



ERCB Monthly Enforcement Action Summary

October 2009

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	October 2009		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	65	2	97%
	Facilities Technical	18	0	100%
	Pipelines/Pipeline Installations Technical	16	0	100%
	Wells Technical	40	3	93%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	4	2	50%
	Commingling	n/a	1	n/a
Subtotal		143	8	94%
Geology, Environmental Science & Economics Branch				
Environmental Science Group Waste and Storage Section	Oilfield Waste Generator	n/a	5	n/a
	Drilling Waste Audits	1	1	0%
Geology and Reserves Group	Oil Overproduction	397	1	99.7%
Subtotal		398	7	98%
Field Surveillance and Operations Branch				
	Drilling Operations	36	2	94%
	Well Servicing	18	1	94%
	Oil Facilities	150	3	98%
	Gas Facilities	174	3	98%
	Pipelines	214	14	93%
	Drilling Waste	13	1	92%
	Well Site Inspections	265	4	98.5%
	Waste Management	4	0	100%
Technical Operations	Sulphur Recovery Guidelines	98	1	99.0%
	Glycol Dehydrator Benzene Emissions	2403	8	99.7%
	Flaring, Incinerating, and Venting Audits	n/a	2	n/a
	Packer Testing Audits	n/a	1	n/a
Subtotal		3375	40	98.8%

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	Access Pipeline Inc.	Field Operations/ Pipelines	Noncompliant with other ERCB requirement – waste disposal to facility not authorized to accept it. Noncompliant with other ERCB requirement - Oilfield waste was not properly classified as either dangerous (DOW) or non-dangerous (non-DOW).	October 20, 2009	04-18-056-21W4 Sturgeon County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed prior to the investigation. Licensee updating internal operating procedures for waste management. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Apache Canada Limited	Technical Operations/ Flaring, Incinerating, and Venting Audits	Flaring solution gas from an oil/bitumen well with a gas oil ratio greater than 3000 m ³ /m ³ .	October 20, 2009	01-28-034-09W4 Special Area 4	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	ARC Resources Ltd.	Environmental Science/ Oilfield Waste Generator Audits	Oilfield waste was not disposed of in the appropriate class of disposal well.	October 2, 2009	13-18-080-12W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2008. 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	ARC Resources Ltd.	Field Operations/ Gas Facilities	No flame arrester on line from tank to flare stack where required. Pilot/ignition device not available/operable (intermittent sour and acid gas flares).	October 20, 2009	16-19-038-01W5 Red Deer County	Suspension of operations at this time was not deemed appropriate, as suspension could potentially impact the environment with excessive flaring and be hazardous to members of the public. Licensee replaced the existing flare stack to correct the deficiencies. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Arriva Energy Inc.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	02-25-038-09W5 Clearwater County	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Baytex Energy Ltd.	Field Operations/ Well Service Inspection	Noncompliant with other ERCB requirement – failure to conduct a critical sour meeting prior to entering the critical sour zone. Noncompliant with other ERCB requirement – Failure to have an ERP approved prior to commencement of operations.	October 26, 2009	12-24-046-13W5 Yellowhead County	Operations suspended. Pipeline incorrectly licensed as a critical sour well (actually a water injection well); an application was submitted to amend the licence. 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	Blaze Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	October 13, 2009	10-30-046-14W5M Yellowhead County	Licence(s) not cancelled, as it is a reentry/resume application. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Blaze Energy Ltd.	Field Operations/ Gas Facilities	Failure to immediately notify the ERCB of H ₂ S emissions off lease.	October 14, 2009	10-02-048-12W5 Yellowhead County	Operations suspended. Licensee isolated the gas leak and made the necessary repairs to stop the leak. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Bonavista Petroleum Ltd.	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	October 9, 2009	16-08-042-06W5 08-09-042-06W5 Clearwater County	Operations were not suspended, as the licensee erected temporary signage. Licensee installed the signage. 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
10	Bonavista Petroleum Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	13-27-041-08W5 Clearwater County	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Bonavista Petroleum Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	16-12-042-06W5 Clearwater County	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Canadian Natural Resources Limited	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	October 1, 2009	08-20-048-06W4M County of Vermillion River	Licence(s) cancelled. 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	Cancen oil Processors Inc.	Well Operations/ Packer Testing Audits	Failure to complete necessary reporting of required packer testing by September 1 of each year.	October 1, 2009	14-10-050-22W4 Leduc 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 the required data.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
14	CAPEX Exploration Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	12-28-057-19W5 Yellowhead County	<p>Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Cayman Energy Inc.	Environmental Science/ Oilfield Waste Generator Audits	Oilfield waste was not disposed of in the appropriate class of disposal well.	October 5, 2009	11-26-078-12W6 Saddle Hills County	<p>Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2008.</p> <p>Licensee required to submit a corrective action plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	ConocoPhillips Canada Operations Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed.	October 13, 2009	09-07-045-10W5 Brazeau County	<p>Operations suspended.</p> <p>Licensee reviewed its ground disturbance policies.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
17	Crew Energy Inc.	Resources Applications/ Enhanced Recovery Schemes	Failure to commence injection.	October 9, 2009	Approval No. 11330	<p>Operations not suspended, injection not commenced.</p> <p>Licensee can choose to</p> <ul style="list-style-type: none"> a) commence injection, b) provide a short-term action plan for commencement of injection within 3 months or less, or c) submit an application in accordance with <i>Directive 065: Resources Applications for Conventional Oil & Gas Reservoirs</i> for an appropriate amendment of Approval No. 11330. <p>Licensee must provide a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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18	Darian Resources Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	October 27, 2009	14-34-016-26-W4 Vulcan County	Licence(s) suspended. Licensee must provide a plan to address the noncompliance and prevent future occurrences. NOTE: Licence(s) remains suspended pending Law Branch disposition of the objection. File is still under review.
19	Desoto Resources Limited	Field Operations/ Drilling Waste Inspection	Disposal practices result in pooling, clumping, or erosion.	October 30, 2009	06-24-038-25W4 Lacombe County	Operations were not suspended, as the noncompliance event relates to landspraying activities and it had been completed at the time of the inspection. Licensee removed the pooled drilling waste from the designated land spray area. 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
20	EnCana FCCL Ltd.	Field Operations/ Oil Facilities	Noncompliant with other ERCB requirement - Oilfield waste was not properly classified as either dangerous (DOW) or non-dangerous (non-DOW). Waste disposal to facility not authorized to accept it.	October 20, 2009	04-22-070-04W4 Lakeland County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed prior to the investigation. Licensee held waste management meetings with appropriate staff and updated internal procedures on shipping wastes. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Enerplus Resources Corporation	Resources Applications/ Enhanced Recovery Schemes	Failure to commence injection.	October 14, 2009	Approval No. 11317	Operator commenced injection. Licensee commenced injection at wells 15-35-019-12W4 and 05-02-020-12W4. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	Exall Energy Corporation	Field Operations/ Well Site Inspection	Noncompliant with other ERCB directive – as per <i>Directive 020: Well Abandonment Guide</i> : Section 2(5) states “unless a well is being abandoned due to an order of the ERCB, surface abandonment must be completed within 12 months after downhole abandonment operations”.	October 21, 2009	15-02-010-13W4 M.D. of Taber	Operations were not suspended, as the downhole abandonment of the subject well had been completed. Licensee completed the abandonment of the well. 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
23	Husky Oil Operations Limited	Field Operations/ Pipelines	Cathodic protection system not operational or not installed. There is no documented monitoring or mitigation program in place and/or company is not following program.	October 5, 2009	05-15-056-20W4 Lamont County	Operations suspended. Licensee installed a cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Imperial Oil Resources Limited	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	October 9, 2009	06-31-041-05W5 Clearwater County	Operations were not suspended, as the licensee erected temporary signage. Licensee installed the signage. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	International Frontier Resources Corporation	Field Operations/ Oil Facilities	Flame type equipment without workable flame arrestor less than 25 m from a process vessel.	October 6, 2009	08-27-016-11W4 County of Newell	Operations suspended. Licensee repaired the flame arrestor. 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
26	Midnight Oil Exploration Ltd.	Field Operations/ Pipelines	Internal Corrosion Control – no monitoring and mitigation in a corrosive environment.	October 7, 2009	09-12-073-23W5 16-31-071-23W5 05-05-072-23W5 M.D. of Greenview	Operations were not suspended, as the licensee changed the operating status to discontinued prior to the inspection. Licensee developed and implemented a pipeline operating and maintenance manual. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Midway Energy Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 1, 2009	00/03-36-067-11W5/0 (production string) M.D. of Big Lakes	Licensee confirmed that all overproduction has been retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Montello Resources Ltd.	Field Operations/ Oil Facilities	Temporary single-walled aboveground tank not diked (unless operation qualifies for it to be optional).	October 20, 2009	14-04-082-08W6 Saddle Hills County	Operation suspended. Licensee installed a gas scavenger system on the production tank. 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
29	NAL Resources Limited	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	October 26, 2009	07-02-038-04W5 Clearwater County	Operations were not suspended, as the licensee erected temporary signage. Licensee installed the signage. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	NAL Resources Limited	Field Operations/ Well Site Inspection	Noncompliant with other ERCB requirement – Integrity tests for underground storage tanks must be repeated at minimum of every 3 years.	October 29, 2009	06-35-028-15W4 Special Area 2 (near Dorothy)	Operation suspended. Licensee integrity tested the tank(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Nexen Inc.	Field Operations/ Drilling Operations	Accumulator pressure dropped below 8400 kPa after function test (of all required BOP components with the recharge pump off).	October 28, 2009	05-29-047-19W4 Camrose County	Operations suspended. Licensee repaired the annular valve to allow for proper function tests. 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
32	Onyx 2006 Inc.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	October 22, 2009	14-22-047-06W5M Brazeau County	Licence(s) not cancelled or suspended, as the noncompliance was promptly corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	Petro-Reef Resources Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	08-01-056-27W4 Sturgeon County	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
34	Progress Energy Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	12-26-067-06W6 M.D. of Greenview	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
35	Progress Energy Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	10-34-068-07W6 M.D. of Greenview	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. 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
36	Progress Energy Ltd.	Technical Operations/ Flaring, Incinerating, and Venting Audits	Flaring solution gas from an oil/bitumen well with a gas oil ratio greater than 3000 m ³ /m ³ .	October 16, 2009	12-01-069-07W6 M.D. of Greenview	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
37	Rc Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	October 16, 2009	16-01-046-11W4M Beaver County	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
38	Shell Canada Limited	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 29, 2009	02-20-004-30W4 M.D. of Pincher Creek	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
39	Spectra Energy Midstream Corporation	Field Operations/ Gas Facilities	Flame type equipment without workable flame arrester less than 25 m from a process vessel.	October 22, 2009	05-23-080-13W6 Saddle Hills County	Operations were not suspended, as the licensee implemented mitigative measures by installing additional monitoring equipment that would shut in the facility if needed. Licensee fitted the process heaters with flame arresters. 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
40	Storm Exploration Inc.	Field Operations/ Pipelines	Internal Corrosion Control – no monitoring and mitigation in a corrosive environment. External corrosion control/cathodic surveys – no record of survey results.	October 12, 2009	07-22-073-04W6 County of Grande Prairie	Operations were not suspended, as mitigative measures were put in place by the licensee. Licensee implemented an internal corrosion control monitoring and mitigation program. Licensee completed a cathodic protection survey of the pipeline and corrected any deficiencies. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
41	Talisman Energy Inc.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limit.	October 9, 2009	04-03-060-22W5 M.D. of Greenview	Suspension of operations at this time was not deemed appropriate, as the audit is a review of 2008 data. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
42	TAQA North Ltd.	Environmental Science/ Drilling Waste Post Disposal Analysis	All appropriate disposal criteria have not been followed for a particular method.	October 5, 2009	04-20-073-11W6 County of Grande Prairie	Operations were not suspended, as further delays to the disposal operations would have resulted in a further risk to the environment. Licensee required to resample disposal area again in summer 2010, as well as to provide a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

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43	TAQA North Ltd.	Field Operations/ Well Site Inspection	H ₂ S emissions off lease.	October 25, 2009	15-24-028-01W5 M.D. of Rocky View	<p>Operations were not suspended, as the well was shut in at the time of the inspection.</p> <p>Licensee located the leak and made the necessary repairs.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
44	Trilight Energy Inc.	Field Operations/ Oil Facilities	Spill on lease not adequately controlled/ leaned up.	October 6, 2009	06-23-050-06W5 Parkland County	<p>Operations were not suspended, as the noncompliance is a result of excessive staining around the wellhead.</p> <p>Licensee removed and disposed of the oil stained soil.</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 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Operations/ Pipelines	Inappropriate construction or design, or documented operating procedures not followed.	October 29, 2009	04-23-018-08W4 Cypress County	Operations suspended. Licensee abandoned the pipeline. Licensee met with the ERCB to review its action plan. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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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	EnCana Corporation	Resources Applications/ Commingling	Commingling without approval. Improper use of decision tree.	October 15, 2009	08-30-017-18W4 16-34-017-18W4 Vulcan County	<p>This is a result of not complying with a previous High Risk Action 1.</p> <p>Operations resumed.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the wells have been shut in and will remain shut in until the requisite approval is obtained.</p> <p>Licensee submitted a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee issued notification to all outstanding parties and submitted a copy to the ERCB.</p> <p>Licensee met with the ERCB to discuss its action plan and the root cause of the noncompliance in November 2009.</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 Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy plus 20% penalty.	October 22, 2009	01-18-012-19W4 County of Lethbridge.	<p>This is a continuation from previous enforcement actions reported on July 23, 2009, August 13, 2009, and September 22, 2009.</p> <p>Global Refer status.</p> <p>Issuance of amended Abandonment Order No. AD 2009-39A.</p> <p>Abandonment of well licence.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy plus 20% penalty, 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>Licensee granted an extension to abandon the well through Abandonment Order No. AD 2009-39B, due to technical difficulties associated with abandoning the 01-18-012-19W4 well.</p>
2	Northern Sun Exploration Company Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 6, 2009	16 well licences.	<p>This is an escalation from a previous enforcement action reported on September 10, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1179.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay the</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
						<p>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>Northern Sun Exploration Company Inc. failed to comply. Abandonment Orders No. AD 2009-47, AD 2009-48 and AD 2009-49 were subsequently issued.</p> <p>Northern Sun Exploration Company Inc. subsequently transferred all of its licences to a third party and provided a written action plan to the ERCB.</p> <p>Compliance achieved.</p>
3	NVI Mining Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 20, 2009	16-07-026-16W4 Special Area 2 (near Dorothy)	<p>This is an escalation from previous enforcement actions reported on August 20, 2009, and September 10, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2009-45.</p> <p>Abandonment of well licence.</p> <p>Licensee required to pay the security deposit, 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>

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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
						NVI Mining Ltd. failed to comply. The ERCB notified NVI Mining Ltd. of its intention to have the well abandoned as a result of breaching the Abandonment Order.
4	Trophy Petroleum Corporation	Corporate Enforcement/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy plus 20% penalty.	October 1, 2009	08-35-085-11W5 12-13-086-12W5 Northern Sunrise County	<p>This is an escalation from previous enforcement actions reported on July 23, 2009, and August 13, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2009-43 and AD 2009-44.</p> <p>Abandonment of well licences.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy plus 20% penalty, 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>Trophy Petroleum Corporation failed to comply. The ERCB notified Trophy Petroleum Corporation and working interest participant Blackrock Ventures Inc. of its intention to have the wells abandoned as a result of breaching the Abandonment Orders.</p> <p>Blackrock Ventures Inc. is abandoning the 12-13-086-12W5 well.</p>

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

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	Jordan Energy Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Jordan Energy Inc. has a valid entitlement to the right to produce the well.	October 9, 2009	16-35-066-03W4 M.D. of Bonnyville	<p>This is an escalation from a previous enforcement action reported on September 2, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No.: AD 2009-46</p> <p>Abandonment of well licence.</p> <p>Licensee required to abandon the 16-35-066-03W4 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>The 16-35-066-03W4 well is abandoned. However, Jordan Energy Inc. remains on Global Refer status for failure to complete the Digital Data Submission (DDS) and provide a written explanation to the ERCB.</p>
2	PetroReal Energy Inc.	Corporate Enforcement/ Surface Lease Expiry	Failure to prove to the satisfaction of the ERCB that PetroReal Energy Inc. has a valid entitlement to the surface lease and right of access (entry).	October 29, 2009	16-26-014-28W4 M.D. of Willow Creek	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1181.</p> <p>Suspension of well licence.</p> <p>Licensee required to complete one of the following:</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>a) reacquire or reinstate the surface lease, b) transfer the well licence to a viable licensee who has right of access, or c) abandon the well.</p> <p>In addition, licensee required to 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 their noncompliance history and action plan.</p> <p>PetroReal Energy Inc. failed to comply. Abandonment Order No. AD 2009-54 subsequently issued.</p> <p>PetroReal Energy Inc. failed to comply with the Abandonment Order.</p> <p>PetroReal Energy Inc. has proved valid entitlement to the right to access the well site. However, PetroReal Energy Inc. remains on Global Refer status for failure to provide a written explanation and meet with the ERCB.</p>
3	Slate Energy Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Slate Energy Inc. has a valid entitlement to the right to produce the well.	October 9, 2009	03-34-055-24W4 06-34-055-24W4 11-34-055-24W4 Sturgeon County	Global Refer status. Issuance of Closure Order No. C 1180. Suspension of well licences.

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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 complete one of the following:</p> <ul style="list-style-type: none"> a) reacquire or reinstate the mineral rights, b) convert the well for water disposal or injection, c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement, or d) abandon the well. <p>In addition, licensee required to 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>Slate Energy Inc. failed to comply. Abandonment Orders No. AD 2009-50 and AD 2009-52 subsequently issued.</p> <p>Slate Energy Inc failed to comply with the Abandonment Orders.</p>

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

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.