

ERCB Monthly Enforcement Action Summary

July 2011

ENERGY RESOURCES CONSERVATION BOARD ST108: ERCB Monthly Enforcement Action Summary, July 2011

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High Risk Compliance Cate	egory Statistics			
5 1			July 2011	
ERCB	Compliance Category	Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	18	1	94%
	Facilities Technical	17	2	88%
	Pipelines/Pipeline Installations Technical	4	0	100%
	Wells Technical	15	2	87%
Resources Applications Group Enforcement & Surveillance Section	Commingling	n/a	1	n/a
	Injection/Disposal	n/a	1	n/a
	Spacing	n/a	1	n/a
Subtotal		54	8	85%
Field Surveillance and Operations Branch				
Field Operations Group	Drilling Operations	23	2	91%
	Well Servicing	17	0	100%
	Oil Facilities	252	7	97%
	Gas Facilities	243	7	97%
	Pipelines	111	9	92%
	Drilling Waste	4	1	75%
	Well Site Inspections	977	12	99%
Technical Operations Group	Sulphur Recovery Guidelines	98	2	98%
Subtotal		1725	40	98%
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	490	1	99.8%
Subtotal		490	1	99.8%
Total Audit/Inspections High Risk		2269	49	97.8%

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Apache Canada Ltd.	Field Operations/ Pipelines	External corrosion control/cathodic surveys – no records of survey results.	July 11, 2011	01-20-037-13W4 County of Paintearth	Operations suspended. Licensee conducted a survey of the pipeline. Licensee will abandon the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Bonavista Energy Corporation	Field Operations/ Drilling Waste	Sampling is incomplete or improper.	July 4, 2011	03-04-038-08W5 Clearwater County	Operations were not suspended as testing was completed. Licensee implemented a testing and tracking system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Bonavista Energy Corporation	Resources Applications/ Spacing	Production of too many wells per pool per DSU without approval.	July 27, 2011	05-19-042-04W5 09-19-042-04W5 14-19-042-04W5 16-19-042-04W5 Ponoka County	Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut-in and will remain shut-in until the requisite approval has been obtained.Licensee provided a plan to address the noncompliance and prevent future occurrences.Compliance achieved.
4	Canadian Coastal Resources Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	July 19, 2011	08-13-057-18W4 Lamont County	Licence(s) was not cancelled or suspended as licensee amended the licence(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Canadian Natural Resources Limited	Field Operations/ Pipelines	Inappropriate construction or design or documented operating	July 13, 2011	05-09-018-10W4 Cypress County	Operations suspended. Licensee removed failed switch
	Linited		procedures not followed.			from operation.
						Licensee confirmed the integrity of the pipeline.
						Licensee provided a plan to address the noncompliance and prevent future occurrences.
						Compliance achieved.
6	Canadian Natural Resources Limited	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 25, 2011	13-26-067-05W6 M.D. of Greenview	In accordance with <i>ID 2001-03:</i> Sulphur Recovery Guidelines for the Province of Alberta, operations were not suspended.
						Licensee provided a plan to address the noncompliance and prevent future occurrences.
						Compliance achieved.
7	Compton Petroleum	Field Operations/ Pipelines	Spill material (waste) not properly stored.	July 15, 2011	16-05-051-09W5	Operations suspended.
	Corporation				Brazeau County	Licensee cleaned up the site.
						Licensee provided a plan to address the noncompliance and prevent future occurrences.
						Compliance achieved.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
8	ConocoPhillips Canada Resources Corp.	Field Operations/ Pipelines	Inappropriate construction or design or documented operating procedures not followed. Operator is aware of a reportable release but neglects to report it.	July 6, 2011	06-19-073-08W6 County of Grande Prairie	Operations were not suspended as the incident occurred in the past. Licensee repaired the pipeline. Licensee reviewed their Safe Operating Procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Fairwest Energy Corporation	Field Operations/ Pipelines	Operator fails to report that spill has entered water. Operator does not take steps to contain spill as soon as possible and prevent spill from spreading.	July 18, 2011	08-08-020-19W4 Vulcan County	Operations were not suspended as the pipeline was already shut in and isolated from the operating system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Goldenkey Oil Inc.	Field Operations/ Oil Facilities	No flame arrester/safety device to prevent backflash.	July 5, 2011	04-16-049-12W4 Beaver County	Operations suspended. Licensee installed a flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
11	Hansen Drilling Ventures Ltd.	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing. Noncompliant with other ERCB requirement. Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry. The licensee must ensure that a call to its 24-hour emergency telephone initiates immediate action.	July 7, 2011	16-32-003-05W4 County of Forty Mile	Operations were not suspended as the pipeline was already suspended at the time of inspection. Licensee installed the signs. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Harvest Operations Corp.	Field Operations/ Pipelines	Failure/Hit – Damage by Others (Proper procedures were not followed).	July 26, 2011	14-24-040-01W4 M.D. of Provost	Operations suspended.Licensee reviewed its GroundDisturbance Code of Practice andupdated its Ground DisturbanceChecklist.Licensee provided a plan toaddress the noncompliance andprevent future occurrences.Compliance achieved.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Harvest Operations Corp.	Resources Applications/ Injection/Disposal	Injection or disposal without approval.	July 11, 2011	10-29-041-01W4 12-29-041-01W4 M.D. of Wainwright	Licensee confirmed in writing that the well has been shut in and will remain shut in until requirements in Directive 051: Injection and Disposal Wells—Well Classifications, Completions, Logging and Testing Requirements have been metLicensee provided a plan to address the noncompliance and prevent future occurrences.Compliance achieved.
14	Husky Oil Operations Limited	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, and/or operation.	July 18, 2011	14-35-044-04W4 M.D. of Wainwright	Operations not suspended as there is no evidence of operational noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Ignition Energy Ltd.	Field Operations/ Well Site Inspections	24-hour emergency number not clearly posted at all entrances. Other – High Risk (Sump closure must be completed within 12 months of drilling rig release.)	July 19, 2011	10-34-041-12W5 Clearwater County	Operations were not suspended as the well was already suspended at the time of inspection. Require a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved. ERCB is evaluating further actions.

Hig	h Risk Enforcement	t Action (HREA) ¹				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Mosaic Energy Ltd.	Resources Applications/ Commingling	Improper use of the decision tree (Figure 3.3.)	July 7, 2011	07-23-054-18W5 Yellowhead County	Licensee confirmed in writing that the well has been shut in and will remain shut in until the requisite approval has been obtained. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Murphy Oil Company Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	July 19, 2011	14-10-083-15W5 Northern Sunrise County	Licence(s) was not cancelled or suspended as licensee amended the licence(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	NEO Exploration Inc.	Field Operations/ Oil Facilities	Single-wall underground tank not tested in last three years.	July 5, 2011	16-05-031-01W5 Mountain View County	Operations were not suspended as the underground tanks were not in use. Licensee integrity tested the underground tanks. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

Hig	h Risk Enforcement	t Action (HREA) ¹				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
19	NEO Exploration Inc.	Field Operations/ Pipelines	Discontinued Pipeline. Not left in safe condition.	July 5, 2011	02-27-030-01W5 Mountain View County	Operations were not suspended as the pipeline was already suspended at the time of inspection.Licensee pigged and purged pipeline.Licensee submitted a licence amendment.Licensee provided a plan to address the noncompliance and prevent future occurrences.Compliance not yet achieved.
20	NEO Exploration Inc.	Field Operations/ Pipelines	Pipeline sign missing or defaced on one side of crossing.	July 5, 2011	08-17-031-01W5 Mountain View County	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee installed signs. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
21	NEO Exploration Inc.	Field Operations/ Well Site Inspections	Spill or release not contained/cleaned up.	July 5, 2011	12-34-030-01W5 Mountain View County	Operations were not suspended as the well was already suspended at the time of inspection. Licensee cleaned up the spill. Licensee changed well status to suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
22	NEO Exploration Inc.	Field Operations/ Well Site Inspections	Improper suspension for well type.	July 5, 2011	08-08-031-01W5 Mountain View County	Operations were not suspended as the well was already suspended at the time of inspection. Licensee provided a plan to address the noncompliance and prevent future occurrences.
23	Paramount Resources Ltd.	Field Operations/ Pipelines	There is no approval to construct. Total disregard for the hand excavation requirements.	July 18, 2011	10-25-075-11W6 County of Grande Prairie	Compliance not yet achieved. Operations suspended. Licensee obtained a pipeline licence. Licensee implemented the required procedures before commencing ground disturbance activities. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Petrobakken Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, and/or operation.	July 14, 2011	14-03-049-11W5 Brazeau County	Operations not suspended as there is no evidence of operational noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	Petrobakken Energy Ltd.	Field Operations/ Oil Facilities	Facility < 100 m to high water not protected.	July 11, 2011	01-06-049-11W5 Brazeau County	Operations suspended. Licensee repaired the berm. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

Hig	h Risk Enforcemer	nt Action (HREA) ¹				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
26	Summerland Energy Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/ or industry personal consultation and notification prior to filing the application.	July 7, 2011	16-04-036-01W5 Red Deer County	Licence(s) were not cancelled or suspended as the noncompliance was promptly corrected Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Suncor Energy Inc.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 28, 2011	01-29-043-04W5 Ponoka County	In accordance with <i>ID 2001-03</i> , operations were not suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Surge Energy Inc.	Reserves and Pore- Space Management/ Oil Overproduction	Failure to retire oil overproduction.	July 28, 2011	03/11-13-040-04W4/0 (production string) M.D. of Provost	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. ERCB directed the licensee to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
29	Sutton Energy Ltd.	Field Operations/ Gas Facilities	24-hour emergency number not clearly posted at all entrances.	July 6, 2011	11-20-032-28W4 Mountain View County	Operations were not suspended as ERCB staff was not able to reach Sutton personnel. Licensee updated the 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

Hig	h Risk Enforcemen	t Action (HREA) ¹				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
30	Taqa North Ltd.	Field Operations/ Well Site Inspections	Failure to report a known surface casing vent flow/gas migration (SCVF/GM).	July 21, 2011	16-24-070-10W6 County of Grande Prairie	Operations were not suspended as suspension of the wellbore will not mitigate the noncompliance. Licensee developed a SCVF/GM detection reporting practice. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Transaction Oil and Gas	Field Operations/ Oil Facilities	No secondary containment as required.	July 12, 2011	06-16-075-04W6 Birchills County	Operations suspended. Licensee will complete and submit a checklist for new installations. Licensee will inspect and note condition of the containment installations. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

Hi	ligh Risk Enforcement Action (Persistent Noncompliance) ²							
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response		
	None							

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Rise Resources Corp.	Field Operations/ Oil Facilities	Flame type equipment placed/operated < 25 m of vessel.	July 7, 2011	08-17-011-22W4 County of Lethbridge	Operations suspended. Licensee met with ERCB.
			Flame-type equipment < 25m of ignitable			Licensee integrity tested the tanks.
			source. Spill or release not contained/cleaned up.			Licensee provided a plan to address the noncompliance and prevent future occurrences.
			contained/cleaned up.			Compliance not yet achieved.

High	High Risk Enforcement Action (Failure to Comply) ⁴							
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response		
	None							

		ERCB Group/	Noncompliance	Date of	Designed to a setting	ERCB Action(s) and Licensee
#	Licensee Acquire Energy Inc.	Compliance Category Liability Management/ Noncompliance with the Orphan Levy	Event Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	Enforcement July 21, 2011	Surface Location 08-17-050-27W4 Leduc County 04-19-036-08W4 13-19-036-08W4 16-19-036-08W4 Special Area 4	Follow-upThis is an escalation of a previous enforcement action reported on June 29, 2011.Global Refer status.Issuance of Closure Order No. C 1249.Suspension and closure of well licences.Licensee required to pay the orphan fund levy, plus a 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.Acquire Energy Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB.
2	Aspen Endeavour Resources Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	07-34-009-17W4 M.D. of Taber 16-16-051-23W4 Strathcona County 15-04-070-23W5 14-03-070-23W5 M.D. of Greenview	Compliance achieved.This is an escalation of a previous enforcement action reported on June 29, 2011.Global Refer status.Issuance of Closure Order No. C 1252.Suspension and closure of well licence.Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.
						Aspen Endeavour Resources Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB.
						Compliance achieved.
3	Avondale Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 29, 2011	Well licences: 04-11-063-25W5 01-03-063-25W5 11-32-062-25W6	This is an escalation of a previous enforcement action reported on June 29, 2011.
					M.D. of Greenview	Global Refer status.
					16-36-034-27W4 Red Deer County	Issuance of Closure/Abandonment Orders No. AD 2011-34, AD 2011- 35, and AD 2011-36.
					08-17-079-22W5 M.D. of Smoky River	Abandonment of well and pipeline licences.
					Pipeline licences: 16-36-034-27W4 Red Deer County	Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written
					04-11-063-25W5 01-03-063-25W5 15-33-058-26W5 M.D. of Greenview	explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.
					08-17-079-22-W5 M.D. of Smoky River	Working interest participants complied with Abandonment Order AD 2011-34.
						Avondale Energy Inc. failed to comply with Abandonment Orders No. AD 2011-35 and AD 2011-36. The ERCB is evaluating further options.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
4	Cascade Resources Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	14 well licences	This is an escalation of a previous enforcement action reported on June 29, 2011.
						Global Refer status.
						Issuance of Closure Order No. C 1254.
						Suspension and closure of well licence.
					Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.	
					Cascade Resources Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB.	
						Compliance achieved.
5	Enquest Environmental Services Corp.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 29, 2011	07-28-058-10W5 Woodlands County 05-35-083-14W5	This is an escalation of a previous enforcement action reported on June 29, 2011.
					Northern Sunrise County	Global Refer status.
					08-19-036-01W5 Red Deer County	Issuance of Closure/Abandonment Order No. AD 2011-37.
					14-29-032-27W4 Mountain View County	Abandonment of well licences.
						Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						ERCB that addresses the failure to respond and details steps to prevent future occurrences.
						Enquest Environmental Services Corp. failed to comply. The ERCB is evaluating further options.
6	Frontier Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	27 well licences	This is an escalation of a previous enforcement action reported on June 29, 2011.
						Global Refer status.
						Issuance of Closure Order No. C 1256.
						Suspension and closure of the well licence.
						Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.
						Frontier Energy Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and failed to provide a written explanation to the ERCB.
						Compliance achieved. Global Refer status remains.
7	Greenhorns Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 29, 2011	10-12-064-26W4 Westlock County	This is an escalation of a previous enforcement action reported on June 29, 2011.
						Global Refer status.
						Issuance of Closure/Abandonment Orders No. AD 2011-38.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
8	Goldenrod	Liability Management/	Failure to pay 2011	July 21, 2011	09-20-041-26W4	 Abandonment of well licence. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Greenhorns Energy Inc. failed to comply. The ERCB is evaluating further options. This is an escalation of a previous
0	Resources Inc.	Noncompliance with the Orphan Levy	Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	09-20-041-26W4 06-22-041-26W4 08-16-041-26W4 14-21-041-25W4 Lacombe County 10-02-065-20W5 M.D. of Greenview	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure Orders No. C 1255 and C 1257. Suspension and closure of the well and pipeline licenses. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Goldenrod Resources Inc. failed to comply. Abandonment Order No. AD 2011-67, AD 2011-68, AD 2011-69, AD 2011-70, AD 2011-71 and Closure/Abandonment Order No. AD 2011-72 were subsequently issued.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Goldenrod Resources Inc. failed to comply. The ERCB is evaluating further options.
	Ignition Energy Ltd.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	Well licences: 13-29-039-08W5 10-34-041-12W5 Facility licence: 13-29-039-08W5	This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status.
					Clearwater County	Issuance of Closure Orders No. C 1258 and C 1259.
						Suspension and closure of the well and facility licences. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Ignition Energy Ltd. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB. Compliance achieved.
10	Jordan Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 29, 2011	Well licence: 16-35-066-03W4 Pipeline licence: 09-23-061-02W4 M.D. of Bonnyville	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2011-39 and AD 2011-40. Abandonment of well and pipeline licences.

LOW	Risk Enforcement A	Action – (Global Refer)⁵				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
11	Norwegian Petroleum Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	16-25-014-22W4 Vulcan County	 Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Jordan Energy Inc. failed to comply. The ERCB is abandoning Jordan Energy Inc.'s properties and will pursue Jordan Energy Inc. for the abandonment costs. This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure Order No. C 1261. Suspension and closure of well licence. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Norwegian Petroleum Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Compliance achieved.
12	Petromin Resources Ltd.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	07-17-057-03W4 3 well licences at this location	This is an escalation of a previous enforcement action reported on June 29, 2011.
					County of St. Paul	Global Refer status.
						Issuance of Closure Order No. C 1262.
						Suspension and closure of well licence.
						Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.
						Petromin Resources Ltd. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB.
						Compliance achieved.
13	Redeye Energy Limited	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	08-02-011-15W4 County of Newell	This is an escalation of a previous enforcement action reported on June 29, 2011.
						Global Refer status.
						Issuance of Closure/Abandonment Order No. AD 2011-41.
						Suspension and closure of well licence.
						Licensee required to pay the orphan fund levy, plus 20 per cent

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						 penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Redeye Energy Limited submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB. Compliance achieved.
14	Saphonyx Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	Well licences: 07-12-026-03W4 07-12-026-03W4 12-12-026-03W4 09-12-026-03W4 Pipeline licences: 07-12-026-03W4 07-12-026-03W4 19-12-026-03W4 M.D. of Acadia	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2011-42 and AD 2011-43. Suspension and closure of well and pipeline licences. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Saphonyx Energy Inc. failed to comply. The ERCB is abandoning Saphonyx Energy Inc.'s properties and will pursue Saphonyx Energy Inc. for the abandonment costs.

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
15	Slate Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	Well licences: 06-34-055-24W4 03-34-055-24W4 03-34-055-24W4 11-34-055-24W4 Facility licence: 06-34-055-24W4 Pipeline licences: 06-34-055-24W4 11-34-055-24W4 Sturgeon County	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2011-44, AD 2011-45 and AD 2011-46. Suspension and closure of well, facility and pipeline licences. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Slate Energy Inc. failed to comply. The ERCB is evaluating further actions.
16	West Pacific Petroleum Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 21, 2011	15-10-066-12W4 Lac La Biche County	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure Order No. C 1253. Suspension and closure of well licence. Licensee required to pay the orphan fund levy, plus 20 per cent penalty, and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences.

Low	Risk Enforcement	Action – (Global Refer) ⁵				
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						West Pacific Petroleum Inc. failed to comply. Abandonment Order No. AD 2011-58 and Closure/Abandonment Order No. AD 2011-59 were subsequently issued.
						West Pacific Petroleum Inc. submitted full payment of its 2011 Orphan Fund Levy, plus 20 per cent penalty, and provided a written explanation to the ERCB.
						Compliance achieved.
17	Woodthorpe Petroleum Ltd.	Liability Management/ Noncompliance with Liability Management Requirements	Failure to pay security deposit	July 29, 2011	N/A – Against licensee	 Global Refer status. Issuance of Miscellaneous Order MISC 2011-22. Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Woodthorpe Petroleum Ltd. failed to comply. Closure Orders No. C 1263 and C 1267 were subsequently issued. Woodthorpe Petroleum Ltd. failed to comply. Abandonment Order No. AD 2011-60, AD 2011-61A and Closure/Abandonment Order No. AD 2011-62 were subsequently
						Woodthorpe Petroleum Ltd. failed to comply. The ERCB is evaluating further actions.

Low	Low Risk Enforcement Action – (Global Refer) ⁵							
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up		
18	XGEN Ventures Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	July 28, 2011	Well licences: 08-21-085-06W6 08-20-085-06W6 14-28-085-06W6 06-21-085-06W6 06-21-085-06W6 05-21-085-06W6 14-06-085-06W6 11-21-085-06W6 Facility licence: 03-28-085-06W6 Pipeline licences: 08-20-085-06W6 09-21-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 03-28-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 06-21-085-06W6 07-21-085-06W6 03-28-08-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6 05-21-085-06W6	 This is an escalation of a previous enforcement action reported on June 29, 2011. Global Refer status. Issuance of Closure/Abandonment Orders No. AD 2011-48, AD 2011-49, AD 2011-50 and AD 2011-51. Suspension and closure of well licence. Licensee required to pay the orphan fund levy plus 20 per cent penalty and provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. XGEN Venture Inc. failed to comply. The ERCB is evaluating further actions. 		

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
"	Band Energy Resources Ltd.	Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Band Energy Resources Ltd. has a valid entitlement to the right to produce the well.	July 20, 2011	Cypress County	 Global Refer status. Issuance of Closure Order No. C 1265. Suspension and closure of the well licence. The licensee required to confirm that it has an active surface lease and mineral rights for the well; who the working interest participants are for the licensed property and provide their corresponding percentages of ownership, contact names, phone numbers, and addresses of service for each working interest participant; and that it will provide an updated corporate profile and certificate of proof of insurance. In addition, licensee is required to provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Band Energy Resources Ltd. acquired the surface lease and provided an explanation to the ERCB. Compliance achieved.
2	Bek Holdings Ltd.	Liability Management Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Bek Holdings Ltd. has a valid entitlement to the	July 20, 2011	08-31-075-18W5 M.D. of Big Lakes	Global Refer status. Issuance of Closure Order No. C 1266. Suspension and closure of well

щ		ERCB Group/	Noncompliance	Date of		ERCB Action(s) and Licensee
#	Licensee	Compliance Category	Event right to produce the well.	Enforcement	Surface Location	 Follow up licence. The licensee required to confirm the following: has an active surface lease and mineral rights for the well; working interest participants for the licensed property and their corresponding percentages of ownership and the contact names, phone numbers, and addresses of service for each working interest participant; and that it will provide an updated corporate profile and certificate of proof of Insurance. In addition, the licensee is required to provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Bek Holdings Ltd. acquired the surface lease and provided an explanation to the ERCB. Compliance achieved.
3	Brahma Resources Ltd.	Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Brahma Resources Ltd. has a valid entitlement to the right to produce the well.	July 20, 2011	10-14-049-01W4 04-32-050-01W4 County of Vermilion River	 Global Refer status. Issuance of Closure Order No. C 1264. Suspension and closure of the well licence. The licensee required to confirm the following: has an active surface lease and mineral rights for the well; working interest participants for

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						 the licensed property and their corresponding percentages of ownership and the contact names, phone numbers, and addresses of service for each working interest participant; and that it will provide an updated corporate profile and certificate of proof of Insurance. In addition, the licensee is required to provide a written explanation acceptable to the ERCB that addresses the failure to respond and details steps to prevent future occurrences. Brahma Resources Ltd. acquired the surface lease and provided an explanation to the ERCB. Compliance achieved.
4	CB Pak Inc.	Liability Management/ Environmental and Public Safety	Leaking Well	July 29, 2011	04-17-013-06W4	Global Refer Status Issuance of Abandonment Order No. AD 2011-47.
						 Abandonment of the well licence. Licensee required to abandon the well and complete the submission in the Digital Data Submission (DDS) system to indicate both the downhole and surface abandonment. CB Pak Inc. failed to comply. Licensee's property has been sent to Orphan Well Association for abandonment.

Endnotes

¹ *Directive 019*—High Risk Enforcement Action (HREA)

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA against a licensee if it identifies a high risk noncompliant event(s). To address an HREA, the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 calendar days or in the time specified by the ERCB group (a licensee may also be required to submit the written action plan and meet with the ERCB group to discuss both the action plan and the licensee's compliance history); and notify the ERCB group that it has corrected and addressed the high risk noncompliance. The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects/addresses the noncompliance); suspension and/or cancellation of the permit, licence, or approval.

² Directive 019—High Risk Enforcement Action (HREA) (Persistent Noncompliance)

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Persistent Noncompliance) against a licensee with an unacceptable rate, ratio, percentage or number of noncompliant events, either in the same or in different compliance categories. To address an HREA (Persistent Noncompliance), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan within 30 calendar days or in the time specified by the ERCB group (the action plan should address the root causes of any previous noncompliance(s) and detail how the licensee will prevent future noncompliant event(s); the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval.

A licensee must operate in compliance for a period of 60 calendar days (or in a time specified by the ERCB) in the same compliance category before achieving overall compliance.

³ *Directive 019*—High Risk Enforcement Action (HREA) (Demonstrated Disregard)

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Demonstrated Disregard) against a licensee if the licensee knows or should know about a high risk noncompliant event(s) but does not act to correct and address the noncompliance(s). The ERCB assesses demonstrated disregard on a case-by-case basis. To address an HREA (Demonstrated Disregard), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact/hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant event(s); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁴ *Directive 019*—High Risk Enforcement Action (HREA) (Failure to Comply)

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Failure to Comply) against a licensee if it failed to comply with the direction of the ERCB in an ERCB Notice of High Risk Noncompliance, HREA, HREA (Persistent Noncompliance), HREA (Demonstrated Disregard), or a previous HREA (Failure to Comply). To address an HREA (Failure to Comply), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase the impact or risk to the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant event(s); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance (s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance); suspension and/or cancellation of permit, licensee, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁵ *Directive 019*—Low Risk Enforcement Action (LREA) (Global Refer) In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an LREA (Global Refer) against a licensee who failed to comply with the direction of the ERCB in a Notice of Low Risk Noncompliance. To address an LREA, the licensee must: immediately correct and address the low risk noncompliant event(s) identified by the ERCB; notify the ERCB group that it has addressed the low risk noncompliant event(s); and develop, implement, and submit written action plan within 30 calendar days or in the time specified by the ERCB group; and meet with the ERCB group to discuss the low risk noncompliant event(s), the licensee's compliance history, or the written action plan. The ERCB may also apply or require one or more of the following: noncompliance fees, 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).

⁶ Legislative/Regulatory Enforcement Action

The ERCB initiates a Legislative/Regulatory Enforcement Action for noncompliance with ERCB requirements that fall outside the administration of *Directive 019: Compliance Assurance*. The ERCB relies upon its statutory and regulatory authority to initiate the enforcement action against the licensee by applying a Refer status against the licensee and possibly issuing an Order (Closure, Miscellaneous, and Abandonment). The ERCB generally initiates these enforcement actions because of a mineral or surface lease expiry, an environmental and public safety concern, or a failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and working interest ownership in the property.

Refer Status—Focused or Global

This status indicates a licensee's inability or unwillingness to comply. If applied against a licensee, the ERCB will consider the status when deciding to approve or deny future and pending applications and may apply conditions for continued operation.

For further information on ERCB Enforcement Actions, see Directive 019: Compliance Assurance or contact the ERCB Compliance Assurance Section at compliancecoordination@ercb.ca.