

# **ST108: Monthly Enforcement Action Summary**

**April 2013**

Effective June 17, 2013, the Alberta Energy Regulator (AER) succeeded the Energy Resources Conservation Board (ERCB).

For questions, contact AER Inquiries at 1-855-297-8311 or [inquiries@aer.ca](mailto:inquiries@aer.ca).

**Alberta Energy Regulator**  
**ST108: Monthly Enforcement Action Summary, April 2013**

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## Introduction

This report summarizes information on any High Risk Enforcement Action, High Risk Enforcement Action (Persistent Noncompliance), High Risk Enforcement Action (Demonstrated Disregard), High Risk Enforcement Action (Failure to Comply), Low Risk Enforcement Action (Global Refer or AER Order), or Legislative/Regulatory Enforcement issued against a licensee monthly and is published four months after the enforcement actions are issued.

The table below summarizes the enforcement actions issued in April 2013.

### Enforcement Action Summary—April 2013

Monthly Enforcement Action Summary					
Compliance Category	High Risk Enforcement Actions	High Risk Enforcement Actions (Persistent Noncompliance)	High Risk Enforcement Actions (Demonstrated Disregard)	High Risk Enforcement Actions (Failure to Comply)	Low Risk Enforcement Actions (Global Refer or AER Order)
Facilities Technical	1	0	0	0	0
Participant Involvement	1	0	0	0	0
Wells Technical	2	0	0	0	0
Groundwater Protection	1	0	0	0	0
Injection/Disposal	1	0	0	0	0
Noncompliance with Liability Management Program Requirements	0	0	0	0	4
Flaring, Incinerating and Venting Audits	1	0	0	0	0
Oil Facilities Field Inspections/Investigations	1	0	0	0	0
Well Site Inspections Field Inspections/Investigations	2	0	0	0	0
Pipelines Field Inspections/Investigations	3	0	0	0	0
Mineable Oil Sands	1	0	0	0	0

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Legislative/Regulatory Enforcement Actions	
Corporate Status	1
Petroleum and Natural Gas Mineral Rights Expiry	1
Noncompliance with Abandonment Order	1
<b>Subtotal Enforcement Actions</b>	<b>3</b>

Total Enforcement Actions Issued	
High Risk Enforcement Actions	<b>14</b>
High Risk Enforcement Actions (Persistent Noncompliance)	<b>0</b>
High Risk Enforcement Actions (Demonstrated Disregard)	<b>0</b>
High Risk Enforcement Actions (Failure to Comply)	<b>0</b>
Low Risk Enforcement Actions (Global Refer or AER Order)	<b>4</b>
Legislative/Regulatory Enforcement Actions	<b>3</b>
<b>Total Enforcement Actions Issued</b>	<b>21</b>

[Compliance Categories](#) with no published enforcement actions issued during April 2013 have not been listed here.

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## High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	AltaGas Ltd.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	April 3, 2013	12-13-041-14W4	<p>Operations were suspended.</p> <p>Licensee abandoned the dead leg segment of the pipeline where the failure occurred.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
2	Apache Canada Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the AER of water production above the threshold.	April 23, 2013	01-36-036-20W4	<p>Licence or operation not suspended as there was no existing or potential impact/hazard to public safety, environmental protection, resource conservation, or stakeholder confidence.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Bonavista Energy Corporation	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with Department of Energy (DOE).	April 26, 2013	15-27-040-06W5	<p>Licence cancelled.</p> <p>Applicant/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 (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
4	Camino Industries Inc.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, or operation.	April 18, 2013	04-04-036-05W5	<p>Licence or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Applicant/licensee has met the corrective actions specified with the AER-accepted action plan.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
5	Capio Exploration Ltd.	Resources Applications/ Injection/Disposal	<p>Failure to meet conditions of approval (disposal).</p> <p>Comment: Disposal fluids have migrated into a zone not stipulated in the approval.</p>	April 15, 2013	14-29-074-08W6	<p>Licence/operation suspended.</p> <p>Applicant/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 (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
6	EnCana Corporation	Technical Operations/ Flaring, Incinerating and Venting Audits	<p>Failure to comply with any condition of permit or approval (temporary permits, volume allowance threshold exceedance permits, and blanket permits).</p> <p>Comment: Exceedance of the <i>Alberta Ambient Air Quality Objectives</i> was not reported to the AER, and the Sour Gas Flaring Data/Incineration Data Summary Report was not submitted to the AER within 3 weeks of the flaring completion date.</p>	April 22, 2013	05-04-070-10W6	<p>Operations were not suspended because the noncompliance was identified through an audit after the operations were completed.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Licensee met with the AER to discuss the action plan, and the AER accepted the action plan.</p> <p>Compliance achieved.</p>
7	Epsilon Energy Ltd.	Facilities Applications/ Wells Technical	<p>Failure to design the surface casing to meet all applicable requirements.</p> <p>Failure to provide adequate groundwater protection.</p>	April 30, 2013	07-28-047-03W5	<p>Licence or operation not suspended. The licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Applicant/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 (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
8	Gibson Energy ULC	Field Operations/ Pipelines	Joining/radiograph is unsatisfactory.	April 19, 2013	05-26-040-04W4	<p>Operations were suspended.</p> <p>Licensee replaced the flexpipe coupling according to the manufacturer's recommended procedures. Licensee pressure tested the pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
9	Keyera Energy Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	April 12, 2013	16-25-055-22W4	<p>Licence/operation suspended.</p> <p>Applicant/licensee has completed the AER-directed corrective action.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Suncor Energy Services Inc.	Oil Sands and Coal Mining/ Mineable Oil Sands	Failure to report to the AER any liquid spill, break in a vessel, or fire that occurs on an oil sands site.	April 8, 2013	NW ¼ 06-093-10W4	<p>Operations were not suspended. The approval holder took appropriate actions to correct the noncompliance.</p> <p>The approval holder submitted and implemented an action plan.</p> <p>The approval holder met with the AER to review the reporting procedure and action plan.</p> <p>Compliance achieved.</p>

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
11	TAQA North Ltd.	Field Operations/ Well Site Inspections	Gas production not reported to PETRINEX.	April 30, 2013	02-20-042-04W5	<p>Operations were not suspended because the licensee immediately addressed the noncompliance.</p> <p>Licensee changed the well status from "suspended" to "active" and corrected the production volumes in PETRINEX.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
12	Vanguard Exploration Corp.	Field Operations/ Well Site Inspections	<p>Failure to repair a serious SCVF/GM.</p> <p>Failure to conduct cut and cap operations in accordance with requirements.</p>	April 25, 2013	11-23-054-26W4	<p>Operations were not suspended because the well was not producing.</p> <p>Licensee has a corporate status of Dissolved in the Alberta Corporate Registries.</p> <p>As a result of another noncompliance and because of active working interest participants associated with this well, the AER's Well Operations Section has been instructed to begin the abandonment of this well.</p> <p>Compliance not yet achieved.</p>

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## High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
13	White Ram Resources Ltd.	Field Operations/ Pipelines	<p>Internal corrosion control – no monitoring and mitigation in corrosive environment.</p> <p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.</p> <p>Noncompliant with other AER requirement – not a member of Alberta One-Call.</p>	April 30, 2013	16-27-049-07W5	<p>Operations were not suspended because the licensee began to address the noncompliances upon the AER identifying them.</p> <p>Licensee implemented a review of its pipelines for the West Viking field and conducted a risk assessment on each licensed pipeline segment.</p> <p>Licensee increased its staff availability to respond to surface concerns.</p> <p>Licensee has set up a 1-800 emergency number to ensure immediate action.</p> <p>Licensee registered as a member of Alberta One-Call.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
14	Wrangler West Energy Corp.	Field Operations/ Oil Facilities	<p>Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.</p>	April 1, 2013	11-02-055-27W4	<p>Operations were not suspended because the licensee completed the corrective action.</p> <p>Licensee reactivated its emergency telephone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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**High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
	None					

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**High Risk Enforcement Action (Demonstrated Disregard)<sup>3</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
	None					

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**High Risk Enforcement Action (Failure to Comply)<sup>4</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
	None					

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
1	BNP Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay the security deposit.	April 23, 2013	02-08-003-20W4 11-08-003-20W4 12-04-003-20W4 12-05-081-05W6 16-05-003-20W4	<p>This is an escalation of a previous enforcement action issued on March 8, 2013</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-20 and C 2013-21.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Abandonment Order No. AD 2013-45 and Closure/Abandonment Order No. AD 2013-47 were subsequently issued, giving the licensee until September 6, 2013, to comply.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
2	Rocket Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay the security deposit.	April 23, 2013	07-04-045-03W4 11-31-049-26W4 11-34-052-06W4	<p>This is an escalation of a previous enforcement actions issued on February 11, 2013 and March 5, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2013-30.</p> <p>Abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• abandon the wells,</li> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. The AER has sent the licensee's wells to the Orphan Well Association to be abandoned.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
3	Stealth Ventures Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay the security deposit.	April 5, 2013	121 well licences 5 pipeline licences	<p>This is an escalation of a previous enforcement action issued on November 9, 2012 and January 22, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2013-25, AD 2013-26, AD 2013-27, and AD 2013-28 and Closure/Abandonment Order No. AD 2013-29.</p> <p>Abandonment of the well and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• abandon the wells and pipelines,</li> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Amended Abandonment Orders No. AD 2013-25A, AD 2013-26A, AD 2013-27A, and AD 2013-28A and Closure/Abandonment Order No. AD 2013-29A were subsequently issued.</p> <p>Licensee failed to comply. The AER is evaluating further action.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
4	Sunridge Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay the security deposit.	April 23, 2013	01-36-053-13W4 03-28-048-25W4 09-36-047-25W4 10-13-069-20W5 12-36-053-13W4 14-20-048-27W4 14-22-047-25W4 14-29-048-27W4	<p>This is an escalation of a previous enforcement action issued on March 8, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-19.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Abandonment Orders AD2013-50 and AD 2013-51 were subsequently issued giving the licensee until September 6, 2013, to comply.</p>

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### Legislative/Regulatory Enforcement Action<sup>6</sup>

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
1	Greenhorns Energy Inc.	Noncompliance with Abandonment Order	Failure to pay the abandonment costs.	April 2, 2013	10-12-064-26W4	<p>Global Refer Status.</p> <p>Issuance of Abandonment Cost Order No. ACO 2013-03.</p> <p>Licensee is required to pay the costs incurred by the AER for the abandonment of the licensee's AER licensed property, plus 25 per cent penalty.</p> <p>Licensee failed to comply. The AER is evaluating further actions.</p>

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## Legislative/Regulatory Enforcement Action<sup>6</sup>

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
2	Vanguard Exploration Corp.	Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	April 24, 2013	14-04-029-21W4 06-09-034-21W4 11-23-054-26W4	<p>This is an escalation from a previous enforcement action issued on March 22, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2013-31, AD 2013-32, AD 2013-33, and AD 2013-34.</p> <p>Abandonment of the well and facility licences.</p> <p>Licensee is required to complete one of the following:</p> <ul style="list-style-type: none"> <li>• transfer the licensed properties</li> <li>• abandon the licensed properties, or</li> <li>• provide confirmation to the AER that the licensee is registered with and has an Active status on the Alberta Corporate Registries System.</li> </ul> <p>Licensee failed to comply.</p> <p>The AER orphaned the 06-09-034-21W4 well and sent it to the Orphan Well Association to be abandoned. The AER will abandon the remainder of the licensee's properties because of active working interest participants associated with those properties.</p>

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### Legislative/Regulatory Enforcement Action<sup>6</sup>

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
3	Verity Energy Ltd.	Petroleum and Natural Gas Mineral Rights Expiry	Failure to prove to the satisfaction of the AER that the licensee has a valid entitlement to the right to produce the subject well.	April 3, 2013	15-18-017-22W4	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-18.</p> <p>Suspension and closure of the well licence.</p> <p>Licensee must submit documentation confirming one of the following:</p> <ul style="list-style-type: none"> <li>• mineral rights have been reacquired or reinstated,</li> <li>• the well has been approved by the DOE and the AER for water disposal or injection,</li> <li>• the well licence has been transferred to a viable licensee and the wellbore is linked to an active mineral agreement, or</li> <li>• the well has been abandoned.</li> </ul> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences and</li> <li>• meet with AER to review its noncompliance history and correction action plan.</li> </ul> <p>Licensee failed to comply. Abandonment Order No. AD 2013-39 was subsequently issued.</p>

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## Endnotes

### <sup>1</sup> **Directive 019—High Risk Enforcement Action (HREA)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER; 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 AER group (a licensee may also be required to submit the written action plan and meet with the AER group to discuss both the action plan and the licensee's compliance history); and notify the AER group that it has corrected and addressed the high risk noncompliance. The AER 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/addressed the noncompliance); suspension and/or cancellation of the permit, licence, or approval.

### <sup>2</sup> **Directive 019—High Risk Enforcement Action (HREA) (Persistent Noncompliance)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER; 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 AER 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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 AER) in the same compliance category before achieving overall compliance.

### <sup>3</sup> **Directive 019—High Risk Enforcement Action (HREA) (Demonstrated Disregard)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER 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 AER; 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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 AER) in the same compliance category before achieving overall compliance.

### <sup>4</sup> **Directive 019—High Risk Enforcement Action (HREA) (Failure to Comply)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues an HREA (Failure to Comply) against a licensee if it failed to comply with the direction of the AER in an AER 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 AER; 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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, 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 AER) in the same compliance category before achieving overall compliance.

If you require further information, contact the AER Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to [Inquiries@aer.ca](mailto:Inquiries@aer.ca).

<sup>5</sup> **Directive 019—Low Risk Enforcement Action (LREA) (Global Refer or AER Order)** In accordance with *Directive 019: Compliance Assurance*, the AER issues an LREA (Global Refer) against a licensee who failed to comply with the direction of the AER 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 AER; notify the AER 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 AER group; and meet with the AER group to discuss the low risk noncompliant event(s), the licensee's compliance history, or the written action plan. The AER 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).

<sup>6</sup> **Legislative/Regulatory Enforcement Action**

The AER issues a Legislative/Regulatory Enforcement Action for noncompliance with AER requirements that fall outside the administration of *Directive 019: Compliance Assurance*. The AER 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 AER 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 AER 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 AER Enforcement Actions, see *Directive 019: Compliance Assurance* or contact the AER Compliance Assurance Section at [compliancecoordination@aer.ca](mailto:compliancecoordination@aer.ca).

If you require further information, contact the AER Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to [Inquiries@aer.ca](mailto:Inquiries@aer.ca).