



ERCB Monthly Enforcement Action Summary

June 2010

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	June 2010		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	53	1	98%
	Facilities Technical	27	1	96%
	Pipelines/Pipeline Installations Technical	13	0	100%
	Wells Technical	39	2	98%
Resources Applications Group Enforcement & Surveillance Section	Groundwater Protection	n/a	3	
Subtotal		132	7	95%
Field Surveillance and Operations Branch				
Field Operations Group	Drilling Operations	27	1	96%
	Well Servicing	18	0	100%
	Oil Facilities	346	2	99.4%
	Gas Facilities	264	2	99.2%
	Pipelines	141	8	94%
	Drilling Waste	14	0	100%
	Well Site Inspections	778	7	99.1%
	Waste Management	3	1	68%
Subtotal		1591	21	98.7
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Reserves and Allowables Section	Oil Overproduction	384	0	100%
Subtotal		384	0	100%
Total Audit/Inspections High Risk		2107	28	98.7%

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	Anderson Energy Ltd.	Field Operations/ Drilling Operations	<p>Stabbing valve and/or inside blowout preventer not operable.</p> <p>Blowout preventer or hydraulically controlled valve on the diverter/bleed-off line failed to operate from the floor position.</p>	June 3, 2010	<p>01-27-040-06W5</p> <p>Clearwater County</p>	<p>Operations suspended.</p> <p>Licensee properly connected the accumulator hydraulic hose and replaced the stabbing valve.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Bonavista Petroleum Ltd.	Field Operations/ Pipelines	<p>Internal corrosion control-no monitoring and mitigation in corrosive environment.</p> <p>Cathodic protection system-not operational or not installed.</p> <p>Pressure control devices or pressure relief device installations unsatisfactory.</p> <p>Pipeline signs missing or defaced on both sides of a crossing.</p>	June 16, 2010	<p>07-34-034-06W4</p> <p>07-34-034-07W4</p> <p>07-34-034-06W4</p> <p>07-34-034-07W4</p> <p>Special Area 4</p>	<p>Operations were not suspended as licensee committed to doing inline inspections during the summer of 2010 and have set the pressure control and relief devices to the lowest maximum operation pressure.</p> <p>Licensee implemented a corrosion control and installed additional cathodic protection.</p> <p>Licensee discontinued use of the pipeline with the pressure control issues.</p> <p>Licensee installed pipeline signs.</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
3	Cascade Resources Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	June 25, 2010	11-21-032-10W4 Special Area 2	<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 (BGWP)</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>
4	Daylight Energy Ltd.	Facilities Applications/ Participant Involvement	Filing the application before expiry of the 14-calendar-day notification period.	June 29, 2010	06-23-050-06W5 Parkland 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>
5	Diaz Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation—No agreement with Department of Energy.	June 9, 2010	13-17-048-01W4 County of Vermilion River	<p>Licence(s) cancelled.</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
6	Fairwest Energy Corp.	Field Operations/ Pipelines	Cathodic protection not installed within one year of service/operation.	June 28, 2010	16-16-033-10W4 Special Area 2	Operations were not suspended as pipeline was already suspended at the time of noncompliance. Licensee repaired the pipeline and added cathodic protection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Glencoe Resources Ltd.	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	June 9, 2010	14-13-042-26W4 Ponoka County	Operations were not suspended as there were no noise complaints. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved as the ERCB is waiting for the revised noise impact assessment to bring the file into full compliance.
8	Gryphon Petroleum Corp.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Directive 071—The licensee must ensure that a call to its 24-hour emergency telephone number initiates immediate action.)	June 24, 2010	12-22-031-28W4 Mountain View County	Operations were not suspended as the well was already shut in. Licensee updated the contact phone number. 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
9	Harvest Operations Corp.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	June 2, 2010	04-01-041-11W4 Flagstaff County	Operations suspended. Licensee implemented a monitoring/mitigation program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Inter Pipeline Extraction Ltd.	Field Operations/ Gas Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	June 24, 2010	16-16-026-04W5 M.D. of Rockyview	Operations suspended. Licensee's fuel system met the prescribed requirements for D-152 heaters; therefore the licensee obtained a waiver of the spacing requirements. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Midway Energy Ltd.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Directive 071—the licensee must ensure that a call to its 24-hour emergency telephone number initiates immediate action.)	June 21, 2010	06-07-035-03W5 Red Deer County	Operations were not suspended as the well was already shut in. Licensee updated the contact phone number. 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
12	Midway Energy Ltd.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Directive 071—the licensee must ensure that a call to its 24-hour emergency telephone number initiates immediate action.)	June 21, 2010	14-07-035-03W5 Red Deer County	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee updated the contact phone number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Mosaic Energy Ltd.	Field Operations/ Pipelines	Noncompliant with other ERCB requirement—as per the Pipeline Regulations: Section 84: Removal of pipeline states :“unless otherwise authorized by the Board, a licensee intending to remove an entire pipeline or any part of a pipeline shall submit an application to the Board for approval in accordance with the requirements of Directive 56”.	June 7, 2010	10-23-057-22W4 Sturgeon County	Operations were not suspended as the pipeline has already been removed. 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
14	NAL Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	June 25, 2010	09-05-076-23W4 M.D. of Opportunity	<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 (BGWP)</i>.</p> <p>Licensee to determine the source and composition of the produced water and provide a water analysis.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review.</p>
15	NEO Exploration Inc.	Field Operations/ Gas Facilities	<p>Noncompliant with other ERCB requirement.</p> <p>(Directive 071—The licensee must ensure that its 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the primary entrance to all licensee wells and facilities.)</p>	June 14, 2010	06-23-029-29W4 M.D. of Rockyview	<p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee updated the contact phone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
16	Paramount Energy Operating Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation—No agreement with Department of Energy.	June 30, 2010	08-36-052-15W5 Yellowhead County	<p>Licence(s) cancelled.</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
17	Penn West Petroleum Ltd.	Field Operations/ Oil Facilities	H ₂ S emission off lease.	June 15, 2010	06-29-036-08W4 Special Area 4	Operations were not suspended as operations were already suspended. Licensee repaired the thief hatch. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	PetroReal Energy Inc.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Directive 71—Failure to ensure that the licensee 24-hour emergency telephone number is posted by the way of a conspicuous sign erected at the primary entrance to all licensee well and facility operations.)	June 17, 2010	09-20-014-27W4 M.D. of Willow Creek	Operations suspended. Licensee updated the contact phone number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	PetroReal Energy Inc.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Directive 71—The licensee must ensure that its 24-hour emergency telephone number is posted by the way of a conspicuous sign erected at the primary entrance to all licensee well and facility operations.)	June 17, 2010	05-22-016-23W4 Vulcan County	Operations suspended. Licensee updated the contact phone number. 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
20	PetroReal Energy Inc.	Field Operations/ Well Site Inspections	Non compliant with other ERCB requirement. (Directive 71—The licensee must ensure that its 24-hour emergency telephone number is posted by the way of a conspicuous sign erected at the primary entrance to all licensee well and facility operations.)	June 17, 2010	16-26-014-28W4 M.D. of Willow Creek	Operations suspended. Licensee updated the contact phone number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Traverse Energy Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	June 25, 2010	13-02-051-14W4 County of Minburn	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 (BGWP)</i> . Licensee determined the source and composition of the produced water and provided a water analysis. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.

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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
22	Zapata Energy Corporation	Field Operations/ Oil Facilities	Contaminated material stored directly on the ground.	June 14, 2010	10-23-029-20W4 Kneehill County	<p>Operations were not suspended as suspension will not lessen the impact that has already occurred.</p> <p>Licensee immediately removed the contaminated material from the ground and placed it on a liner.</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
	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
1	Norlake Energy Corp.	Field Operations/ Well Site Inspections	Abandonment procedures not in accordance with guidelines.	June 10, 2010	06-19-048-13W5 Yellowhead County	<p>Operations were not suspended as well was already abandoned.</p> <p>Require a plan to address the noncompliance and prevent future occurrences.</p> <p>The ERCB's Corporate Enforcement Section granted Norlake Energy Corp. until November 14, 2010, to undertake the requirements specified in the June 10, 2010, noncompliance High Risk Enforcement Action 3 Letter from the Drayton Valley Field Centre.</p>

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Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	General Reef Corporation	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 9, 2010	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2010-13. 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. General Reef Corporation submitted full payment of its security deposit and provided a written explanation to the ERCB. Compliance achieved.
2	Padriv Development Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 3, 2010	Well licences: 16-33-038-24W4 Lacombe County 07-18-033-16W4 Starland County 07-28-034-17W4 County of Stettler 01-14-045-01W4 08-14-045-01W4 County of Vermilion River Pipeline licences: 16-33-038-24W4 16-33-038-24W4 Lacombe County 07-28-034-17W4 County of Stettler	This is an escalation from previous enforcement actions reported on March 2, 2010, and March 19, 2010. Global Refer status. Issuance of Abandonment Order No. AD 2010-32 and Closure/Abandonment Order No. AD 2010-33. Abandonment of well and pipeline 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. Padriv Development Ltd. submitted full payment of its security deposit and provided a written explanation

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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
					01-14-045-01W4 08-14-045-01W4 County of Vermilion River	to the ERCB. Compliance achieved.
3	Sandbox Energy Corp.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 3, 2010	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-12.</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>Sandbox Energy Corp. failed to comply. Closure Orders No. C 1207 and C 1208 were subsequently issued.</p> <p>Sandbox Energy Corp. submitted full payment of its security deposit. Miscellaneous Order No. MISC 2010-12A and Closure Orders No. C 1207A and C 1208A were issued. MISC 2010-12, C 1207, and C 1208 were rescinded. However, the licensee's payment returned as "non-sufficient funds," and Closure Orders No. C 1207B and C 1208B were subsequently issued.</p> <p>Sandbox Energy Corp. failed to comply. Abandonment Orders AD 2010-48, AD 2010-49, AD 2010-50, and AD 2010-51 were subsequently issued.</p> <p>Sandbox Energy Corp. failed to comply. ERCB is evaluating further actions.</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	Amethyst Petroleums Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Amethyst Petroleums Ltd. has a valid entitlement to the right to produce the well.	June 10, 2010	06-34-049-27W4 Leduc County	Global Refer status. Issuance of Closure Order No. C 1205. Suspension and closure of well licence. Licensee required to provide a written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Amethyst Petroleums Ltd. failed to comply. Abandonment Order No. AD 2010-36 was subsequently issued. Amended Abandonment Order No. AD 2010-36A subsequently issued. Licensee granted until October 29, 2010, to comply.
2	PetroReal Energy Inc.	Corporate Enforcement/ Right to Hold Audit	Failure to prove to the satisfaction of the ERCB that PetroReal Energy Inc. has a valid entitlement to the right to produce the well.	June 15, 2010	16-21-044-04W5 16-17-044-04W5 14-17-044-04W5 06-21-044-04W5 11-12-043-04W5 Ponoka County 05-22-016-23W4 05-22-016-23W4 Vulcan County 16-26-014-28W4 09-20-014-27W4 M.D. of Willow Creek 10-07-062-25W4 Westlock County	Global Refer status. Issuance of Closure Order No. C 1204. Suspension and closure of well licences. Licensee required to complete one of the following: a) reacquire or reinstate the mineral rights and surface leases; b) transfer the well licences to a viable licensee who has the right to hold; or, c) abandon the wells.

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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>In addition, licensee required to provide a written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>PetroReal Energy Inc. failed to comply. Abandonment Orders No. AD 2010-34, AD 2010-37 and AD 2010-38 were subsequently issued.</p> <p>PetroReal Energy Inc. informed the ERCB that its agent, Kodiak Petroleum ULC, had not been named in the previous Orders. Therefore Closure Order No. C 1204 and Abandonment Orders No. AD 2010-34, AD 2010-37, and AD 2010-38 were subsequently rescinded.</p> <p>Closure Order No. C 1214 was subsequently issued.</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.