



# ERCB Monthly Enforcement Action Summary

February 2008

**ENERGY RESOURCES CONSERVATION BOARD**  
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	February 2008		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
<b>Applications Branch</b>				
Facilities Applications Group Audit Section	Participant Involvement	45	3	93%
	Facilities Technical	13	1	92%
	Pipelines/Pipeline Installations Technical	9	0	100%
	Wells Technical	36	2	94%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Acid Gas Injection/ Disposal	n/a	1	n/a
	Commingling	n/a	2	n/a
	Control Wells	n/a	10	n/a
	Enhanced Recovery Scheme 9 months audits	16	2	88%
	Groundwater Protection	n/a	16	n/a
	Injection/ Disposal	n/a	1	n/a
	Spacing	n/a	1	n/a
<b>Subtotal</b>		<b>119</b>	<b>39</b>	<b>67%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Production Measurement & Reporting	2	2	0%
Environment Group Waste and Storage Section	Oilfield Waste Generator	n/a	2	n/a
<b>Subtotal</b>		<b>n/a</b>	<b>4</b>	<b>0%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	50	2	96%
	Well Servicing	40	1	98%
	Oil Facilities	220	8	96%
	Gas Facilities	227	6	97%
	Pipelines	160	18	89%
	Drilling Waste	22	1	95%
	Well Site Inspections	517	10	98%
	Waste Management	10	2	80%
<b>Subtotal</b>		<b>1246</b>	<b>48</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	448	0	100%
<b>Subtotal</b>		<b>448</b>	<b>0</b>	<b>100%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1813</b>	<b>91</b>	<b>94.9%</b>

Note: Compliance category data are evaluated annually and results presented in *ST99 ERCB Provincial Surveillance and Compliance Summary*.

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
1	981384 Alberta Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 29, 2008	11-36-030-28W4 Mountain View County 10-28-031-25W4 Kneehill County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
2	981405 Alberta Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 29, 2008	01-26-060-06W5 04-35-060-06W5 11-24-062-06W5 County of Barrhead	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
3	Adanac Oil and Gas Limited	Field Surveillance/ Oil Facilities	Spill on/ off lease not adequately controlled/ cleaned up.	February 22, 2008	03-05-038-02W5 Red Deer County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee cleaned up the spill. Compliance achieved.
4	Advantage Oil & Gas Ltd.	Field Surveillance/ Pipelines	Spill not adequately cleaned up (free fluids still remain).	February 26, 2008	10-24-014-19W4 M.D. of Taber	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee cleaned up the spill. Compliance achieved.
5	Advantage Oil & Gas Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 29, 2008	13-06-038-20W4s County of Stettler	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
6	Alberta Oilsands Inc.	Field Surveillance/ Pipelines	Construction – depth of cover unsatisfactory.	February 26, 2008	15-35-049-27W4 Leduc County	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee conducted inspections of pipelines to ensure sufficient ground coverage.  Compliance achieved.
7	AltaGas Ltd.	Environment/ Waste and Storage	Oilfield waste not properly characterized.  Oilfield waste not properly classified as either Dangerous (DOW) or non-Dangerous (non-DOW).  Dangerous oilfield waste transported on public roads did not include proper Transportation of Dangerous Goods information on ERCB 4-part form.	February 4, 2008	12-23-075-23W4 M.D. of Opportunity	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2006.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
8	AltaGas Ltd.	Resources Applications/ Acid Gas Injection/ Disposal	Failure to meet conditions of approval.	February 12, 2008	01-14-20-12W4 County of Newell	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Sampling requirements to still be met.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
9	Anderson Energy Ltd.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB 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.	February 27, 2008	16-36-036-02W5 Red Deer County	Licence and operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
10	Apache Canada Ltd.	Field Surveillance/ Drilling Operations	Accumulator pressure dropped below 8400 kPa after function test (of all required blowout preventer components) with the recharge pump off.	February 15, 2008	13-02-040-23W4 Lacombe County	Operations suspended.  Require a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
11	Apache Canada Ltd.	Field Surveillance/ Pipelines	Total disregard for the hand excavation requirements.	February 26, 2008	16-19-115-06W6 M.D. of Mackenzie	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee repaired the pipeline.  Compliance achieved.
12	Apache Canada Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 28, 2008	02-22-037-19W4 County of Stettler 09-04-039-23W4 Lacombe County 02-11-042-22W4 County of Camrose	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Action plan currently under review.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
13	Arcan Resources Ltd.	Resources Applications/ Injection/Disposal	Commencement of Injection prior to meeting Directive 051 requirements.	February 17, 2008	15-29-068-08W5 M.D. of Big Lakes	Operations were not suspended, as Directive 051 requirements were met.  Licensee provided a plan to address the noncompliance and prevent future occurrences  Compliance achieved.
14	ARC Resources Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	16-17-022-10W4 16-29-022-10W4 16-32-022-10W4 Special Area 2 (near Wardlow)	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.
15	Barnwell of Canada Ltd.	Operations Group/ Directive 60 Economic Evaluation Audits	Failure to comply with any condition of permit or approval (flare volume).	February 6, 2008	08-29-076-09W6 Saddle Hills County	Operations were not suspended, as the audit was completed after the incident occurred.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
16	Baytex Energy Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	01-12-031-05W4 Special Area 3 (near Sedalla)	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.
17	Bonavista Petroleum Ltd.	Field Surveillance/ Well Site Inspection	H <sub>2</sub> S emissions off lease.	February 3, 2008	13-35-033-05W5 Mountain View County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee created an odour compliant procedure.  Compliance achieved.
18	Bonavista Petroleum Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	11-08-005-05W4 County of Forty Mile	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis. Analysis was rejected.  Licensee is required to provide new water analysis.

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19	Bonavista Petroleum Ltd.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area unsatisfactory.	February 22, 2008	14-20-036-03W5  Red Deer County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee updated changes to facility marking requirements in its construction manual.  Compliance achieved.
20	Bonavista Petroleum Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 25, 2008	07-13-094-03W6  M.D. of Clear Hills	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed bolts/nuts on the flame arrester.  Compliance achieved.
21	Bumper Development Corporation Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 29, 2008	03-14-033-23W4  14-14-033-23W4  Kneehill County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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22	Burlington Resources Canada Ltd.	Environment/ Oilfield Waste Generator Audits	Oilfield waste not properly characterized.  Oilfield waste not properly classified as either Dangerous (DOW) or non-Dangerous (non-DOW).  Dangerous oilfield waste transported on public roads did not include proper TDG information on ERCB 4-Part form.	February 7, 2008	08-33-046-10W4 M.D. of Wainwright	Operations were not suspended, as the disposal operations were completed in 2007.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Action plan currently under review.
23	Burlington Resources Canada Ltd.	Environment/ Oilfield Waste Generator Audits	Oilfield waste was not properly characterized.  Oilfield waste was not properly classified as either Dangerous (DOW) or non-Dangerous (non-DOW).  Oilfield waste was not disposed of at an approved waste processing facility.	February 07, 2008	13-31-048-12W4 Beaver County	Operations were not suspended, as the disposal operations were completed in 2007.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Action plan currently under review.
24	Cabrera Resources Ltd.	Facilities Application/ Participant Involvement	Failure to disclose to the ERCB 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.	February 7, 2008	14-23-040-02W4 M.D of Provost	Noncompliance found prior to licence approval; approval not issued until noncompliance addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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25	Calver Resources Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	06-24-058-05W5 County of Barrhead	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.
26	Canadian Natural Resources Limited	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	February 20, 2008	16-07-079-16W5 M.D. of Big Lakes	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
27	Centrica Canada Limited	Facilities Application/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	February 8, 2008	13-12-038-19W4 County of Stettler	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	Cinch Energy Corp.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 14, 2008	07-31-060-05W6 M.D. of Greenview	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed bolts/ nuts on the flame arrester.  Compliance achieved.

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29	Compton Petroleum Corporation	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 28, 2008	14 wells	Operations suspended.  A plan to address the noncompliance and prevent future occurrences required.
30	Crescent Point General Partner Corp.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	11-28-038-03W4 M.D. of Provost	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Require licensee to determine the source and composition of the produced water, which is still outstanding.
31	Crew Energy Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 28, 2008	07-34-037-05W5 Clearwater County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed bolts/nuts on the flame arrester.  Compliance achieved.

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32	Desoto Resources Limited.	Field Surveillance/ Pipelines	No operations and maintenance procedures manual, or not followed.  Emergency procedures manual unsatisfactory.  External corrosion control/ cathodic surveys- no records of survey results.	February 15, 2008	03-24-038-25W4 10-01-038-25W4 16-12-038-25W4 Lacombe County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee developed a Pipeline Operations and Maintenance Manual.  Licensee developed a Corporate Emergency Response Plan Manual.  Licensee completed a cathodic protection survey.  Compliance achieved.
33	Dejour Energy (Alberta) Ltd.	Field Surveillance/ Well Site Inspections	Spill off lease not adequately controlled/ cleaned up.  No notification of spill to ERCB.  Operator did not advise landowner of off-lease spill/odour.	February 14, 2008	13-11-071-09W6 County of Grande Prairie	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee cleaned up the spill.  Compliance achieved.
34	DHI Energy Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	16-20-044-15W4 Flagstaff County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
35	Direct Energy Marketing Limited	Facilities Application/ Wells Technical	Failure to acquire the rights to the intended formation(s).	February 6, 2008	12-33-018-01W4 Cypress County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
36	Dolomite Energy Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	11-29-052-16W4 Lamont County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee required to determine the source and composition of the produced water, which is still outstanding.
37	EnCana Corporation	Field Surveillance/ Well Service	Residents within required radius not notified of flaring or venting.	February 28, 2008	06-05-033-24W4 Kneehill County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee implemented changes to its internal manual to ensure that notification is completed.  Compliance achieved.

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38	EnCana Corporation	Field Surveillance/ Well Service	Residents within required radius not notified of flaring or venting.	February 28, 2008	09-04-023-25W4 Wheatland County	Operations were not suspended, as the incident took place prior to the investigation.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee implemented changes to its internal manual to ensure that notification is completed.  Compliance achieved.
39	EnCana Oil & Gas Co. Ltd.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area unsatisfactory.	February 14, 2008	01-16-020-08W4 Cypress County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee held safety meetings to increase awareness of ground disturbance procedures.  Compliance achieved.
40	Enermark Inc.	Resources Applications/Enhanced Recovery Schemes	Failure to meet approval requirements.	February 17, 2008	13-07-013-05W4 11-07-013-05W4 06-09-013-05W4 02-16-013-05W4 12-04-013-05W4 Cypress County	Operations commenced injection.  Licensee provided a plan to address the noncompliance and prevent future occurrences  Compliance achieved.

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41	Enterra Energy Corp.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	February 11, 2008	02-36-040-13W4 Flagstaff County	<p>Operations were not suspended, as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee repaired the thief hatch that was the source of the odours.</p> <p>Compliance achieved.</p>
42	Enterra Energy Corp.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 12, 2008	12-16-037-04W4 Special Area 4 (near Gooseberry Lake)	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee installed bolts/nuts on the flame arrester and repaired the sight glass.</p> <p>Compliance achieved.</p>
43	EOG Resources Canada Inc.	Resources Applications/ Commingling	Commingling without approval.	February 5, 2008	05-21-021-20W4 Wheatland County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the well will remain shut in until approval has been obtained.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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44	EOG Resources Canada Inc.	Field Surveillance/ Pipelines	<p>Marking of existing pipelines inside a controlled area unsatisfactory.</p> <p>Hand excavation: Mechanical excavation within 5 m of existing pipeline prior to hand exposure.</p> <p>Machine working within 60 cm without authorization from the owner of the existing crossing.</p>	February 14, 2008	10-09-051-04W5 Parkland County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee to review ground disturbance policy with employees.</p> <p>Compliance achieved.</p>
45	EOG Resources Canada Inc.	Resources Applications/ Spacing	Production of too many wells per pool per drilling spacing unit.	February 27, 2008	18 sections of lands	<p>Operations of wells exceeding the baseline well density in each section suspended (i.e., so that there are no more than four wells producing from the same pool in each drilling spacing unit).</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
46	EOG Resources Canada Inc.	Field Surveillance/ Pipelines	Joining/inspection and testing – joining/ radiograph unsatisfactory.	February 29, 2008	14-07-038-13W4 County of Paintearth	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee updated fusing log sheets.</p> <p>Compliance achieved.</p>

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47	Galleon Energy Inc.	Field Surveillance/ Drilling Waste	Wastes not contained by pits and berms and potential for off-lease migration.	February 11, 2008	09-09-072-26W5 M.D. of Greenview	Operations were not suspended, as the investigation took place after the incident occurred.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee had the drilling waste and rain water removed from the site.  Compliance achieved.
48	Galleon Energy Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	04-14-078-20W5 M.D. of Smoky River	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.
49	Geocan Energy Inc.	Field Surveillance/ Well Site Inspection	No notification of spill to ERCB.	February 19, 2008	09-10-054-06W5 Lac Ste. Anne	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
50	Glencoe Resources Ltd.	Resources Applications/Enhanced Recovery Schemes	Failure to commence injection.	February 25, 2008	10-24-042-26W4 14-24-042-26W4 Ponoka County	Licensee submitted an application to restore compliance.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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51	Harvest Operations Corp.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – Storage Requirements not met in accordance with Directive 055.	February 4, 2008	08-33-027-09W4 Special Area 3 (Near Youngstown)	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee emptied the tank and diverted production to another tank.  Compliance achieved.
52	Harvest Operations Corp.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	February 12, 2008	11-05-041-12W4 Flagstaff County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee repaired the vapour recovery unit.  Compliance achieved.
53	Harvest Operations Corp.	Resources Applications/ Commingling	Commingling without approval.	February 21, 2008	05-20-043-07W5 Clearwater County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
54	Highpine Energy Ltd.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – well not suspended in accordance with Directive 013.	February 13, 2008	14-17-046-12W5 Yellowhead County	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.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
55	Highpine Oil & Gas Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 28, 2008	01-32-048-09W5 Brazeau County	<p>Operations were not suspended, as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee installed bolts/nuts on the flame arrester.</p> <p>Compliance achieved.</p>
56	Husky Oil Operations Limited	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	February 11, 2008	12-28-040-01W4 M.D. of Provost	<p>Operations were not suspended, as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee repaired the vapour recovery unit that was the source of the odours.</p> <p>Compliance achieved.</p>
57	Maverick Exploration Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	07-09-026-04W4 Special Area 3 (near Oyen)	<p>Operations were not suspended, in accordance with Directive 044.</p> <p>Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.</p> <p>A plan to correct the noncompliance and prevent future occurrences required.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
58	NAL Resources Limited	Field Surveillance/ Well Servicing	Noncompliant with other ERCB requirement -no documentation on fire and explosion prevention procedures in accordance with Directive 033.	February 5, 2008	11-24-026-11W4 Special Area 2 (near Sunnynook)	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee implemented a safe work agreement, which includes reviewing Directive 033.  Compliance achieved.
59	One Exploration Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	08-07-078-03W6 Birch Hills County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
60	Paramount Resources Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	11-29-079-07W6 11-15-079-08W6 11-16-079-08W6 02-21-079-08W6 16-35-079-08W6 Saddle Hills County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee required to determine the source and composition of the produced water for the following wells: 11-29-079-07W6 and 11-15- 079-08W6.  Licensee determined the source and composition of the produced water and provided a water analysis on wells 11-16-079-08W6, 02-21- 079-08W6, and 16-35-049-08W6, which are currently under review.
61	Paramount Resources Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 28, 2008	08-34-032-18W4 14-34-032-18W4 09-22-033-18W4 16-22-033-18W4 Starland County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
62	Pengrowth Corporation	Field Surveillance/ Pipelines	Damage by Others – proper procedures not followed.	February 1, 2008	04-14-069-09W5 M.D. of Big Lakes	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee held safety meetings and reinforced ground disturbance policies and practices.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
63	Pengrowth Corporation	Field Surveillance/ Gas Facilities	No tank dike where required.	February 7, 2008	12-17-037-01W4 M.D. of Provost	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.  Licensee installed a dike.  Compliance achieved.
64	Pengrowth Corporation	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 28, 2008	16 wells	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
65	Petro-Canada	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	February 28, 2008	11-04-093-12W4 Regional Municipality of Wood Buffalo	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.  Licensee cleaned up the spill.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
66	Petroglobe Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	02-26-047-03W5 Leduc County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee required to determine the source and composition of the produced water, which is still outstanding.
67	Primewest Energy Inc.	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/ cleaned up.	February 4, 2008	14-05-019-24W4 Facility Licence 2580 Vulcan County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee cleaned up the spill.  Compliance achieved.
68	Primewest Energy Inc.	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/ cleaned up.	February 4, 2008	14-05-019-24W4 Facility License 2581 Vulcan County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee cleaned up the spill.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
69	Quicksilver Resources Canada Inc.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – Directive 009, Section 3.3(h): during the cementing operation, flow returns shall be visually monitored. If cement returns are not obtained at surface when cementing full length, or if displaced drilling fluid returns indicate that the required cement top may not have been obtained, a cement-top locating log shall be run. The log and a proposed remedial cementing program shall be submitted to the Board within 60 days of rig release, or prior to commencement of completion operations.	February 26, 2008	10-29-035-27W4 Red Deer County	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.  Licensee made changes to the cementing operation.  Compliance achieved.
70	Quicksilver Resources Canada Inc.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 28, 2008	18 wells	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
71	Regent Resources Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	04-33-037-24W4 Red Deer County	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.
72	Rockyview Energy Inc.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	February 29, 2008	13-23-043-24W4 16-23-043-24W4 05-24-043-24W4 13-24-043-24W4 Ponoka County 01-02-045-23W4 County of Wetaskiwin	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
73	Silver Swan Resources Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	06-08-028-05W4 Special Area 3 (near Cereal)	Operations were not suspended, in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
74	Strike Petroleum Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	06-33-032-09W4  Special Area 4 (near Veteran)	Operations were not suspended in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source and composition of the produced water and provided a water analysis, analysis was rejected.  Licensee required to provide new water analysis.
75	Superman Resources Inc.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 13, 2008	06-15-040-02W5  Lacombe County	Operations were not suspended in accordance with Directive 044.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Require licensee to determine the source and composition of the produced water, which is still outstanding.
76	Sword Energy Inc.	Field Surveillance/ Well Service	Spill on/off lease not adequately controlled/ cleaned up.  Operator on-site representative not familiar with emergency response plan.	February 21, 2008	14-07-038-04W5  Clearwater County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee cleaned up the spill.  Licensee implemented an expanded orientation and training program on emergency response plans.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
77	Talisman Energy Inc.	Field Surveillance/ Drilling Operations	Maximum allowable casing pressure (MACP) not posted in the manifold shack and/or the remote choke location.	February 7, 2008	05-25-072-05W6 County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee updated its daily rig inspection checklist to include posting of the MACP.  Compliance achieved.
78	Trilogy Blue Mountain Ltd.	Field Surveillance/ Pipelines	Internal corrosion control – No records in corrosive environment.  Cathodic protection system not operational or not installed.	February 12, 2008	05-22-088-01W6 M.D. of Clear Hills	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
79	Vermilion Resources Ltd.	Field Surveillance/ Pipelines	Miscellaneous Joint Failure – manufacturer's techniques and specifications not followed.	February 28, 2008	15-25-081-10W5 Northern Sunrise County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee welded the fitting to repair the pipeline.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
80	Vero Energy Inc.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns, whether received prior to or after filing of the application or whether party is inside or outside the minimum contact radius of personal consultation and notification.	February 13, 2008	05-09-061-07W5 01-08-061-07W5 Woodlands County	Operations were not suspended, as the licensee was able to resolve the outstanding concern/ objection.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
81	West Energy Partnership	Operations/ Production Measurement and Reporting	Inaccurate accounting and reporting of actual hydrocarbons liquid production.  Inaccurate accounting and reporting of actual gas production.	February 13, 2008	14-27-048-08W5 Brazeau County	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.
82	West Energy Partnership	Operations/ Production Measurement and Reporting	Inaccurate gas volume calculations.  Inaccurate accounting and reporting of gas dispositions.  Inaccurate accounting and reporting of actual hydrocarbons liquid production.  Inaccurate accounting and reporting of actual gas production.	February 14, 2008	16-29-048-09W5 Brazeau County	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.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 2 (Persistent Noncompliance) <sup>2</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
1	None					

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) <sup>3</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	Underground tank(s) not tested at the required 3-year frequency; operator cannot demonstrate integrity.	February 6, 2008	08-02-083-14W5  Northern Sunrise County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB and the action plan was accepted.  Compliance achieved.
2	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	February 22, 2008	05-22-047-11W5  Brazeau County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB and the action plan was accepted.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Low Risk Enforcement Action – Global REFER Summary <sup>4</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	ERCB Action(s) and Licensee Follow-up
1	None					

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	ERCB Action(s) and Licensee Follow up
1	Aurado Energy Inc.	Corporate Compliance/ Corporate Profile Audit	Failed to prove to the satisfaction of the ERCB that Aurado Energy Inc. is a resident of Alberta.	February 13, 2008	<p>Wells: 08-16-052-13W5 16-11-053-13W5 16-01-053-13W5 12-12-053-13W5 14-11-053-13W5 16-15-053-13W5 08-14-053-13W5 06-15-053-13W5 06-12-053-13W5 08-12-053-13W5</p> <p>Facility: 12-12-053-13W5</p> <p>Pipelines: 11-11-053-13W5 08-12-053-13W5 13-15-053-13W5 (3 pipeline licences, 7 associated pipeline line numbers)</p> <p>Yellowhead County</p>	<p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 1102, C 1103, and C 1104.</p> <p>Suspension of well, facility, and pipeline licences.</p> <p>Licensee required to either appoint an approved agent or establish a fully functioning office in Alberta.</p> <p>Aurado Energy Inc. transferred all well, facility, and pipeline licences to a viable licensee.</p> <p>Closure Orders No. C 1102, C 1103, and C 1104 were rescinded to allow new licensee to operate properties.</p> <p>Aurado Energy Inc. remains on Global Refer status for administrative purposes, as licensee remains a nonresident.</p>
2	Horizontal Oil Ltd.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Horizontal Oil Ltd. is a resident of Alberta.	February 28, 2008	<p>Wells: 01-20-059-14W4 16-17-059-14W4</p> <p>Pipeline: 01-20-059-14W4</p> <p>Smoky Lake County</p>	<p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2008-3 and AD 2008-4.</p> <p>Abandonment of well and pipeline licences.</p> <p>Licensee required to complete one of the following:</p> <p>1) provide substantive information to show that Horizontal Oil Ltd. has a fully functioning office in Alberta, or</p>

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					<p>2) apply for the appointment of an approved agent should Horizontal Oil Ltd. deem that it does not have a fully functional office in Alberta.</p> <p>In addition to 1 and 2 above, Horizontal Oil Ltd. must provide to the ERCB:</p> <p>3) a corporate profile update and a certificate of proof of insurance describing the coverage and the effective date of the insurance,</p> <p>4) a list of the working interest participants and their corresponding percentages of participation for each of Horizontal Oil Ltd.'s wells listed,</p> <p>5) confirmation that Horizontal Oil Ltd. has active surface and mineral leases for the wells listed,</p> <p>6) confirmation that Horizontal Oil Ltd. is actively providing care and custody of the pipeline licence listed, and</p> <p>7) a written action plan outlining procedures that have been implemented internally to prevent a recurrence of a similar event and</p> <p>8) a senior company representative must meet with the ERCB to address the noncompliance issue and discuss the action plan.</p> <p>Alternatively, Horizontal Oil Ltd. could dispose of the wells and pipeline licences by transferring properties to a responsible party, in accordance with <i>Directive 006</i> OR abandon all properties in</p>
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If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

						<p>accordance with the Abandonment Orders.</p> <p>Horizontal Oil Ltd. failed to comply with Abandonment Orders No. AD 2008-3 and AD 2008-4. A potential working interest party was identified and sent notice that unless it demonstrated to the ERCB that it did not hold a working interest in the properties, the abandonment orders would be amended to include it as a financially responsible party for the abandonment of the properties. The potential working interest party satisfied this request and was not named in the aforementioned abandonment orders.</p> <p>Horizontal Oil Ltd. failed to comply with Abandonment Orders No. AD 2008-3 and AD 2008-4. The ERCB is proceeding to abandon Horizontal Oil Ltd.'s two wells and one pipeline.</p>
3	JED Production Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that it has a valid entitlement to the right to produce the well.	February 14, 2008	11-11-123-18W5 M.D of Mackenzie	<p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2008-2.</p> <p>Licensee required to abandon 00/11-11-123-18W5/0 well, provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detail what procedures the licensee has implemented internally to prevent occurrence of a similar event, identify why previous action plans have not improved licensee performance; and meet with the ERCB.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

						<p>JED Production Inc. achieved compliance by abandoning the 00/11-11-123-18W5/0 well; providing a written action plan acceptable to the ERCB addressing the failure to respond, an explanation of why previous action plans failed, and an outline of internal procedures implemented to prevent recurrence of a similar event; and meeting with the ERCB.</p> <p>Compliance achieved.</p>
4	JED Production Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Jed Production Inc. has a valid entitlement to the right to produce the well.	February 27, 2008	10-24-055-23W4  Sturgeon County	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1106.</p> <p>Suspension of well licence.</p> <p>Licensee required to: abandon 02/10-24-055-23W4/0 well; provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detailing what procedures the licensee has implemented internally to prevent an occurrence of a similar event, and identify why previous action plans have not improved licensee performance.</p> <p>JED Production Inc. achieved compliance by abandoning the 02/10-24-055-23W4/0 well, providing a written action plan acceptable to the ERCB addressing the failure to respond and outlining internal procedures implemented to prevent occurrence of a similar event; and meeting with the ERCB.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

## Endnotes

### <sup>1</sup> **Directive 019 – High Risk Enforcement Action 1 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB identifies a High Risk noncompliance event. To address High Risk Enforcement Action 1, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 days (or in the time specified by the ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension until the noncompliance is corrected/addressed; suspension and/or cancellation of permit, licence, or approval.

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

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 2 is initiated against a licensee who has an unacceptable rate, ratio, percentage or number of noncompliances, either in the same or in different compliance categories. To address High Risk Enforcement Action 2, the licensee must: immediately correct/address the High Risk noncompliance; develop and implement a written action plan within 30 days (or in the time specified by the ERCB group) addressing the root causes of previous noncompliance events and detailing what the licensee will do to prevent future noncompliance events in this compliance category/categories; if operations were suspended, have the action plan approved by the ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval.

### <sup>3</sup> **Directive 019 – High Risk Enforcement Action 3 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 3 is initiated against a licensee who has failed to comply with the requirements of High Risk Enforcement Action 1, 2, or 3, or has demonstrated disregard of ERCB requirements that have been identified as High Risk. To address High Risk Enforcement Action 3, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public); develop and implement a written action plan acceptable to the ERCB group that addresses the root causes of noncompliance events and details what the licensee will do to prevent future noncompliance events in this compliance category; and meet with the ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; third-party audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); “Refer” status: focused or global.

High Risk Enforcement Action 3 with global Refer results in formal orders to comply (Closure, Miscellaneous and Abandonment) and the imposition of the global Refer status against the licensee. The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company.

### <sup>4</sup> **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, Low Risk Enforcement Action – global Refer is initiated against a licensee who has failed to correct/address a Low Risk noncompliance event in the time specified by the ERCB group. Low Risk Enforcement Action – global Refer enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions of continued operation may be applied to the entire company. To address Low Risk Enforcement Action, the licensee must: immediately correct/address the Low Risk noncompliance within the time specified by the ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB group addressing the failure to respond and detailing steps to prevent future occurrences.

### <sup>5</sup> **Legislative/Regulatory Enforcement Action Summary**

In accordance with certain legislative authorities, Legislative/Regulatory enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company. Enforcement actions that are not administered through *Directive 019*, but rather through existing legislation, and for which enforcement proceeds directly to a formal order and global Refer are: mineral lease expiry, surface lease expiry, environmental and public safety concerns, and failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and a working interest ownership in the property.