appeal

- (a) if the Regulator considers the request to be frivolous, vexatious or without merit,
- (b) if the request is in respect of a decision on an application and the eligible person did not file a statement of concern in respect of the application in accordance with the rules, or
- (c) if **for any other reason** the Regulator considers that the request for regulatory appeal is not properly before it. *[emphasis added]*

[14] The AER has made numerous attempts to contact and solicit responses from Cancen. Despite these attempts, Cancen has not met the requirements in the notice of hearing for confirmation of participation nor indicated any intent to pursue its regulatory appeal. Since Cancen was the only eligible person in the

regulatory appeal and has not indicated that it will participate in the hearing, this regulatory appeal is no longer properly before the AER for lack of an actively participating eligible person.

[15] Accordingly, the AER has discontinued the regulatory appeal and the public hearing is cancelled.

Dated in Calgary, Alberta, on March 6, 2026.

Alberta Energy Regulator

C.L.F. Chiasson, LLB
Presiding Hearing Commissioner

Brian A. Zaitlin, PhD, PGeol, CPG
Hearing Commissioner

Jillian Campbell, Msc, PBIol, DABT
Hearing Commissioner