



ERCB Monthly Enforcement Action Summary

May 2009

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ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	May 2009		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	60	1	98%
	Facilities Technical	12	3	75%
	Pipelines/Pipeline Installations Technical	22	0	100%
	Wells Technical	30	1	97%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 month audits	25	1	96%
	Groundwater Protection	n/a	3	n/a
	Control Wells	n/a	1	n/a
	Gas Allowables	n/a	1	n/a
	Injection/Disposal	n/a	1	n/a
	Gas Production from the Defined Oil Sands Strata	n/a	2	n/a
Subtotal		149	14	91%
Compliance and Operations Branch				
Operations Group Production Operations Section	Flaring, Incinerating, and Venting	n/a	1	n/a
Environment Group Waste and Storage Section	Oilfield Waste Generator	43	3	93%
	Drilling Waste Audits	13	1	92%
Subtotal		56	5	91%
Public Safety/Field Surveillance Branch				
	Drilling Operations	12	1	92%
	Well Servicing	22	0	100%
	Oil Facilities	474	7	98.5%
	Gas Facilities	280	1	99.6%
	Pipelines	122	19	84%
	Drilling Waste	11	1	100%
	Well Site Inspections	1275	7	99.5%
	Waste Management	6	1	83%
Subtotal		2202	37	98.3%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	376	4	98.9%
Subtotal		376	4	98.9%
Total Audit/Inspections High Risk		2783	60	97.8%

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

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Apache Canada Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	May 20, 2009	02-34-069-10W5	<p>Operations were not suspended as the noncompliance was promptly corrected.</p> <p>Licensee installed new signage.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Argosy Energy Inc.	Environment Group/ Drilling Waste Post-Disposal Analysis	All appropriate approval criteria have not been followed for a particular method.	May 29, 2009	08-34-011-26W4 M.D. of Willow Creek	<p>Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2008.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Bears paw Petroleum Ltd.	Facilities Applications/ Participant Involvement	Filing the application before expiry of the 14-calendar day notification period.	May 11, 2009	16-02-030-21W4 Starland County	<p>No suspension or cancellation as well is drilled and cased.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Bering Exploration, Company, Ulc	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	May 29, 2009	08-04-078-12W6 Saddle Hills 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, which is currently under review.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review.</p>
5	Bonavista Petroleum Ltd.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up.	May 27, 2009	06-06-031-03W5 Mountain View County	<p>Operations were not suspended as the noncompliance was a result of excessive staining around the site.</p> <p>Licensee cleaned up the staining.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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6	Bonavista Petroleum Ltd.	Field Surveillance/ Well Site Inspection	Well not suspended, as required by Directive 013: <i>Suspension Requirements for Wells.</i>	May 27, 2009	08-31-030-03W5 Mountain View County	Operations were not suspended as the site was already suspended. Licensee completed the downhole requirements outlined by Directive 013. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Bonterra Energy Corp.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	May 26, 2009	06-11-056-20W4 Strathcona County	Operations suspended. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Bonterra Energy Corp.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up.	May 29, 2009	16-16-048-06W5 County of Vermilion River	Operations were not suspended as the noncompliance was promptly corrected. Licensee cleaned up the spill. 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
9	Bowood Energy Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2009	15-02-017-19W4 Vulcan County	<p>Licensee confirmed that 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>Licensee resumed production prior to retiring all cumulative oil overproduction.</p> <p>Compliance not achieved.</p>
10	Canadian Natural Resources Limited	Facilities Application/ Facilities Technical	Failure to meet the spacing requirements in the facility design.	May 12, 2009	04-29-034-13W4 Special Area 2 (near Sullivan Lake)	<p>Licensee(s) 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>
11	Canadian Natural Resources Limited	Resources Applications/ Gas Production from the Defined Oil Sands Strata	Failure to resolve issues or notify the ERCB of unresolved issues.	May 27, 2009	09-26-079-11W4 Lac La Biche County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
12	Canadian Natural Resources Limited	Resources Applications/ Gas Production from the Defined Oil Sands Strata	Gas production in the oil sands strata without approval.	May 28, 2009	12-04-057-10W4 County of St. Paul	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until requirements have been met in accordance with <i>Interim Directive 99-1: Gas/Bitumen Production in Oil Sands Area—Application, Notification, and Drilling Requirements</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
13	Canadian Natural Resources Limited	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, and/or operation.	May 29, 2009	02-36-013-28W4 M.D. of Willow Creek	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
14	Cangild Resources Ltd.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	May 4, 2009	16-02-048-07W5 Brazeau County	<p>Operations were not suspended as the noncompliance was a result of excessive staining around the site.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
15	CCS Inc.	Public Safety/Field Surveillance/ Waste Facilities	Fugitive emissions/ odours off lease.	May 6, 2009	07-18-053-18W5 Yellowhead County	Operations were not suspended as licensee immediately mitigated the odours. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Celtic Exploration Ltd.	Field Surveillance/ Drilling Operations	Low-pressure and/or high pressure test(s) not conducted on all required components and/or casing strings.	May 6, 2009	04-28-060-18W5 M.D. of Greenview	Operations suspended. Licensee repaired the equipment and performed satisfactory pressure tests. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Coastal Resources Limited	Resources Applications/ Injection/Disposal	Failure to meet conditions of approval (disposal).	May 27, 2009	05-25-086-08W5 Northern Sunrise County	Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until requirements have been met, in accordance with <i>Directive 051: Injection and Disposal Wells—Well Classifications, Completion, Logging, and Testing Requirements</i> and <i>Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs</i> 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
18	Compton Petroleum Corporation	Environment Group/ Drilling Waste Audits	Cement returns were not managed appropriately.	May 29, 2009	09-02-017-28W4 M.D. of Foothills	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2007. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	ConocoPhillips Canada (BRC) Ltd.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement – failure to report a known surface casing vent flow or gas migration problem.	May 26, 2009	05-18-015-26W4 M.D. of Willow Creek	Operations were not suspended as the noncompliance was promptly corrected. Licensee updated internal procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	Derrick Petroleum Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25m from a process vessel. Underground tank(s) not tested at the required 3- year frequency/operator cannot demonstrate tank integrity.	May 21, 2009	06-11-047-11W5 Brazeau County	Operations suspended. Licensee replaced the oil treater. Licensee tested the tank(s). 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
21	Devon Canada	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 28, 2009	11-23-036-03W5 Red Deer County	<p>Licensee confirmed that 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>
22	Enermark Inc.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	May 6, 2009	04-35-040-08W4 M.D. of Provost	<p>Operations were not suspended as licensee immediately repaired the thief hatch that was causing the leak.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
23	Enermark Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	May 13, 2009	06-14-039-03W4 M.D. of Provost	<p>Operations suspended.</p> <p>Licensee removed and replaced the failed section of the pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
24	Enermark Inc.	Field Surveillance/ Pipelines	No operations and maintenance procedures manual, or not followed. Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	May 20, 2009	06-11-039-10W4 County of Paintearth	Operations suspended. Licensee updated internal procedures in regards to pipeline pigging operations and internal corrosion. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	Enermark Inc.	Field Surveillance/ Pipelines	Pipeline is operating but is shown as discontinued or abandoned in ERCB records.	May 29, 2009	01-26-047-05W4 M.D. of Wainwright	Operations suspended. Licensee submitted an application to amend the licence. 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
26	Enermark Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	May 29, 2009	05-18-034-12W4 Special Area 2 (near Richdale)	<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, which is currently under review.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review.</p>
27	FET Resources Ltd.	Field Surveillance/ Pipelines	<p>Maximum operating pressure is greater than that stated on license and exceeds the manufacturer's rating of the pipe, valves, flanges, or fittings and connecting pipes.</p> <p>Inappropriate construction or design, or documented operating procedures not followed.</p>	May 5, 2006	07-07-087-14W5 Northern Sunrise County	<p>Operations were not suspended as the pipeline was shut in at time of the incident.</p> <p>Licensee updated internal procedures with regards to pigging procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
28	First West Petroleum Inc.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement - Sump closure was not completed within 12 months of drilling rig being released as required by <i>Directive 050: Drilling Waste Management</i> .	May 20, 2009	08-16-034-16W4 County of Stettler	Operations suspended. Licensee removed drill cuttings that were left on site and properly disposed of them. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
29	Forent Energy Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrestor less than 25m from a process vessel.	May 14, 2009	08-32-044-27W4 Ponoka County	Operations were not suspended as the noncompliance was promptly corrected. Licensee repaired the flame arrestor. 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
30	Highpine Oil and Gas Limited	Enhanced Recovery Schemes	Failure to commence injection.	May 28, 2009	10-31-046-10W5 Brazeau County	<p>Operations not suspended, injection not commenced.</p> <p>Licensee can choose to</p> <ul style="list-style-type: none"> a) commence injection b) provide a short-term action plan for commencement of injection within 3 months or less, or c) submit an application, in accordance with <i>Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs</i>, for an appropriate amendment of Approval No. 11245. <p>Require a plan to address the noncompliance and prevent future occurrences.</p>
31	Hunt Oil Company of Canada, Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2009	16-04-072-26W5 M.D. of Greenview	<p>Licensee confirmed that 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>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
32	Husky Oil Operations	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	May 11, 2009	09-10-109-08W6 Mackenzie County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee installed the signage. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	Japan Canada Oil Sands Limited	Field Surveillance/ Drilling Waste Inspection	Sump located in porous/ coarse soil. Wastes are not contained by pits or berms and there is potential for off-lease migration.	May 7, 2009	4-36-084-11W4 Regional Municipality of Wood Buffalo	Operations suspended. Licensee sampled the soil in accordance with <i>Directive 050: Drilling Waste Management</i> . Licensee cleaned up and disposed of the waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
34	Madison Energy Corp.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement – as per Directive 071, section 2.1 (3), licensee must ensure that a call to its 24- hour emergency telephone number initiates immediate action.	May 29, 2009	14-26-034-04W5 Red Deer County	Operations suspended. Licensee updated its emergency number. 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
35	Nuvista Energy Ltd.	Operations Group/ Flaring, Incinerating, and Venting Audits	Failure to comply with any condition of permit or approval (temporary permits, volume allowance threshold exceedance permits, and blanket permits).	May 28, 2009	16-11-066-06W6 M.D. of Green View	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee submitted the sour gas flaring/incineration data summary report.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
36	Petrobank Energy and Resources Ltd.	Field Surveillance/ Pipelines	Proper procedures were not followed. (Did not provide direct supervision during mechanical excavation within 600mm of pipeline.)	May 19, 2009	09-23-077-09W4 Regional Municipality of Wood Buffalo	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee updated internal ground disturbance procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
37	Progress Energy Ltd.	Resources Applications/ Gas Allowables	Production prior to the assignment of a yearly allowable.	May 4, 2009	04-26-068-06W6 M.D. of Greenview	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until all overproduction has been retired and a gas allowable has been assigned. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
38	Progress Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	May 5, 2009	06-08-069-07W6 M.D. of Greenview	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
39	Redcliffe Exploration Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2008	04-27-049-03W5 Leduc County	Licensee confirmed that 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.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
40	Sabretooth Energy Ltd.	Field Surveillance/ Well Site	Non compliant with other ERCB requirement - flame type equipment without workable flame arrester less than 25m from a process vessel.	May 8, 2009	01-18-079-11W6 Saddle Hills County	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.
41	Sabretooth Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 25, 2009	01-18-079-11W6 Saddle Hills County	Operations were not suspended as the licensee submitted the required application for the facility. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
42	Sahara Energy Ltd.	Environment Group/ Oilfield Waste Generator Audits	Oilfield waste was not properly classified as either Dangerous (DOW) or non-dangerous (non-DOW).	May 26, 2009	15-14-050-01W4 12-04-049-01W4 16-22-049-01W4 County of Vermilion River	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2007. 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
43	Shell Canada Limited	Field Surveillance/ Pipelines	Discontinued Pipeline – Not left in safe condition.	May 14, 2009	16-07-007-02W5 M.D. of Pincher Creek	<p>Operations were not suspended as pipeline was discontinued and isolated from the operating system at time of the inspection.</p> <p>Licensee checked pipelines in field in question to ensure that pipelines that have been shut in for 12 months or more have been properly discontinued or abandoned.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
44	Signalta Resources Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	May 8, 2009	08-35-036-23W4 Red Deer County	<p>Operations were not suspended as licensee immediately erected temporary signs at crossing location.</p> <p>Licensee installed proper signage.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
45	Standard Energy Inc.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	May 11, 2009	07-20-071-04W6 County of Grande Prairie	<p>Operations were not suspended as the site was shut in at the time of inspection.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
46	Trafina Energy Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place. Failure to resolve issues or notify the ERCB of unresolved issues.	May 27, 2009	10-31-045-23W4 County of Wetaskiwin	Licensee confirmed in writing that the noncompliance has been addressed and that the well 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.
47	Wild River Resources Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	May 29, 2009	02-11-059-04W5 County of Barrhead	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 provided a plan to address the noncompliance and prevent future occurrences. Currently under review.

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High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Canadian Natural Resources Limited	Field Surveillance/ Oil Facilities	Noncompliant with other ERCB requirement - Contaminated material stored directly on the ground.	May 12, 2009	07-28-082-19W4 M.D. of Opportunity	<p>Operations were not suspended as the contaminated material located on site posed no immediate threat to the environment or the public.</p> <p>Licensee removed all contaminated material.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to review its action plan.</p> <p>Compliance achieved.</p>
2	Canadian Natural Resources Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	May 28, 2009	06-09-085-13W6 Clear Hills County	<p>High Risk Enforcement Action 2 given as a result of several high risks within the same compliance category.</p> <p>Licensee must now operate in compliance for 60 days.</p> <p>Operations were not suspended as the noncompliance was corrected at the time of inspection.</p> <p>Licensee installed nuts/bolts on the flame arrester.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to review its action plan.</p> <p>Compliance achieved.</p>

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

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	912522 Alberta Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 20, 2009	08-17-044-25W4 09-17-044-25W4 Ponoka County	<p>This is an escalation from a previous enforcement action reported on April 27, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1155.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay 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>912522 Alberta Ltd. successfully transferred all licences to an eligible licensee and provided a written explanation addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Silver Swan Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 20, 2009	06-08-028-05W4 Special Area 3 (near Oyen)	<p>This is an escalation from a previous enforcement action reported on April 27, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1154.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Silver Swan Resources Inc. failed to comply. Abandonment Order No. AD 2009-30 was subsequently issued.</p> <p>Amended Abandonment Order No. AD 2009-30A subsequently issued to capture working interest participation changes in the subject well. Licensee and working interest participants granted until September 11, 2009, to comply.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Delek Resources Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Delek Resources Ltd. has a valid entitlement to the right to produce the well.	May 8, 2009	10-20-073-01W6 M.D. of Greenview	<p>This is an escalation from a previous enforcement action initially reported on April 6, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2009-24.</p> <p>Abandonment of well licence.</p> <p>Licensee required to abandon the 10-20-073-01W6 well; complete the Digital Data Submission indicating both the downhole and surface abandonment; provide a written explanation acceptable to the ERCB addressing the failure to respond and the root causes of noncompliance; and meet with the ERCB to review its noncompliant history and the devised corrective action plan.</p> <p>Delek Resources Inc. failed to comply with the Abandonment Order. The ERCB notified Delek Resources Inc. of its intention to have the well abandoned as a result of the breaching of the Abandonment Order.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Endnotes

¹ **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.

² **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 that 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.

³ **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 that 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.

⁴ **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 that 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 for 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.

⁵ **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. Legislative/regulatory enforcement actions are not administered through *Directive 019*. Legislative/ regulatory enforcement actions resulting from 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 proceed directly to a formal order and global Refer status.