

ST108: Monthly Enforcement Action Summary

August 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.

Alberta Energy Regulator
ST108: Monthly Enforcement Action Summary, August 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 August 2013.

Enforcement Action Summary—August 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	2	0	0	0	0
Participant Involvement	2	0	0	0	0
Pipelines Technical	1	0	0	0	0
Wells Technical	1	0	0	0	0
Commingling	0	0	0	1	0
Injection/Disposal	2	0	0	0	0
Orphan Levy	0	0	0	0	2
Drilling Waste Field Inspections/Investigations	1	0	0	0	0
Oil Facilities Field Inspections/Investigations	5	0	0	0	0
Well Site Inspections Field Inspections/Investigations	8	0	0	2	0
Pipelines Field Inspections/Investigations	5	0	0	0	0
Oil Overproduction	1	1	0	0	0

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.

Legislative/Regulatory Enforcement Actions	
Subtotal Enforcement Actions	0

Number of Enforcement Actions Issued	
High Risk Enforcement Actions	28
High Risk Enforcement Actions (Persistent Noncompliance)	1
High Risk Enforcement Actions (Demonstrated Disregard)	0
High Risk Enforcement Actions (Failure to Comply)	3
Low Risk Enforcement Actions (Global Refer or AER Order)	2
Legislative/Regulatory Enforcement Actions	0
Total Enforcement Actions Issued	34

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

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	1506928 Alberta Ltd.	Field Operations / Well Site Inspections	Spill or release not contained/cleaned up.	August 26, 2013	16-31-114-05W6	<p>Operations were not suspended as no further environmental impact would result from continued operations.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee updated its procedures to ensure the AER is contacted when reportable spills occur.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
2	Alston Energy Inc.	Resources Applications / Injection/Disposal	Failure to meet application notification requirements.	August 21, 2013	09-21-038-03W4	<p>Operation not suspended as the noncompliant event occurred in the past.</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)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
3	Antelope Land Services Ltd.	Field Operations / Well Site Inspections	Failure to ensure that a licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.	August 2, 2013	05-17-031-23W4	<p>Operations were not suspended as the well was already suspended.</p> <p>Licensee installed a sign with the 24-hour emergency telephone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
4	Anterra Energy Inc.	Field Operations / Oil Facilities	<p>Knockout drum or flare separator controls, equipment, or design does not meet requirements.</p> <p>Spill or release not contained/cleaned up.</p>	August 28, 2013	10-35-047-04W5	<p>Operations were not suspended as the licensee immediately corrected the noncompliance.</p> <p>Licensee installed a high-level shutdown upstream of the flare knockout.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
5	ARC Resources Ltd.	Regulatory Outcomes and Delivery / Oil Overproduction	Failure to retire oil overproduction.	August 30, 2013	02/15-06-068-24W5/0	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
6	Arsenal Energy Inc.	Facilities Applications / Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	August 9, 2013	04-03-043-02W4	<p>License or Operation not suspended. The licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact on public safety, environmental protection, or resource conservation.</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>
7	Bonavista Energy Corporation	Field Operations / Pipelines	Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	August 21, 2013	04-25-041-05W5	<p>Operations were suspended.</p> <p>Licensee conducted a ground disturbance presentation for field staff and emphasized the importance of following proper ground disturbance procedures.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
8	Camino Energy Inc.	Field Operations / Well Site Inspections	Off-lease H ₂ S odours.	August 16, 2013	04-04-036-05W5	<p>Operations were suspended.</p> <p>Licensee replaced the secondary separator with one that is designed to handle a higher pressure of gas to eliminate odours.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
9	Camino Industries Inc.	Facilities Applications / Participant Involvement	Failure to disclose to the AER any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	August 8, 2013	04-04-036-05W5	<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	Conserve Oil Corporation	Field Operations / Well Site Inspections	<p>Failure to repair a serious SCVF/GM.</p> <p>Failure to report a known SCVF/GM.</p>	August 27, 2013	04-30-089-05W5	<p>Operations were suspended.</p> <p>Licensee repaired the surface casing vent flow (SCVF) leak.</p> <p>Licensee entered a SCVF submission into the DDS system.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
11	Crescent Point Energy Corp.	Field Operations / Pipelines	Operator is aware of the pipe body issues but has not implemented mitigative measures.	August 30, 2013	12-30-036-04W4	Operations were suspended. Licensee met with the AER. Licensee supplied failure analysis report. AER is reviewing the report. Licensee provided a plan to address the noncompliance and prevent future occurrence. Compliance not yet achieved.
12	DeeThree Exploration Ltd.	Resources Applications / Injection/ Disposal	Injection or disposal without approval.	August 19, 2013	02/16-35-107-04W6	Operation not suspended as the noncompliant event occurred in the past. Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Harvest Operations Corp.	Facilities Applications / Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	August 8, 2013	05-21-048-05W4	Licence or Operation not suspended. The licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact on public safety, environmental protection, or resource conservation. Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences. Applicant/Licensee has completed the AER directed corrective action. Compliance achieved.

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
14	Husky Oil Operations Limited	Field Operations / Pipelines	Inappropriate construction or design, or documented operating procedures not followed.	August 15 2013	08-21-075-08W6	<p>Operations suspended.</p> <p>Licensee implemented procedures to temporary shut-in pipelines for specific situations.</p> <p>Licensee discontinued pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
15	Husky Oil Operations Limited	Field Operations / Drilling Waste	<p>Disposal is conducted within 100 metres of a water body.</p> <p>Disposal on a slope greater than 5 per cent during summer operations or greater than 3 per cent during winter operations.</p>	August 8, 2013	02-17-048-06W4	<p>Operations were not suspended as the drilling waste had already been applied to the two disposal areas.</p> <p>Licensee harrowed the drilling waste and worked it into the soil to ensure no further leaching occurred.</p> <p>Onsite technicians must complete field evaluations in advance of all landspray while drilling disposal operations.</p> <p>Licensee will train and audit all technicians on slope and measurement procedures.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
16	Nexen Energy ULC	Field Operations / Oil Facilities	Spill or release not contained/cleaned up.	August 27, 2013	07-31-085-06W4	<p>Operations were not suspended as there was no immediate impact on public safety, the environment, resource conservation, or stakeholder confidence in the regulatory process.</p> <p>Licensee contained most of the spill within the secondary containment.</p> <p>Licensee cleaned up and disposed of the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
17	Novus Energy Inc.	Field Operations / Oil Facilities	Off-lease H ₂ S odours.	August 16, 2013	08-21-055-02W5	<p>Operations were suspended.</p> <p>Licensee changed the H₂S Scavenger Material.</p> <p>Licensee scheduled regular maintenance of the H₂S Scrubber.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
18	Penn West Petroleum Ltd.	Facilities Applications / Pipelines Technical	Failure to submit a pipeline/pipeline installation licence application as "pipelines/pipeline installations technical nonroutine" when required.	August 30, 2013	12-24-048-10W5 06-24-048-10W5 12-24-048-10W5 04-24-048-10W5	<p>License or Operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
19	Petro Energy Corp.	Field Operations / Oil Facilities	<p>Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.</p> <p>Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.</p>	August 15, 2013	14-22-012-05W4	<p>Operations were not suspended as the facility was already in a suspended state.</p> <p>Licensee posted a sign with the 24-hour emergency telephone number.</p> <p>Licensee updated its 24-hour emergency number contacts.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
20	Precision Drilling Corporation	Field Operations / Well Site Inspections	Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.	August 28, 2013	11-11-037-03W5	<p>Operations were not suspended as the well was already suspended.</p> <p>Licensee posted a sign with the 24-hour 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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
21	Prosper Petroleum Ltd.	Facilities Applications / Participant Involvement	Failure to disclose to the AER any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	August 16, 2013	23 licences	<p>License/Operation suspended.</p> <p>Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>AER has directed corrective action measures to the Applicant/Licensee.</p> <p>Compliance not yet achieved.</p>
22	Raimount Energy Inc.	Field Operations / Oil Facilities	<p>Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.</p> <p>Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.</p>	August 28, 2013	10-24-002-24W4	<p>Operations were not suspended as the facility was already suspended.</p> <p>Licensee posted a sign with the 24-hour emergency telephone number.</p> <p>Licensee updated its 24-hour emergency number contacts.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
23	RMP Energy Inc.	Field Operations / Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 29, 2013	16-05-041-02W5	<p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee updated the 24-hour emergency telephone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
24	Tallgrass Energy Corp.	Field Operations / Pipelines	<p>No operations and maintenance procedures manual, or not followed.</p> <p>There is no documented monitoring or mitigation program in place and/or company is not following program.</p>	August 16, 2013	09-08-051-09W5	<p>Operations suspended.</p> <p>Licensee was placed in receivership by an order of the Court of Queens Bench of Alberta and a Receiver was appointed.</p> <p>To address these noncompliant events the Receiver has conducted a pipeline risk assessment for the failed pipeline.</p> <p>Licensee will follow existing corrosion mitigation and monitoring program.</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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
25	Tourmaline Oil Corp	Facilities Applications / Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Alberta Energy.	August 2, 2013	16-27-054-02W6	<p>Licence cancelled.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
26	Twoco Petroleum Ltd.	Field Operations / Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 30, 2013	11-07-053-15W4	<p>Operations were not suspended as the well was already shut in.</p> <p>Licensee updated the 24-hour 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 (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
27	Vesta Energy Ltd.	Field Operations / Pipelines	<p>The status of crossing agreements is unsatisfactory.</p> <p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Machine working within 60 cm without authorization from the owner of the existing crossing.</p>	August 31, 2013	13-35-048-27W4	<p>Licensee suspended operations.</p> <p>Licensee obtained pipeline crossing agreement.</p> <p>Licensee work practice will include a re-stake and line-locate on the proposed right of way and if line-locate is inconclusive, a second sweep will be performed by another company.</p> <p>Licensee stopped all construction activities until all formal crossing agreements are in place.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
28	Windtalker Energy Corp.	Field Operations / Well Site Inspections	No notification of a reportable spill or release to the AER.	August 30, 2013	15-32-057-03W4	<p>Operations were not suspended as this was a vehicle accident that occurred on a municipal road and it did not occur at a licensed well site.</p> <p>Licensee met with all contractors to ensure they understand procedures for any releases.</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)²

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Second Wave Petroleum Inc.	Regulatory Outcomes and Delivery / Oil Overproduction	Failure to retire oil overproduction	August 5, 2013	02/06-13-063-10W5/0 00/09-13-063-10W5/0 02/04-14-063-10W5/0 00/12-14-063-10W5/0	<p>Licensee confirmed in writing that the wells have been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee met with AER to discuss the action plan.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (Demonstrated Disregard)³

#	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)⁴

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Gateway Petroleum Inc.	Field Operations / Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 20, 2013	15-18-041-27W4 (W0297317)	Operations were not suspended as the well was already shut in. Licensee is required to provide a plan to address the noncompliance and prevent future occurrence. Compliance not yet achieved.
2	Gateway Petroleum Inc.	Field Operations / Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 20, 2013	15-18-041-27W4 (W0378986)	Operations were not suspended as the well was already shut in. Licensee is required to provide a plan to address the noncompliance and prevent future occurrence. Compliance not yet achieved.
3	Surge Energy Inc	Resources Applications / Commingling	Commingling without approval.	August 22, 2013	03-13-040-04W4 05-13-040-04W4 11-13-040-04W4	Operation related to noncompliance is suspended. Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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Low Risk Enforcement Action – (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
1	Acquire Energy Inc.	Liability Management / Orphan Levy	Failure to pay Orphan Fund Levy.	August 8, 2013	Well licence 08-17-050-27W4 04-19-036-08W4 13-19-036-08W4 16-19-036-08W4 Pipeline licence 16-19-036-08W4 04-19-036-08W4	<p>This is an escalation of a previous enforcement action issued on July 3, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2013-57 and AD 2013-58.</p> <p>AER ordered the abandonment of the wells and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the 2013 Orphan Fund Levy plus 20 per cent penalty and • provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. The AER is evaluating further actions.</p>

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Low Risk Enforcement Action – (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
2	Stout Energy Inc.	Liability Management / Orphan Levy	Failure to pay Orphan Fund Levy.	August 7, 2013	09-06-090-09W5 08-30-089-09W5 04-12-090-10W5	<p>This is an escalation of a previous enforcement action issued on July 3, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2013-52.</p> <p>AER ordered the abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the 2013 Orphan Fund Levy plus 20 per cent penalty and • provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. The AER has sent the wells to the Orphan Well Association to be abandoned.</p>

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Legislative/Regulatory Enforcement Action⁶

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up

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Endnotes

¹ **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.

² **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.

³ **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.

⁴ **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).

⁵ **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).

⁶ **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.

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