



# ERCB Monthly Enforcement Action Summary

October 2008

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, October 2008**

February 2009

Published by

Energy Resources Conservation Board  
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	October 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	63	3	95%
	Facilities Technical	12	1	92%
	Pipelines/Pipeline Installations Technical	24	0	100%
	Wells Technical	41	2	95%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Groundwater Protection	n/a	9	n/a
	Commingling	n/a	1	n/a
	Control Wells	n/a	5	n/a
<b>Subtotal</b>		<b>140</b>	<b>21</b>	<b>85%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Sulphur Recovery	100	2	98%
Environment Group Waste and Storage Section	Oilfield Waste Generator	1	4	n/a
	Drilling Waste Audits	2	1	50%
<b>Subtotal</b>		<b>103</b>	<b>7</b>	<b>93%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	21	1	95%
	Well Servicing	24	0	100%
	Oil Facilities	260	7	97%
	Gas Facilities	160	4	97.5%
	Pipelines	141	13	91%
	Drilling Waste	7	0	100%
	Well Site Inspections	472	0	100%
	Waste Management	11	2	82%
<b>Subtotal</b>		<b>1096</b>	<b>27</b>	<b>97.5%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	543	6	98.9%
<b>Subtotal</b>		<b>543</b>	<b>6</b>	<b>98.9%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1882</b>	<b>61</b>	<b>96.8%</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	Surface Location	ERCB Action(s) and Licensee Response
1	981405 Alberta Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	October 29, 2008	05-07-062-06W5 Woodlands County	Licence not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	AltaGas Ltd.	Field Surveillance/ Pipelines	Release reporting – operator is aware of a reportable release but neglects to report it.	October 27, 2008	02-12-111-07W6 Mackenzie County	Operations were not suspended as the incident occurred prior to the inspection. Licensee isolated the leak and repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Anderson Energy Ltd.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application (High).	October 28, 2008	04-07-045-21W4 County of Camrose	Licence not cancelled or suspended as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
4	Anterra Energy Inc.	Public Safety/Field Surveillance Branch/ Waste Facilities	No secondary containment for storage tank containing hydrocarbon fluids.	October 3, 2008	08-12-015-10W4 Cypress County	Operations suspended.  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	Surface Location	ERCB Action(s) and Licensee Response
5	Apache Canada Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (pressure testing).	October 27, 2008	22 well locations	<p>Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.</p>
6	ARC Resources Ltd.	Field Surveillance/ Pipelines	Release reporting - operator is aware of a reportable release but neglects to report it.	October 2, 2008	07-09-047-08W5  Clearwater County	<p>Operations suspended.</p> <p>Licensee updated internal procedures to ensure future releases are reported.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
7	Arcan Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 31, 2008	13-17-096-09W6  Clear Hills County	<p>Operations suspended.</p> <p>Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p>

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8	Arsenal Energy Inc.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 23, 2008	11-01-087-13W5 Northern Sunrise County	Operations suspended.  Licensee repaired the gasket to allow the flame arrester to function properly.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
9	Bowview Petroleum Inc.	Resources Applications/ Commingling	Failure to respond to the need to address unclear situations.  Improper use of the decision trees.	October 15, 2008	10-18-037-15W4 05-10-036-10W4 County of Paintearth	Licensee is not required to shut in well 05-10-036-10W4 as compliance was restored by selecting the appropriate commingling pool code through the petroleum registry.  Licensee confirmed in writing that well 10-18-037-15W4 has been shut-in and will remain shut in until the requisite approval is obtained.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
10	Camino Industries Inc.	Field Surveillance/ Oil Facilities	Noncompliant with other ERCB requirement – marking of existing pipelines inside a controlled area is unsatisfactory as per <i>Directive 066: Requirements and Procedures for Pipelines</i> (Section 29).	October 23, 2008	10-20-032-02W5 Mountain View County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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11	Canadian Forest Oil Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	October 9, 2008	04-01-054-20W5  Yellowhead County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
12	Canadian Natural Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	10-25-073-15W4  Lakeland County	Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i> .  Licensee determined the source and composition of the produced water and provided a water analysis.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
13	Canadian Natural Resources Limited	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 22, 2008	11-31-013-14W4  M.D. of Taber	Operations were not suspended as the licensee took steps to mitigate the noncompliance.  Licensee is required to provide a plan to address the noncompliance and prevent future occurrences.  Compliance not yet achieved.

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14	Cangild Resources Ltd.	Field Surveillance/ Pipelines	Cathodic protection not installed within one year of service/operation.	October 16, 2008	16-02-048-07W5  Brazeau County	Operations suspended.  Licensee had the pipeline checked to ensure cathodic protection was being met.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
15	Centrica Canada Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) (pressure testing).	October 20, 2008	06-18-042-19W4 02-36-042-20W4 14-10-042-20W4 County of Camrose  06-19-061-06W5 08-19-061-06W5 12-19-061-06W5 16-19-061-06W5 11-20-061-06W5 County of Barrhead  10-22-034-23W4 Kneehill County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) System.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.

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16	Coastal Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	08-30-030-09W4 14-32-030-09W4 Special Area 3 (near Youngstown)  06-03-032-09W4 Special Area 4 (near Youngstown)	Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection.</i>  Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.  Licensee is required to provide a plan to address the noncompliance and prevent future occurrences.
17	Coastal Resources Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.	October 17, 2008	03-21-057-24W4  Sturgeon County	Operations suspended.  Licensee installed nuts/bolts on the flame arrestor.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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18	Delphi Energy Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 31, 2008	15-21-060-23W5 M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
19	Devon Canada Corporation	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 31, 2008	11-25-072-10W6 County of Grande Prairie	<p>Operations suspended.</p> <p>Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
20	Direct Energy Marketing Limited	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	October 20, 2008	15-19-014-02W4 Cypress County	<p>Licensee not cancelled or suspended as the noncompliance was promptly corrected.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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21	Ember Resources Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (pressure testing).	October 20, 2008	07-19-034-18W4 15-36-034-19W4 06-06-035-19W4  County of Stettler	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters.</i>  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) System.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	Ember Resources Inc.	Field Surveillance/ Pipelines	Miscellaneous Joint Failure – manufacturer's techniques and specifications not followed.	October 24, 2008	13-18-034-18W4  County of Stettler	Operations suspended.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	EnCana Corporation	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	October 20, 2008	08-21-017-14W4  County of Newell	Operations suspended.  Licensee cleaned out the pipeline and abandoned the line.  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	Surface Location	ERCB Action(s) and Licensee Response
24	EnCana Corporation	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	October 28, 2008	01-20-028-21W4 Kneehill County	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
25	Enermark Inc.	Field Surveillance/ Oil Facilities	Newly installed tank(s) and associated piping not tested prior to service.	October 3, 2008	05-24-047-05W4 M.D. of Wainwright	Operations suspended.  Licensee integrity tested the tank.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
26	Exceed Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	10-18-029-15W4 Special Area 2 (near Hand Hills)	Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i> .  Licensee determined the source and composition of the produced water and provided a water analysis.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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27	Fairborne Energy Ltd.	Field Surveillance/ Pipelines	Overpressure Failure – inappropriate construction or design, or documented operating procedures not followed.	October 31, 2008	08-14-057-23W5 Yellowhead County	Operations suspended.  Licensee repaired the failed section of pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	Fairwest Energy Corporation	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	01-04-032-09W4 Special Area 4 (near Youngstown)	Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i> .  Licensee determined the source and composition of the produced water and provided a water analysis.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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29	Gentry Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 31, 2008	04-05-018-11W4 County of Newell	Operations suspended.  Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.  Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.
30	Halvar Resources Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 9, 2008	16-13-045-06W4 M.D. of Wainwright	Operations were not suspended as the deficiency was mitigated immediately.  Licensee installed the threaded cover to the tank burner.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	Insignia Energy Inc.	Environment Group/ 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)	October 29, 2008	11-01-035-16W4 County of Stettler  16-01-046-03W5 County of Wetaskiwin  08-24-048-05W5 Brazeau County	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2006.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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32	Intrepid Energy Corporation	Field Surveillance/ Pipelines	<p>Valves, fittings, or flanges do not meet the requirements of the licence for the pipeline.</p> <p>Emergency Response Manual not updated yearly, and exercises not held or details not documented.</p> <p>Internal corrosion control – no monitoring and mitigation in corrosive environment.</p>	October 27, 2008	06-25-069-08W6 M.D. of Greenview	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee installed the proper valve required for the pipeline.</p> <p>Licensee updated its emergency response manual and held an exercise.</p> <p>Licensee implemented a corrosion control program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
33	Iteration Energy Ltd	Field Surveillance/ Drilling Well Inspection	Accumulator pressure dropped below 8400 kPa after function test (of all required BOP components) with the recharge pump off.	October 30, 2008	10-32-049-01W4 County of Vermilion River	<p>Operations were not suspended as the noncompliance was promptly corrected.</p> <p>Licensee repaired the accumulator and conducted another function test with no loss of pressure.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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34	Mosaic Energy Ltd.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre – test failure.	October 17, 2008	10-24-040-06W4 M.D. of Provost	Operations suspended.  Licensee reviewed the <i>Pipeline Act</i> and made internal changes on how reporting is conducted with the ERCB.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
35	Newalta Corporation	Field Surveillance/Public Safety Branch/ Waste Facilities	Oilfield wastes mixed for the purpose of dilution to avoid regulatory requirements.  Landfill testing criteria not being completed prior to adding absorbent material.	October 1, 2008	12-28-048-07W5 Brazeau County	Operations were not suspended as the incident occurred prior to the inspection.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
36	Nordegg Resources Inc.	Field Surveillance/ Pipelines	The status of crossing agreements is unsatisfactory.	October 23, 2008	02-21-072-26W5 M.D. of Greenview	Operations suspended.  Licensee updated internal procedures to ensure that all approvals are in place prior to construction.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
37	North Peace Energy Corp.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	October 9, 2008	03-35-088-09W5 M.D. of Opportunity	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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38	Paramount Energy Operating Corp.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	16-04-052-15W4 16-08-053-15W4 County of Minburn  09-14-079-10W4 Lakeland County  10-04-082-05W4 06-34-082-06W4 12-08-083-05W4 01-02-084-06W4 Regional Municipality of Wood Buffalo	Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection.</i>  Licensee required to determine the source and composition of the produced water and provided a water analysis.  Awaiting new sample from 16-08- 053-15W4.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  All other wells awaiting analyses as they are winter accessible.
39	Pengrowth Corporation	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	October 8, 2008	04-08-079-08W5  Northern Sunrise County	Operations suspended.  Licensee replaced the missing flame arrester gasket.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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40	Penn West Petroleum Ltd.	Field Surveillance/ Gas Facilities	Newly installed tank(s) and associated piping not tested prior to service.	October 16, 2008	10-05-046-06W5  County of Wetaskiwin	Operations suspended.  Licensee conducted integrity tests on the tank and piping.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
41	Primewest Energy Inc.	Field Surveillance/ Gas Facilities	Non compliant with other ERCB requirement - No high-level alarm or high- level facility shutdown.	October 1, 2008	11-31-049-05W5  Brazeau County	Operations were not suspended as the licensee took immediate steps to mitigate the risk.  Licensee installed a high-level alarm.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
42	Progress Energy Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 31, 2008	08-06-069-06W6  M.D. of Greenview	Operations suspended.  Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.  Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  Request for waiver of overproduction denied.  All overproduction retired.  Compliance achieved.

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43	Prospex Resources Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	October 6, 2008	04-25-018-26W4  Vulcan County	<p>Operations were not suspended, in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i>.</p> <p>Licensee determined the source and composition of the produced water and provided a water analysis.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
44	Quicksilver Resources Canada Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (pressure testing).	October 27, 2008	17 well locations	<p>Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review.</p>

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45	Result Energy Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 8, 2008	06-02-044-05W4  M.D. of Wainwright	Operations were not suspended as the noncompliance was promptly corrected.  Licensee installed nuts/bolts on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
46	Richann Resources Ltd.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	October 9, 2008	09-06-090-09W5  Northern Sunrise County	Operations suspended.  Licensee cleaned up the spill.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
47	Rockyview Energy Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (pressure testing).	October 20, 2008	02-25-043-23W4 02-30-042-23W4 01-14-042-24W4 16-24-043-24W4 Ponoka County  05-29-039-24W4 Lacombe County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) System.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
48	Seeker Petroleum Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	October 21, 2008	12-36-059-15W5  Woodlands County	Licence not cancelled or suspended as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
49	SemCAMS ULC.	Environment Group/ Oilfield Waste Generator Audits	Oilfield waste was not properly characterized.	October 1, 2008	08-17-060-15W5  Woodlands County	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2006.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
50	Shapco Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 1, 2008	12-11-035-24W4  Red Deer County	Operations suspended.  Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.  Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  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	Surface Location	ERCB Action(s) and Licensee Response
51	Shell Canada Limited	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	October 28, 2008	02-20-004-30W4  M.D. of Pincher Creek	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
52	Syncrude Canada Ltd.	Field Surveillance/ Pipelines	External corrosion - control/cathodic surveys-no records of survey results.	October 7, 2008	10-01-093-11W4 07-02-096-10W4  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 implemented a corrosion control program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
53	Western Canada Energy Ltd.	Environment Group/ Drilling Waste Audits	Sump closure was not completed within 12 months of drilling rig release.	October 1, 2008	09-08-080-25W4  M.D. of Opportunity	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. Further actions are required.  Compliance not yet 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	Surface Location	ERCB Action(s) and Licensee Response
1	EnCana Corporation	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Pipeline sign missing or defaced on both sides of a crossing.	October 27, 2008	13-14-017-10W4  Cypress County.	Operations suspended.  Licensee updated its internal ground disturbance procedures.  Licensee installed new signs.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB to review its action plan.  Compliance achieved.
2	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	Machine working within 60 cm without authorization from the owner of the existing crossing.  Proper procedures were not followed – ground disturbance.	October 8, 2008	13-02-045-07W4  M.D. of Wainwright	Operations suspended.  Licensee updated its internal ground disturbance procedures.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB to review its action plan.  Compliance achieved.

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) <sup>3</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
	None					

If you require further information, contact 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	Surface Location	ERCB Action(s) and Licensee Follow-up
1	County Line Energy (Canada) Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 28, 2008	N/A against licensee	<p>Global Refer status. Issuance of Miscellaneous Order No. MISC 2008-14.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>County Line Energy (Canada) Inc. failed to comply. Closure Order No. C 1130 and Abandonment Order No. AD 2009-1 subsequently issued. Payment was then received in full; however, the written action plan remains outstanding.</p>
2	Goldenrod Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 27, 2008	<p>Well Locations: 09-20-041-26W4 06-22-041-26W4 14-21-041-25W4 08-16-041-26W4 Lacombe County</p> <p>10-10-065-20W5 13-11-065-20W5 10-02-065-20W5 M.D. of Greenview</p> <p>Facility Location: 00/06-22-041-26W4 Lacombe County</p> <p>Pipeline Locations: 08-16-041-26W4 Lacombe County</p> <p>10-10-065-20W5 10-02-065-20W5 M.D. of Greenview</p>	<p>This is an escalation from previous enforcement actions reported on July 3, 2008, August 11, 2008, and August 25, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2008-15 and 2008-16 and Closure/Abandonment Order No. AD 2008-17.</p> <p>Suspension and abandonment of well, facility, and pipeline licences.</p> <p>Licensee required to abandon the licences or pay the security deposit, provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and</p>

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Low Risk Enforcement Action – Global REFER Summary<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>have a senior company representative meet with the ERCB to discuss the noncompliant history and action plan.</p> <p>ERCB notified licensee of its intention to have the properties abandoned as a result of the breaching of the Abandonment Orders and Closure/Abandonment Order.</p> <p>Subsequent to the breaching of the Orders, Goldenrod Resources Inc. submitted the full security deposit, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</p>
3	Norlake Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 1, 2008	<p>08-19-052-06W5 14-19-052-06W5 Parkland County</p> <p>11-21-048-08W5 Brazeau County</p>	<p>This is an escalation from a previous enforcement action, initially reported on September 19, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1125.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Norlake Energy Corp. failed to comply. As a result, Abandonment</p>

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Low Risk Enforcement Action – Global REFER Summary <sup>4</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Order No. AD 2008-18 and Closure/Abandonment Order No. AD 2008-19 were issued. Licensee was also required to meet with the ERCB to review Norlake's noncompliant history and action plan.</p> <p>Following this, Norlake Energy Corp. successfully transferred three of four well licences and all pipeline licences and provided a written explanation to the ERCB. However, final ERCB acceptance of the action plan is contingent upon a meeting with the ERCB, which remains outstanding.</p>

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Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Norlake Energy Corp.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Norlake Energy Corp. is a resident of Alberta.	October 30, 2008	08-19-052-06W5 14-19-052-06W5 Parkland County  11-21-048-08W5 Brazeau County	<p>Global Refer Status.</p> <p>Issuance of Closure Order No. C 1129.</p> <p>Suspension of well licences.</p> <p>Licensee required to complete one of the following:</p> <p>1) provide substantive information to show that Norlake Energy Corp. has a fully functioning office in Alberta; or</p> <p>2) apply for the appointment of an approved agent should Norlake Energy Corp. deem that it does not have a fully functioning office in Alberta.</p> <p>In addition to points 1 or 2 above, Norlake Energy Corp. must also 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 percentage of participation for each of Norlake Energy Corp.'s wells listed; and</p> <p>5) confirmation that Norlake Energy Corp. has active surface and mineral leases for the wells listed.</p>

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	Surface Location	ERCB Action(s) and Licensee Follow up
						Norlake Energy Corp. failed to comply. Subsequent transfer of all operational licences prevented the issuance of an Abandonment Order. Licensee remains noncompliant with residency requirements and the Global Refer status is maintained.
2	Premium Petroleum Inc.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Premium Petroleum Inc. is a resident of Alberta.	October 21, 2008	Well Locations: 14-15-061-11W4 09-22-061-11W4  Pipeline Location: 14-15-061-11W4  County of St. Paul	Global Refer Status.  Issuance of Closure Orders No. C 1126 and C 1127.  Suspension of well and pipeline licences.  Licensee required to complete one of the following:  1) provide substantive information to show that Premium Petroleum Inc. has a fully functioning office in Alberta; or  2) apply for the appointment of an approved agent should Premium Petroleum Inc. deem that it does not have a fully functioning office in Alberta.  In addition to points 1 or 2 above, Premium Petroleum Inc. must also provide to the ERCB  3) a corporate profile update and a certificate of proof of insurance describing the coverage and the effective date of the insurance;

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Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>4) a list of the working interest participants and their corresponding percentage of participation for each of Premium Petroleum Inc.'s wells listed;</p> <p>5) confirmation that Premium Petroleum Inc. has active surface and mineral leases for the wells listed; and</p> <p>6) confirmation that Premium Petroleum Inc. understands the full responsibilities and liabilities of a pipeline licensee pursuant to the <i>Pipeline Act</i> and <i>Pipeline Regulations</i>.</p> <p>Premium Petroleum Inc. failed to comply. Abandonment Orders No. AD 2008-20 and AD 2008-21 issued.</p> <p>Premium Petroleum Inc. subsequently transferred all licences to a responsible party, received ERCB approval to appoint an approved agent, and provided a corporate profile update and a certificate of proof of insurance.</p> <p>Closure and Abandonment Orders rescinded.</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).



Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
3	Quicksilver Resources Canada Inc.	Corporate Compliance/ Environmental and Public Safety	Well was drilled elsewhere than the exact location specified in the licence.	October 14, 2008	08-16-046-25W4  County of Wetaskiwin	<p>Issuance of Closure/Abandonment Order No. AD 2008-14.</p> <p>Suspension of well licence.</p> <p>Licensee required to abandon the 08-16-046-25W4 well and complete the Digital Data Submission indicating both the downhole and surface abandonment.</p> <p>Quicksilver Resources Canada Inc. successfully abandoned the well and completed the Digital Data Submission.</p> <p>Compliance achieved.</p>
4	Stampede Oils Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Stampede Oils Inc. has a valid entitlement to the right to produce the well.	October 31, 2008	07-25-020-03W5  M.D. of Foothills	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1128.</p> <p>Suspension of well licence.</p> <p>Licensee required to complete one of the following:</p> <ol style="list-style-type: none"> <li>a) reacquire or reinstate the mineral rights;</li> <li>b) convert the well for water disposal or injection;</li> <li>c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement; or</li> <li>d) abandon the well.</li> </ol> <p>In addition, licensee required to provide a written explanation</p>

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Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Stampede Oils Inc. failed to comply. Abandonment Orders No. AD 2008-22 and AD 2008-22A issued.</p> <p>Stampede Oils Inc. and working interest participants subsequently abandoned the well, completed the Digital Data Submission, and submitted an action plan that was accepted by 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.