



ERCB Monthly Enforcement Action Summary

October 2011

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

February 2012

Published by

Energy Resources Conservation Board
Suite 1000, 250 – 5 Street SW
Calgary, Alberta
T2P 0R4

Telephone: 403-297-8311
Toll free: 1-855-297-8311
E-mail: infoservices@ercb.ca
Website: www.ercb.ca

Contents

High Risk Compliance Category Statistics	1
High Risk Enforcement Action.....	2
High Risk Enforcement Action (Persistent Noncompliance)	10
High Risk Enforcement Action (Demonstrated Disregard)	11
High Risk Enforcement Action (Failure to Comply).....	12
Low Risk Enforcement Action (Global Refer).....	14
Legislative/Regulatory Enforcement Action	17
Endnotes.....	19

High Risk Compliance Category Statistics				
ERCB	Compliance Category	October 2011		
		Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	32	0	100%
	Facilities Technical	15	1	93%
	Pipelines/Pipeline Installations Technical	8	0	100%
	Wells Technical	20	4	80%
Resources Applications Group Enforcement & Surveillance Section	Groundwater Protection	n/a	1	n/a
Subtotal		75	6	92%
Field Surveillance and Operations Branch				
Emergency Management Group	General ERP Requirements	n/a	1	n/a
Field Operations Group	Drilling Operations	43	6	86%
	Well Servicing	15	0	100%
	Oil Facilities	186	2	99%
	Gas Facilities	112	2	98%
	Pipelines	124	11	91%
	Drilling Waste	22	0	100%
	Well Site Inspections	210	9	96%
	Waste Management	1	0	100%
Technical Operations Group	Sulphur Recovery Guidelines	99	1	99%
Subtotal		812	32	96%
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	470	4	99.1%
Subtotal		470	4	99.1%
Total Audit/Inspections High Risk		1357	42	96.9%

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	ARC Resources Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify ERCB of water production above threshold.	October 25, 2011	00/06-34-020-08W4/2 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</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>
2	AvenEx Energy Corp.	Field Operations/ Pipelines	Contaminated material stored directly on the ground.	October 26, 2011	01-30-055-25W4 Sturgeon County	<p>Operations were not suspended as operations were completed at the time of inspection.</p> <p>Licensee removed the contaminated material.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Blaze Energy Ltd.	Emergency Management/ General ERP Requirements	Failure to notify or notify and consult with those listed in Table 3.	October 28, 2011	04-04-048-13W5 Yellowhead County	<p>Operations suspended.</p> <p>Licensee submitted a revised emergency response plan (ERP).</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Bonavista Energy Corporation	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, and/or operation.	October 4, 2011	03-20-054-06W4 County of Vermilion River	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Bonavista Energy Corporation	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	October 12, 2011	07-36-051-05W4 (two wells on the same surface location but different bottomhole location) County of Vermilion River	Licences not cancelled as it is a re-entry/resume application. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Canadian Natural Resources Limited	Field Operations/ Oil Facilities	Flared/vented gas not reported to the PRA (Petroleum Registry of Alberta).	October 7, 2011	13-23-015-16W4 M. D. of Taber	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Cenovus FCCL Ltd.	Field Operations/ Pipelines	Failure/Hit: Proper procedures were not followed.	October 17, 2011	06-15-076-06W4 Regional Municipality of Wood Buffalo	Operations suspended. Licensee repaired the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
8	Drake Energy Ltd.	Field Operations/ Well Site	24-hour emergency number not clearly posted at all entrances. Improper suspension for given well type (if suspended to lower risk level).	October 20, 2011	05-25-013-17W4 M. D. of Taber	Operations were not suspended as the well was already suspended at the time of inspection. Licensee required to provide a plan to address the noncompliance and prevent future occurrences. Compliance not achieved. The ERCB is evaluating further actions.
9	Harvest Operations Corp.	Field Operations/ Pipelines	Overpressure failure. Inappropriate construction or design or documented operating procedures not followed.	October 18, 2011	14-13-020-20W4 Vulcan County	Operations were not suspended as the pipeline was shut-in at the time of inspection. Licensees developed a Safety Alert pamphlet and distributed it company-wide to all employees involved. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Husky Oil Operations Limited	Field Operations/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	October 18, 2011	11-09-040-12W4 Flagstaff County	Operations suspended. Licensee will abandon the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
11	Oil Reserve Inc	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	October 13, 2011	01-04-090-23W5 Clear Hills County	Licence was not cancelled or suspended as licensee amended the licence. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Pace Oil & Gas Ltd.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	October 28, 2011	02/06-23-011-17W4/0 (production string) M. D. of Taber	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Pembina Pipeline Corporation	Field Operations/ Pipelines	Release reporting. Operator is aware of a reportable release but neglects to report it.	October 28, 2011	11-07-067-09W5 M. D. of Big Lakes	Operations were not suspended as the pipeline was already shut-in at the time of inspection. Licensee clarified procedures for notifying the provincial regulatory authority. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
14	Pennine Petroleum Corporations	Field Operations/ Well Site	24-hour emergency number not clearly posted at all entrances. Spill or release not contained/cleaned up. Improper suspension for well type. Failure to repair a serious surface casing vent flow/gas migration (SCVF/GM). Failure to report a known SCVF/GM.	October 21, 2011	09-29-004-29W4 M. D. of Pincher Creek	Operations were not suspended as the well was already suspended at the time of inspection. Licensee posted a 24-hour emergency number. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not achieved. The ERCB is evaluating further actions.
15	Petrosands Resources (Canada) Inc	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	October 4, 2011	04-29-038-03W4 M. D. of Provost	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	RMP Energy Inc.	Field Operations/ Gas Facilities	24-hour emergency number not clearly posted at all entrances.	October 20, 2011	01-08-041-02W5 Lacombe County	Operations were not suspended as the facility was shut-in at the time of the inspection. Licensee immediately posted the 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
17	Second Wave Petroleum Inc.	Field Operations/ Pipelines	Marking of existing pipelines inside a controlled area unsatisfactory. Hard excavation: Mechanical excavation takes place within 5 metres of existing pipeline prior to hand exposure.	October 3, 2011	08-24-063-10W5 Woodlands County	Operations suspended. Licensee received ground disturbance training and an ERCB presentation on safe ground disturbance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Second Wave Petroleum Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	October 28, 2011	00/09-13-063-10W5/0 (production string) Woodlands County	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	Solara Exploration Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation—No agreement with the Department of Energy (DOE).	October 7, 2011	04-09-045-05W5 County of Wetaskiwin	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
20	Strategic Oil & Gas Ltd.	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	October 31, 2011	08-05-006-15W4 County of Warner	Operations were not suspended as the pipeline was already abandoned. Licensee placed signs marking the abandoned pipelines. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
21	Strategic Oil & Gas Ltd.	Field Operations/ Pipelines	Line 1: External corrosion control/cathodic surveys—no records of survey results. Line 2: Discontinued pipeline not left in safe condition. Noncompliant with other ERCB requirement. Licensee is not a member of Alberta One Call.	October 31, 2011	08-04-006-15W4 (2 lines with this licence) County of Warner	Operations suspended (Line 1). Operations were not suspended on Line 2 as the pipeline has been discontinued. Licensee purged the pipeline then cut and capped both ends. (Line 2) Licensee registered with Alberta One Call. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
22	Suncor Energy Inc.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 31, 2011	01-29-043-04W5 Ponoka County	In accordance with <i>Interim Directive (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.
23	Suncor Energy Oil and Gas Partnership	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	October 28, 2011	00/14-22-078-09W6/0 (production string) Saddle Hills County	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Superman Resources Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	October 28, 2011	02/04-03-044-03W5/0 (production string) Ponoka County	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High 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					

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

High Risk Enforcement Action (Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
	None					

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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
1	Beau Energy Inc.	Field Operations/ Well Site	24 hour emergency number not clearly posted at all entrances.	October 6, 2011	10-21-030-06W4 Special Area 3	Operations were not suspended as the well was already shut-in. Licensee posted a 24-hour emergency number. Licensee required to provide a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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
2	Pennine Petroleum Corporation	Field Operations- Well Site	<p>24-hour emergency number not clearly posted at all entrances.</p> <p>Spill or release not contained/cleaned up.</p> <p>Failure to repair a serious SCVF/GM.</p> <p>Failure to report a known SCVF/GM.</p>	October 26, 2011	<p>09-29-004-29W4</p> <p>M. D. of Pincher Creek</p>	<p>This is an escalation of the high risk enforcement action (HREA) dated October 21, 2011.</p> <p>The ERCB did not suspend operations at the time of inspection as the well had already been suspended by the licensee.</p> <p>Licensee has posted the 24-hour emergency number.</p> <p>Services have been engaged to complete the cleanup of the ground in the immediate area of the wellhead, reactivate the digital data submission (DDS) code to properly complete reporting of SCVF, and meet with ERCB Management on November 3, 2011.</p> <p>Licensee will prepare a program to determine the source of the leak and will repair or properly suspend the well.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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
1	385417 Alberta Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 6,2011	N/A—Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-74.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>385417 Alberta Ltd. submitted full payment of its security deposit and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	DHI Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 28, 2011	<p>08-31-052-14W4 County of Minburn</p> <p>16-20-044-15W4 Flagstaff County</p> <p>10-09-049-23W4 Leduc County</p>	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-75.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>Suspension and closure of well licences.</p> <p>DHI Energy Inc. failed to comply. Closure Order No. C 1273, Abandonment Order No. AD 2011-80 and Closure/Abandonment Order No. AD 2011-81 were</p>

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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
						subsequently issued. DHI Energy Inc. failed to comply. ERCB is evaluating further actions.
3	Frontier Energy Inc	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 6 ,2011	N/A—Against Licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2011-73. Licensee required to <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Frontier Energy Inc. failed to comply. Closure Order No. C 1275 and Abandonment Orders No. AD 2011-82, AD 2011-83, AD 2011-84 and Closure/Abandonment Order No. AD 2011-85 were subsequently issued. Frontier Energy Inc. failed to comply. The ERCB is evaluating further actions.
4	Mount Dakota Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 14, 2011	N/A—Against Licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2011-76. Licensee required to <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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
						<p>future occurrences.</p> <p>Mount Dakota Energy Corp. failed to comply. Closure Order No. C 1274 was subsequently issued.</p> <p>Mount Dakota Energy Corp. submitted full payment of its security deposit and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Only Gas & Oil Inc.	Liability Management/ Corporate Status	Failure to be registered with an "Active" status.	October 6, 2011	16-14-054-13W5 Yellowhead County	<p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Orders No. AD 2011-73.</p> <p>Suspension and abandonment of pipeline licence.</p> <p>Licensee required to either</p> <ul style="list-style-type: none"> • transfer the subject wells and facility, • abandon the subject wells and facility, or • provide confirmation to the ERCB that the company is registered with and has an "Active" status on the Alberta Corporate Registries. <p>Only Gas & Oil Inc. provided confirmation to the ERCB that the company is registered with and has an "Active" status on the Alberta Corporate Registries.</p> <p>Compliance achieved.</p>
2	The Oxville Oil Gas & Development Co. Limited (Non-Personal Liability)	Liability Management/ Environmental and Public Safety	Improperly Abandoned well.	October 11, 2011	14-10-046-02W4 County of Vermilion River	<p>Global Refer status.</p> <p>Issuance of Abandonment Oder No. AD 2011-74.</p> <p>Abandonment of the well licence.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • properly abandon the subject well and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>future occurrences.</p> <p>The Oxville Oil Gas & Development Co. Limited (Non-Personal Liability) failed to comply. The ERCB has deemed it to be defaulting and has sent the file on its well to the Orphan Well Association to be abandoned.</p>
3	Triaxon Energy Inc.	Liability Management/ Corporate Status	Failure to be registered with an "Active" status.	October 28, 2011	03-08-050-27W4 Leduc County	<p>Global Refer status.</p> <p>Abandonment of well and facility licences.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • either transfer the subject wells and facility, • abandon the subject wells and facility, or • provide confirmation to the ERCB that the company is registered with and has an Active status on the Alberta Corporate Registries. <p>Triaxon Energy Inc. failed to comply. The ERCB is evaluating further actions.</p>

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.

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 events); 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.

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 events); 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 events); 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.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.