



ERCB Monthly Enforcement Action Summary

April 2010

ENERGY RESOURCES CONSERVATION BOARD
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| High Risk Compliance Category Statistics | | | | |
|--|---|--------------------------------|---|---|
| ERCB | Compliance Category | April 2010 | | |
| | | Initial Audits/ Inspections | Number of High Risk Noncompliance | Compliance Rate with High Risk Noncompliance |
| Applications Branch | | | | |
| Facilities Applications Group Audit Section | Participant Involvement | 82 | 0 | 100% |
| | Facilities Technical | 24 | 0 | 100% |
| | Pipelines/Pipeline Installations Technical | 54 | 0 | 100% |
| | Wells Technical | 56 | 1 | 98% |
| Resources Applications Group Enforcement & Surveillance Section and Coal Section | Groundwater Protection | n/a | 1 | n/a |
| Subtotal | | 216 | 2 | 99.1% |
| Field Surveillance and Operations Branch | | | | |
| Technical Operations Group Production Operations Section | Sulphur Recovery Guidelines | 98 | 2 | 98% |
| Field Operations Group | Drilling Operations | 19 | 1 | 95% |
| | Well Servicing | 12 | 0 | 100% |
| | Oil Facilities | 348 | 1 | 99.7% |
| | Gas Facilities | 142 | 1 | 99.2% |
| | Pipelines | 88 | 3 | 97% |
| | Drilling Waste | 5 | 0 | 100% |
| | Well Site Inspections | 690 | 2 | 99.7% |
| | Waste Management | 6 | 0 | 100% |
| Subtotal | | 1408 | 8 | 99.4% |
| Geology, Environmental Science and Economics Branch | | | | |
| Environmental Monitoring and Regulation Group | Oilfield Waste Generator Audits | 0 | 2 | n/a |
| Reserves and Pore Space Management | Oil Overproduction | 316 | 2 | 99.4% |
| Subtotal | | 316 | 4 | 98.7% |
| Total Audit/Inspections High Risk | | 1940 | 14 | 99.3% |

| 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 | Bellatrix Exploration Ltd. | Field Operations/ Oil Facilities | Lease not diked (where required). | April 5, 2010 | 10-25-046-04W5 County of Wetaskiwin | Operations were not suspended, as the facility was shut in at the time of the inspection. Licensee installed an Enviro Stuffing box. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved. |
| 2 | Blackpearl Resources Inc. | Field Operations/ Well Site Inspection | Spill on lease not adequately controlled/cleaned up. | April 21, 2010 | 16-29-057-02W4 M.D. of Bonnyville | Operations were not suspended, as the well was shut in at the time of the inspection and the licensee immediately cleaned up the spill. Hydrocarbons from the spill have been removed and disposed of. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved. |
| 3 | Camino Industries Inc. | Environmental Monitoring and Regulation Group/ Oilfield Waste Generator Audits | Oilfield waste generator (licensee/approval holder) not tracking oilfield waste from cradle to grave. | April 22, 2010 | N/A – Against licensee | Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2009. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved. |

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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 |
| 4 | Compton Petroleum Corporation | Reserves and Pore-Space Management/ Oil Overproduction | Failure to retire oil overproduction. | April 30, 2010 | 00/08-32-050-08W5/0 (production string) Brazeau County | <p>Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p> |
| 5 | Daylight Energy Ltd. | Field Operations/ Drilling Operations | STICK diagram does not contain all the required information. | April 1, 2010 | 05-26-047-11W5 Brazeau County | <p>Operations were not suspended, as the licensee immediately revised the STICK diagram.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p> |
| 6 | Delphi Energy Corp. | Reserves and Pore-Space Management/ Oil Overproduction | Failure to retire oil overproduction. | April 30, 2010 | 02/15-10-073-12W6/0 (production string) County of Grande Prairie | <p>Licensee confirmed in writing that all overproduction was retired by April 30, 2010.</p> <p>Licensee directed to develop and implement 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 |
| 7 | Emerald Bay Energy Inc. | Facilities Applications/ Wells Technical | Failure to design the surface casing to meet all applicable requirements prior to filing an application. | April 29, 2010 | 12-21-046-22W4 County of Wetaskiwin | 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. |
| 8 | Imperial Oil Resources Limited | Field Operations/ Gas Facilities | Pilot/ignition device not available/operable (intermittent sour and acid gas flares). Noncompliant with other ERCB requirement – failure to use the Assessment Matrix to classify an incident as per Directive 071, Section 14.2.2. | April 8, 2010 | 02-04-021-04W5 M.D. of Foothills | Operations were not suspended, as the licensee has already taken actions to address the cause of the flare pilot being extinguished. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee will be upgrading the flare ignition system in two phases, with a completion date of September 30, 2010 expected. Licensee will continue to monitor the ignition system manually. Compliance not yet achieved. |
| 9 | Keyera Energy Ltd. | Technical Operations/ Sulphur Recovery Guidelines | Failure to meet the approved calendar quarter-year sulphur recovery efficiency. | April 28, 2010 | 16-33-038-22W4 County of Stettler | 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. |

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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 |
| 10 | Keyera Energy Ltd. | Technical Operations/ Sulphur Recovery Guidelines | Failure to meet the approved calendar quarter-year sulphur recovery efficiency. | April 28, 2010 | 11-22-049-12W5 Yellowhead County | 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. |
| 11 | New Century Petroleum Corporation | Field Operations/ Pipelines | There is no documented monitoring or mitigation program in place and/or company is not following program. | April 12, 2010 | 02-01-037-02W4 M.D. of Provost | Operations were already suspended at the time of the inspection. The line has since been abandoned and will not return to service. Licensee reviewed its monitoring program and made changes where necessary. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved. |

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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 |
| 12 | Nuvista Energy Ltd. | Resources Applications/ Groundwater Protection | Failure to immediately notify the ERCB of water production above the threshold. | April 19, 2010 | 02-22-027-09W4 Special Area 3 | <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> |
| 13 | Stonewater Resources Inc. | Environmental Monitoring and Regulation Group/ Oilfield Waste Generator Audits | Oilfield waste was transferred to an unapproved transfer station. | April 29, 2010 | 13-35-045-15W5 Yellowhead County | <p>Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2009.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p> |
| 14 | Talisman Energy Inc. | Field Operations/ Pipelines | There is no documented monitoring or mitigation program in place and/or company is not following program. | April 29, 2010 | 10-01-043-02W4 M.D. of Wainwright | <p>Operations suspended.</p> <p>Licensee implemented a monitoring program.</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 |
| 15 | Taqa North Ltd. | Field Operations/ Well Site Inspection | Pumping well within 800 m of public development and does not have fence as per OGC Regulations, Section 8.180(2). | April 1, 2010 | 06-04-038-28W4 Red Deer County | Operations suspended. Licensee installed a fence. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved. |
| 16 | Zargon Oil & Gas Ltd. | Field Operations/ Pipelines | Backfill procedures are unsatisfactory. | April 12, 2010 | 11-31-041-12W4 Flagstaff County | Operations were not suspended, as the pipeline was already suspended. Licensee added new backfill procedures within their pipeline operations and maintenance manual. 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 |
| | None | | | | | |

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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 |
| | None | | | | | |

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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 | Flow-Back Oil & Gas Ltd. | Corporate Enforcement/ Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | April 22, 2010 | N/A – Against licensee | <p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-10.</p> <p>Licensee required to pay 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>Flow-Back Oil & Gas Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p> |
| 2 | Radius Resources Corp. | Corporate Enforcement/ Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | April 22, 2010 | <p>Well Licences: 10-23-014-18W4 13-24-013-13W4 M.D. of Taber</p> <p>01-15-024-11W4 Special Area 2 (near Pollickville)</p> <p>06-08-065-16W5 02-02-065-25W5 03-08-064-24W5 16-03-066-25W5 M.D. of Greenview</p> <p>Pipeline Licences: 16-03-066-25W5 10-31-065-24W5 M.D. of Greenview</p> | <p>This is an escalation from previous enforcement actions reported on February 25, 2010, and March 11, 2010.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2010-24 and AD 2010-25.</p> <p>Issuance of Closure/Abandonment Order No. AD 2010-26.</p> <p>Abandonment of well and pipeline licences.</p> <p>Licensee required to pay 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>Radius Resources Corp. submitted full payment of its security deposit</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 |
|---|------------------------------|--|----------------------------------|------------------------|---|--|
| | | | | | | and provided a written explanation to the ERCB. Compliance achieved. |
| 3 | Savant Energy Ltd. | Corporate Enforcement/ Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | April 22, 2010 | 14-07-052-06W4 14-06-052-06W4 06-08-052-06W4 County of Vermilion River | This is an escalation from a previous enforcement action reported on April 5, 2010. Global Refer status. Issuance of Closure Order No. C 1199. Issuance of Closure/Abandonment Order No. AD 2010-27. Closure and abandonment of well licences. Licensee required to pay security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Savant Energy Ltd. failed to comply with the closure order and closure/abandonment order. Abandonment Order No. AD 2010-30 and Closure/Abandonment Order No. AD 2010-31 were subsequently issued. Savant Energy Ltd. failed to comply; ERCB is evaluating further actions. |
| 4 | Unbridled Energy Corporation | Corporate Enforcement/ Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | April 22, 2010 | N/A – Against licensee | Global Refer status. Issuance of Miscellaneous Order No. MISC 2010-11. |

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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>Licensee required to pay 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>Unbridled Energy Corporation failed to comply with the miscellaneous order. Closure Order No. C 1200 was subsequently issued.</p> <p>Compliance deadline extended to give proper notice to corrected working interest participants.</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 | First West Petroleum Inc. | Corporate Enforcement/ Environment and Public Safety | Unable to provide care and custody of its well, facility, and pipeline licences due to the bankruptcy of the company. | April 22, 2010 | Well Licences: 01-36-066-02W4 08-32-047-06W4 05-03-058-14W5 01-32-047-06W4 08-32-047-06W4 Facility Licence: 01-32-047-06W4 Pipeline Licence: 05-03-058-14W5 | Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2009-20, AD 2009- 21, AD 2009-22, and AD 2009-23. 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. First West Petroleum Inc. failed to comply; ERCB is evaluating further actions. |
| 2 | Sarg Oils Ltd. | Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry | Failure to prove to the satisfaction of the ERCB that Sarg Oils Ltd. has a valid entitlement to the right to produce the well. | April 22, 2010 | 10-09-001-17W4 12-09-001-17W4 County of Warner | This is an escalation from a previous enforcement action reported on February 16, 2010. Global Refer status. Issuance of Abandonment Order No. AD 2010-19. Issuance of Closure/Abandonment Order No. AD 2010-28. Abandonment of the wells and their associated pipelines. Licensee required to abandon the 00/10-09-001-17W4/0 and 00/12- 09-001-17W4/0 wells; complete the |

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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>Digital Data Submission, indicating both downhole and surface abandonment; and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Sarg Oils Ltd. failed to comply; ERCB is evaluating further actions.</p> |
| 3 | SynCo Exploration Inc. | Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry | Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a valid entitlement to the right to produce the well. | April 7, 2010 | 14-18-045-18W4 Camrose County | <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2010-18.</p> <p>Suspension and abandonment of the well licence.</p> <p>Licensee required to abandon the 14-18-045-18W4 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>SynCo Exploration Inc. failed to comply with the closure/abandonment order.</p> <p>SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant and its licences were designated orphan for the purposes of abandonment.</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 |
| 4 | SynCo Exploration Inc. | Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry | Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a valid entitlement to the right to produce the well. | April 30, 2010 | 14-14-097-20W5 M.D. of Northern Lights | <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2010-29.</p> <p>Suspension and abandonment of the well licence.</p> <p>Licensee required to abandon the 14-14-097-20W5 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>SynCo Exploration Inc. failed to comply with the closure/abandonment order.</p> <p>SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant and its licences were designated orphan for the purposes of abandonment.</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.