



ERCB Monthly Enforcement Action Summary

February 2009

ENERGY RESOURCES CONSERVATION BOARD
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Contents

High Risk Compliance Category Statistics..... 1

High Risk Enforcement Action 1 2

High Risk Enforcement Action 2 (Persistent Noncompliance)..... 24

High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard)..... 25

Low Risk Enforcement Action – Global REFER Summary 27

Legislative/Regulatory Enforcement Action 30

Endnotes 34

High Risk Compliance Category Statistics				
ERCB	Compliance Category	February 2009		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	53	5	91%
	Facilities Technical	16	1	94%
	Pipelines/Pipeline Installations Technical	19	1	95%
	Wells Technical	43	4	91%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Production without Common Ownership	N/A	1	N/A
	Groundwater Protection	N/A	2	N/A
	Commingling	N/A	1	N/A
Subtotal		101	14	86%
Compliance and Operations Branch				
Operations Group Production Operations Section	Production Measurement & Reporting	N/A	1	N/A
Operations Group	Sulphur Recovery Guidelines	N/A	1	N/A
Subtotal		N/A	2	N/A
Public Safety/Field Surveillance Branch				
	Drilling Operations	74	5	93%
	Well Servicing	42	1	98%
	Oil Facilities	236	7	97%
	Gas Facilities	393	10	97%
	Pipelines	184	10	95%
	Drilling Waste	24	1	96%
	Well Site Inspections	461	3	99.3%
	Waste Management	8	2	75%
Subtotal		1422	39	98%
Total Audit/Inspections High Risk		1523	55	96.4%

Note: Compliance category data are evaluated annually and results presented in *ST99 ERCB Provincial Surveillance and Compliance Summary*.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Advantage Oil & Gas Ltd.	Field Surveillance/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	February 25,2009	02-14-070-25W5 M.D. of Greenview	Operations suspended. Licensee reviewed its internal corrosion control program with all operating staff. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Albian Sands Energy Inc.	Fort McMurray/ Mineable Oil Sands	Failure by an operator to measure oil sands, crude bitumen, derivatives of crude bitumen or oil sands products, and all significant process streams that have a bearing on the calculation of material balances of hydrocarbons or sulphur, in a manner satisfactory to the Board.	February 5, 2009	Approval number 8512B	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Amarone Oil & Gas Ltd.	Facilities Applications/ Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	February 25, 2009	04-02-047-26W4 County of Wetaskiwin	Licence(s) was not cancelled or suspended as licensee amended the licence(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Anderson Energy Ltd.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement - failure to complete and submit the necessary reporting of required packer testing by September 1 of each year, as required by: ERCB Interim Directive (ID) 2003-01 1) <i>Isolation Packer Testing, Reporting, and Repair Requirements.</i>	February 3, 2009	03-16-037-07W5 Clearwater County	Operations were not suspended, as the well has been shut in since December 2008. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	ARC Resources Ltd.	Facilities Applications/ Facilities Technical	Failure to submit a facility licence application as "Facilities-Technical nonroutine" when required.	February 3, 2009	10-25-010-13W4 M.D. of Taber	Licence(s) not cancelled or suspended, as the noncompliance was corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	ARC Resources Ltd.	Field Surveillance/ Drilling Operations	Fluid turn(s) in bleed-off line(s) not made using right-angle connections constructed of tees and crosses blocked on fluid turns. Degasser inlet -fluid turns in degasser inlet line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	February 26, 2009	15-27-048-07W5 Brazeau County	Operations suspended. Licensee corrected the connections to make them a right angle. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Artek Exploration Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	February 11, 2009	14-29-080-10W6 Saddle Hills County	<p>License(s) was not cancelled or suspended, as licensee amended the licence(s).</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
8	Avenir Operating Corp.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application	February 12, 2009	11-04-011-19W4 County of Lethbridge	<p>License(s) not cancelled or suspended, as the noncompliance was corrected.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
9	Baytex Energy Ltd.	Resources Applications/ Production without common ownership	Production without common ownership throughout a drilling spacing unit.	February 12, 2009	11-28-081-19W5 Northern Sunrise County	<p>Operations not suspended, as the Petroleum and Natural Gas Rights have been obtained.</p> <p>Licensee submitted the appropriate amendments to reflect that the /0 event of the well did not produce.</p> <p>Licensee submitted a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Birchcliff Energy Ltd.	Resources Applications/ Commingling	Commingling without approval.	February 12, 2009	08-36-087-10W6 09-36-087-10W6 10-36-087-10W6 04-06-088-09W6 M.D. of Clear Hills	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite approval has been obtained. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Bonavista Petroleum Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel. Spill on/off lease not adequately controlled/ cleaned up.	February 11, 2009	16-33-081-13W6 Saddle Hills County	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Bronco Energy Ltd.	Field Surveillance/ Oil Facilities	Noncompliant with other ERCB requirement - solution gas production requirements during planned shutdowns and emergency events.	February 9, 2009	11-01-080-23W4 M.D. of Opportunity	Operations suspended. Licensee replaced the control valve on the vapour recovery unit that led to the flaring of the solution gas. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Can-Able Energy Ltd.	Field Surveillance/ Well Site Inspection	Oilfield waste materials not properly stored/contained.	February 4, 2009	06-27-032-06W5	<p>Operations were not suspended, as remedial measures were put in place.</p> <p>Licensee moved the contaminated soil off lease for proper disposal.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
14	Canadian Forest Oil Ltd.	Field Surveillance/ Gas Facilities	<p>Contaminated material stored directly on the ground.</p> <p>Flame-type equipment without workable flame arrester less than 25 m from a process vessel.</p> <p>Spill on/off lease not adequately controlled/cleaned up.</p> <p>Noncompliant with other ERCB requirement – individual dehydrators or site dehydrator benzene emissions over the limits.</p>	February 4, 2009	<p>08-30-057-24W5</p> <p>Yellowhead County</p>	<p>Operations were not suspended, as the noncompliances were promptly corrected.</p> <p>Loose bolts on dehydrator were tightened and contaminated material was removed from the lease site.</p> <p>The two glycol dehydrators identified as being noncompliant were shut down.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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15	Canadian Forest Oil Ltd.	Field Surveillance/ Pipelines	External Corrosion Control/Cathodic Surveys -Cathodic protection system-not operational or not installed. Pipeline sign missing or defaced on both sides of a crossing.	February 4, 2009	08-25-097-16W5 08-31-097-15W5 M.D. of Mackenzie	Operations were not suspended, as mitigation measures have been put in place and the noncompliance items identified can be rectified in a short period of time. Licensee installed pipeline signs to replace those that were missing. Licensee implemented a corporate pipeline operating and maintenance manual. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Canadian Forest Oil Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	February 5, 2009	08-15-098-16W5 M.D. of Mackenzie	Operations were not suspended, as the licensee will ensure and verify that the tank is emptied daily. Licensee tested the tank(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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17	Canadian Natural Resources Limited	Field Surveillance/ Pipelines	Waste disposal – spill material (waste) not properly stored.	February 2, 2009	05-03-082-11W6 Northern Sunrise County	Operations were not suspended, as the noncompliance event occurred prior to the inspection and there would be no impact/hazard to the environment or the public. Licensee removed the waste material from the site. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Canflame Energy Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease (identify source and cause).	February 5, 2009	08-32-049-26W4 Leduc County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	Celtic Exploration Ltd.	Field Surveillance/ Drilling Operations	Fluid turn(s) in bleed-off line(s) not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	February 10, 2009	13-23-057-14W5 Yellowhead County	Operations suspended. Licensee corrected the connections to make them a right angle. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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20	Centrica Canada Limited	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 11, 2009	15-19-061-06W5 County of Barrhead	Operations suspended. Licensee repaired the gasket on the glycol dehydrator. Licensee has updated internal procedures to prevent future occurrences. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Daylight Energy Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 13, 2009	01-16-075-01W6 M.D. of Greenview	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
22	EnCana Corporation	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 5, 2009	06-27-048-26W4 Leduc County	<p>Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i>.</p> <p>Licensee determined the source and composition of the produced water and provided a water analysis.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
23	Enermark Inc.	Field Surveillance/ Drilling Operations	Blowout preventer(s) or the hydraulic control valve on the diverter/ bleed-off line failed to operate from the floor position.	February 18, 2009	05-06-023-14W4 Special Area 2 (near Cresford)	<p>Operations suspended.</p> <p>Licensee repaired the air supply line, as it was frozen at the time of the inspection.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
24	EOG Resources Canada Inc.	Facilities Applications/ Wells Technical	Failure to acquire the necessary well licence prior to commencing site preparation, construction, and/or operation.	February 12, 2009	16-22-035-27W4 Red Deer County	<p>License(s) suspended, then lifted once the noncompliance was corrected.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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25	Fairborne Energy Ltd.	Field Surveillance/ Drilling Operations	Degasser inlet -fluid turns in degasser inlet line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	February 3, 2009	08-35-044-15W5 Clearwater County	Operations suspended. Licensee corrected the connections to make them right angle. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
26	Galleon Energy Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application	February 12, 2009	15-13-075-20W5 M.D. of Smoky River	Licence(s) not cancelled or suspended, as the noncompliance was corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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27	Hlghpine Oil & Gas Ltd.	Operations Group/ Production Measurement & Reporting	<p>Inaccurate accounting and reporting of gas receipts.</p> <p>Inaccurate accounting on reporting of actual hydrocarbons liquid production.</p> <p>Inaccurate accounting on reporting of actual gas production.</p> <p>No approval when required – condensate volumes exceed acceptable limits within <i>Directive 017: Measurement Requirements for Upstream Oil and Gas Operations</i>.</p>	February 25, 2009	16-29-048-09W5 Brazeau County	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee submitted their accounting figures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
28	Luxur Resources Inc.	Facilities Applications/ Pipelines Technical	The valves, flanges, fittings are not suitable for the applied-for maximum operating pressure as defined in Canadian Standards Association.	February 6, 2009	04-08-012-03W4 Cypress County	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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29	Newalta Corporation	Public Safety/ Field Surveillance Branch/ Waste Management	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 25, 2009	11-21-039-03W5 Lacombe County	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	Omers Energy Inc.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	February 11, 2009	11-27-010-02W5 M.D. of Ranchland	Application(s) withdrawn prior to issuance of disposition. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Omers Energy Inc.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns whether they are received prior to or after the filing of the application or whether the party is inside or outside the contact radius of personal consultation or notification.	February 11, 2009	12-28-040-02W5 Lacombe County	Application(s) withdrawn/closed prior to issuance of disposition. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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32	Omers Energy Inc.	Field Surveillance/ Drilling Operations	Degasser inlet -fluid turns in degasser inlet line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	February 24, 2009	14-24-049-14W4 Beaver County	Operations suspended. Licensee corrected the connections to make them a right angle. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	OSUM Oil Sands Corp.	Field Surveillance/ Drilling Waste Inspection	Application rates for landspray or landspray while drilling as outlined in <i>Directive 050</i> are exceeded.	February 20, 2009	01-14-063-03W4 M.D. of Bonnyville	Operations were not suspended, as the potential impact/hazard to the public or the environment was mitigated. At the time of inspection, the ground that the landspray was on was frozen. Licensee plowed and dispersed the drilling waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
34	Outrider Energy Ltd.	Field Surveillance/ Pipelines	Internal corrosion control - no monitoring and mitigation in corrosive environment.	February 24, 2009	03-09-062-10W5	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the public or the environment.</p> <p>Licensee implemented a corrosion control program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
35	Plains Midstream Canada ULC	Field Surveillance/ Pipelines	Depth of cover is unsatisfactory.	February 12, 2009	16-08-034-05W5 Mountain View County	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee fenced off the area with the reduced cover.</p> <p>Licensee completed a depth of cover survey and showed all areas to be in compliance.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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36	Provident Energy Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease (identify source and cause).	February 6, 2009	05-20-040-10W4 Flagstaff County	Operations were not suspended, as repairs were made immediately to the thief hatch that was the source of the leak. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
37	Quicksilver Resources Canada Inc.	Field Surveillance/ Pipelines	Damage by others – proper procedures were not followed.	February 2, 2009	10-34-035-27W4 Red Deer County	Operations suspended. Licensee repaired the pipeline and reviewed company-specific emergency protocols with its staff. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
38	Seaview Energy Inc.	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease (identify source and cause).	February 5, 2009	16-19-079-12W6 Saddle Hills County	Operations suspended. Licensee replaced the thief hatch that was the source of the odours. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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39	Shell Canada Limited	Field Surveillance/ Oil Facilities	<p>Contaminated material stored directly on the ground.</p> <p>Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.</p> <p>Vapour recovery equipment inadequate/not operable.</p> <p>Flame-type equipment without workable flame arrester less than 25 m from a process vessel.</p> <p>No flame arrester on line from tank to flare stack where required.</p> <p>H₂S emissions off lease (identify source and cause).</p> <p>Spill on/off lease not adequately controlled/cleaned up.</p>	February 12, 2009	05-21-085-18W5 Northern Sunrise County	<p>Suspension of operations at this time was not deemed appropriate, as the noncompliance items occurred in the past.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Remedial actions are ongoing and currently being monitored by the Grande Prairie Field Centre.</p> <p>Compliance not yet achieved.</p>

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	Shell Canada Limited	Field Surveillance/ Oil Facilities	<p>No notification of reportable spill to ERCB.</p> <p>Release criteria in <i>Directive 55/Directive 58</i> not met prior to release.</p> <p>Decision tree process not completed for new, existing, and temporary flares, incinerators, and vents as required, which is in contravention of <i>Directive 060: Upstream Petroleum Industry Flaring Requirements</i>.</p> <p>Flare reductions during planned shutdowns and emergency events not in compliance with flaring requirements.</p>	February 12, 2009	<p>05-21-085-18W5</p> <p>Northern Sunrise County</p>	
40	Standard Energy Inc.	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease (identify source and cause).	February 2, 2009	<p>02-36-071-05W6</p> <p>County of Grande Prairie</p>	<p>Operations suspended.</p> <p>Licensee removed the sand separator that caused the off-lease H₂S odours.</p> <p>Licensee has installed a production tank as a sand separator until the sand production is manageable with the existing facility.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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41	Suncor Energy Inc.	Field Surveillance/ Pipelines	There is no approval to construct.	February 17, 2009	05-13-053-15W5 Parkland County	Operations suspended. Licensee obtained a pipeline permit. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
42	Suncor Energy Inc.	Field Surveillance/ Gas Facilities	No tank dike where required.	February 23, 2009	14-12-053-15W5 Yellowhead County	Operations were not suspended, as the licensee will empty the tanks until remedial action is completed. Licensee removed the tank from production so no fluids were produced. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
43	Taqa North Ltd.	Field Surveillance/ Well Site Inspection	Blowout preventer components not pressure tested.	February 19, 2009	02-24-050-28W4 Leduc County	Operations suspended. Licensee pressure tested the blowout preventers. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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44	Taylor Processing Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 18, 2009	09-27-031-04W5 Mountain View County	<p>Operations were not suspended, as mitigation measures were implemented.</p> <p>Until a permanent solution can be found, the licensee has installed portable LEL monitoring equipment and has implemented procedures to shut down the equipment if LEL levels are present.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
45	Trilogy Energy Ltd.	Field Surveillance/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	February 10, 2009	10-02-064-18W5 M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee completed a pipeline risk assessment that concluded the line was not a high risk line for corrosion.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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46	Trilogy Energy Ltd.	Field Surveillance/ Well Site Inspection	Surface casing vent flow gas with liquids.	February 26, 2009	04-34-064-19W5 M.D. of Greenview	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the public or the environment.</p> <p>The gas that was being emitted from the surface casing vent did not contain H₂S.</p> <p>Liquid leak from Surface Casing Vent was controlled immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
47	True Energy Inc.	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease (identify source and cause).	February 4, 2009	02-06-042-13W4 Flagstaff County	<p>Operations were not suspended, as the noncompliance was corrected at the time of the inspection.</p> <p>Licensee found a seal to be leaking and made the necessary repairs.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
48	True Energy Inc.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up.	February 12, 2009	08-25-049-07W5 Brazeau County	Operations were not suspended, as the noncompliance was a slow leak around the packing head that had reached the ground and therefore the potential impact/hazard to the environment or the public was low. Licensee promptly cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
49	Tusk Energy Corporation	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	February 27, 2009	02-03-073-05W6 County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
50	Twin Butte Energy Ltd.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	February 5, 2009	16-12-039-28W4 Red Deer County	Operations suspended. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
51	Winter Petroleum Ltd.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys - no records of survey results. Pipeline sign missing or defaced on both sides of a crossing.	February 2, 2009	14-03-110-03W6 Mackenzie County	Operations were not suspended, as the licensee has mitigation measures in place. Licensee conducted cathodic surveys. Licensee installed sign(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
52	Wolf Coulee Resources Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application	February 9, 2009	08-17-038-20W4 County of Stettler	Licence(s) not cancelled or suspended, as the noncompliance was corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Jed Production Inc.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	February 2, 2009	09-17-122-20W5 Mackenzie County	<p>In accordance with ID 2001-03 (Sulphur Recovery Guidelines for the Province of Alberta), raw gas inlet to the facility was restricted by 30%.</p> <p>Failure to meet the approved sulphur recovery efficiency in the next 12 months will result in an additional 30% restriction of raw gas inlet.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved</p>
2	Mancal Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with Department of Energy.	February 18, 2009	13-36-048-12W5 Beaver County	<p>Licence(s) suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to discuss the high risk enforcement.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	February 3, 2009	13-29-088-11W5 Northern Sunrise County	<p>Licensee had a previous High Risk Action 3 in this category and failed to operate in compliance within the 180-day time period.</p> <p>Operations were not suspended, as the licensee will verify and ensure that the tank is empty.</p> <p>Licensee had the tank integrity tested.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to review its action plan.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
2	Trafina Energy Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 23, 2009	16-30-045-23W4 10-31-045-23W4 14-31-045-23W4 08-06-046-23W4 County of Wetaskiwin	<p>This is an escalation from a previous High Risk Enforcement Action 1.</p> <p>Licensee determined the source and composition of the produced water and provided water analyses.</p> <p>Licensee provided written confirmation that wells 16-30-045-23W4, 14-31-045-23W4, and 00/08-06-045-23W4 have been abandoned and perforations in well 00/10-31-045-23W4 have been segregated.</p> <p>Licensee provided written confirmation that production from non-saline intervals will not resume until granted approval from Alberta Environment.</p> <p>Licensee met with the ERCB to review compliance management systems.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Magnus One Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 5, 2009	Well Licences 09-11-012-22W4 09-18-012-19W4 11-18-012-19W4 11-08-012-19W4 County of Lethbridge 12-26-031-12W4 Special Area 2 (near Hanna) Facility Licences 00/11-08-012-19W4 00/01-18-012-19W4 County of Lethbridge	<p>This is an escalation from a previous enforcement action initially reported on January 14, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C1144 and C 1145.</p> <p>Suspension of well and facility licences.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Magnus One Energy Corp. failed to comply. Abandonment Orders No. AD 2009-14, AD 2009-15, and AD 2009-16, and Closure/ Abandonment Order AD 2009-17 were subsequently issued.</p> <p>A working interest participant satisfactorily abandoned the well associated with Abandonment Order No. AD 2009-14.</p> <p>The ERCB notified Magnus One Energy Corp. of its intention to have the remaining properties abandoned as a result of the breaching of abandonment orders.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
2	NVI Mining Ltd.	Corporate Compliance/ Orphan Levy	Failure to pay 2008 Orphan Fund Levy 20% penalty.	February 4, 2009	16-07-026-16W4 Special Area 2 (near Dorothy)	<p>This is an escalation from a previous enforcement action initially reported on December 17, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1143.</p> <p>Suspension of well licence.</p> <p>Licensee required to pay the 2008 Orphan Fund Levy 20% penalty and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>NVI Mining Ltd. failed to comply. Abandonment Order No. AD 2009-13 was subsequently issued.</p> <p>NVI Mining Ltd. submitted full payment of its 2008 Orphan Fund Levy, plus 20% penalty, provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and met with the ERCB to explain its noncompliance history and corrective action plan.</p> <p>Compliance achieved.</p>

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Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
3	First West Petroleum Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 20, 2009	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-03.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>First West Petroleum Inc. failed to comply. Closure Orders No. C 1147 and C 1150 were subsequently issued.</p> <p>First West Petroleum Inc. submitted the full security amount, and provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Compliance achieved.</p>

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Carl Oil and Gas Ltd.	Corporate Compliance/ Environment and Public Safety	Carl Oil and Gas Ltd. unable to provide care and custody of its well, facility, and pipeline licences due to the personal bankruptcy of its sole director and shareholder.	February 11, 2009	Well licences 06-07-015-10W4 04-07-015-10W4 12-07-015-10W4 14-07-015-10W4 Facility licence 00/06-07-015-10W4 Pipeline licences 04-07-015-10W4 12-07-015-10W4 14-07-015-10W4 (2 pipeline licences from this location) Cypress County	Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2009-3, AD 2009-5, and AD 2009-6. Suspension and abandonment of well, facility, and pipeline licences. Licensee required to abandon licensed properties, in accordance with the ERCB's abandonment requirements, including the submission of appropriate documentation verifying completed abandonment operations, or achieve compliance with Section 3.012(f)(i) of the <i>Oil and Gas Conservation Regulations</i> and Section 82(9)(e) of the <i>Pipeline Regulation</i> . Carl Oil and Gas Ltd. failed to comply. Carl Oil and Gas Ltd. subsequently deemed a defaulting working interest participant, and well, facility and pipeline licences designated orphan for the purposes of abandonment.
2	SynCo Exploration Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a	February 13, 2009	03-30-097-19W5 (2 well licences at this surface location)	Global Refer status. Issuance of Closure Order No.: C 1146.

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
			valid entitlement to the right to produce the well.		M.D. of Northern Lights	<p>Suspension of well licences.</p> <p>Licensee required to complete one of the following:</p> <ul style="list-style-type: none"> a) reacquire or reinstate the mineral rights; b) convert the wells for water disposal or injection; c) transfer the well licences to a viable licensee and link the wellbores to an active mineral agreement; or d) abandon the wells. <p>In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent occurrence of a similar event and to meet with the ERCB to explain its noncompliance issues and the devised action plan.</p> <p>SynCo Exploration Inc. failed to comply. Abandonment Order No.: AD 2009-18 was subsequently issued.</p>
3	Zenergy Canada Corp.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Zenergy Canada Corp. has a valid entitlement to the right to produce the well.	February 4, 2009	10-09-020-10W4 Cypress County	<p>This is an escalation from a previous enforcement action initially reported on November 25, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No.: AD 2009-4.</p> <p>Abandonment of well licence.</p>

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>Licensee required to abandon the 10-09-020-10W4 well; complete the Digital Data Submission indicating both the downhole and surface abandonment; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and, meet with the ERCB to review its noncompliance history and action plan.</p> <p>Zenergy Canada Corp. subsequently abandoned the well, completed the Digital Data Submission, provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and met with the ERCB to explain its noncompliance history and corrective action plan.</p> <p>Compliance achieved.</p>
4	Zenergy Canada Corp.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Zenergy Canada Corp. has a valid entitlement to the right to produce the well.	February 4, 2009	11-36-020-08W4 Special Area 2 (near Jenner)	<p>Global Refer status.</p> <p>Issuance of Closure Order No.: C 1142.</p> <p>Suspension of well licence.</p> <p>Licensee required to complete one of the following:</p> <ol style="list-style-type: none"> a) reacquire or reinstate the mineral rights; b) convert the well for water disposal or injection;

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement; or d) abandon the well.</p> <p>In addition, licensee required to provide a written action plan acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent occurrence of a similar event and to meet with the ERCB to review its noncompliance history and action plan.</p> <p>Zenergy Canada Corp. subsequently abandoned the well, completed the Digital Data Submission, provided a written action plan acceptable to the ERCB identifying the root causes of noncompliance and detailing steps to prevent future occurrence of a similar event, and met with the ERCB to explain its noncompliance history and corrective action plan.</p> <p>Compliance achieved.</p>

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Endnotes

¹ **Directive 019 – High Risk Enforcement Action 1 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB identifies a High Risk noncompliance event. To address High Risk Enforcement Action 1, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 days (or in the time specified by the ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension until the noncompliance is corrected/addressed; suspension and/or cancellation of permit, licence, or approval.

² **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 2 is initiated against a licensee who has an unacceptable rate, ratio, percentage or number of noncompliances, either in the same or in different compliance categories. To address High Risk Enforcement Action 2, the licensee must: immediately correct/address the High Risk noncompliance; develop and implement a written action plan within 30 days (or in the time specified by the ERCB group) addressing the root causes of previous noncompliance events and detailing what the licensee will do to prevent future noncompliance events in this compliance category/categories; if operations were suspended, have the action plan approved by the ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval.

³ **Directive 019 – High Risk Enforcement Action 3 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 3 is initiated against a licensee who has failed to comply with the requirements of High Risk Enforcement Action 1, 2, or 3, or has demonstrated disregard of ERCB requirements that have been identified as High Risk. To address High Risk Enforcement Action 3, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public); develop and implement a written action plan acceptable to the ERCB group that addresses the root causes of noncompliance events and details what the licensee will do to prevent future noncompliance events in this compliance category; and meet with the ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; third-party audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); “Refer” status: focused or global.

High Risk Enforcement Action 3 with global Refer results in formal orders to comply (Closure, Miscellaneous and Abandonment) and the imposition of the global Refer status against the licensee. The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company.

⁴ **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, Low Risk Enforcement Action – global Refer is initiated against a licensee who has failed to correct/address a Low Risk noncompliance event in the time specified by the ERCB group. Low Risk Enforcement Action – global Refer enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions of continued operation may be applied to the entire company. To address Low Risk Enforcement Action, the licensee must: immediately correct/address the Low Risk noncompliance within the time specified by the ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB group addressing the failure to respond and detailing steps to prevent future occurrences.

⁵ **Legislative/Regulatory Enforcement Action Summary**

In accordance with certain legislative authorities, Legislative/Regulatory enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company. Enforcement actions that are not administered through *Directive 019*, but rather through existing legislation, and for which enforcement proceeds directly to a formal order and global Refer are: mineral lease expiry, surface lease expiry, environmental and public safety concerns, and failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and a working interest ownership in the property.