



ERCB Monthly Enforcement Action Summary

February 2010

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	February 2010		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	47	1	98%
	Facilities Technical	13	2	85%
	Pipelines/Pipeline Installations Technical	13	0	100%
	Wells Technical	27	1	96%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Groundwater Protection	n/a	2	n/a
Subtotal		100	6	94%
Compliance and Operations Branch				
Environmental Monitoring and Regulation Group/ Waste and Storage Section	Oilfield Waste Generator	0	1	n/a
Subtotal		0	1	n/a
Public Safety/Field Surveillance Branch				
	Drilling Operations	49	2	96%
	Well Servicing	26	0	100%
	Oil Facilities	194	3	98%
	Gas Facilities	170	1	99.4%
	Pipelines	162	7	96%
	Drilling Waste	19	0	100%
	Well Site Inspections	300	1	99.7%
	Waste Management	6	0	100%
Subtotal		926	14	98%
Resources Branch				
Reserves and Pore-Space Management	Oil Overproduction	n/a	341	n/a
Subtotal		n/a	341	n/a
Total Audit/Inspections High Risk		1026	362	64.7%

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.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	February 18, 2010	14-19-037-04W5 Clearwater 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.
2	ARC Resources Ltd.	Field Operations/ Pipelines	Cathodic protection system – not operational or not installed.	February 18, 2010	02-07-019-14W4 County of Newell	Operations suspended. Licensee installed a cathodic protection system and updated internal operating procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Canadian Natural Resources	Field Operations/ Oil Facilities	Non compliant with other ERCB requirement – oilfield waste was treated or sent to an unapproved biodegradation facility. Non compliant with other ERCB requirement – siting of the oilfield waste management facility is not appropriate.	February 17, 2010	10-18-055-05W4 County of St. Paul	Operations were not suspended as there was no immediate threat to either public safety or the environment. Licensee removed and disposed of the oilfield waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Cenovus Energy Inc.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed. (pipeline hit)	February 9, 2010	03-08-018-06W4 Cypress County	Operations suspended. Licensee repaired the pipeline and made changes to internal ground disturbance procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Central Global Resources Ulc	Field Operations/ Oil Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	February 25, 2010	06-19-040-05W5 Clearwater County	Operations were not suspended as the licensee had the tank integrity tested immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Crescent Point General Partner Corp.	Field Operations/ Oil Facilities	No flame arrester on line from tank to flare stack where required.	February 10, 2010	10-27-014-18W4 M.D. of Taber	Operations were not suspended as there was no immediate threat to either public safety or the environment. Licensee installed a flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Crew Energy Inc.	Field Operations/ Pipelines	Machine working within 60cm without authorization from the owner of the existing crossing.	February 17, 2010	06-31-017-11W4 County of Newell	Operations suspended. Licensee made changes to its internal operating procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Devon Canada Corporation	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	February 25, 2010	10-36-039-08-W5 Clearwater County	Operations were not suspended as the licensee was able to erect a new sign. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Enermark Inc.	Environmental Monitoring and Regulation Group/ Oilfield Waste Generator Audits	Oilfield waste was not disposed of in the appropriate class of disposal well.	February 1, 2010	15-11-078-09W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2009. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Fairwest Energy Corporation	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 23, 2010	01-04-032-09W4 Special Area 4	<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>Currently under review.</p>
11	North East Gas Co-op Ltd.	Field Operations/ Pipelines	Failure to notify appropriate ERCB Field Centre – pipeline natural gas leak.	February 26, 2010	13-14-062-02W4 M.D. of Bonnyville	<p>Operations were suspended at the time of the inspection.</p> <p>Licensee updated internal operating procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
12	Paramount Energy Operating Corp.	Field Operations/ Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	February 23, 2010	08-13-086-23W4 M.D. of Opportunity	<p>Operations were not suspended as the licensee was able to have the tank integrity tested.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Pengrowth Corporation	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	February 18, 2010	11-32-032-22W4 Kneehill 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.
14	Petenco Resource Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application. Failure to provide the required ERCB information packages prior to filing the application.	February 25, 2010	10-26-048-06W5 Brazeau County	Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Provident Energy Ltd.	Field Operations/ Pipelines	Discontinued pipeline – not left in safe condition. Operating and maintenance procedures manual not followed.	February 11, 2010	06-19-016-17W4 Vulcan County	Operations were already suspended at the time of the inspection. Licensee abandoned the pipeline and updated internal operating procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Provident Energy Resources Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with the Department of Energy.	February 25, 2010	08-27-086-25W5 M.D. of Northern Lights	Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Rockbridge Energy Alberta Inc.	Field Operations/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up.	February 9, 2010	08-13-049-04W5 Leduc County	The well was shut in at the time of the inspection. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Sirius Energy Inc.	Field Operations/ Drilling operations	Blow out preventer floor controls not capable of opening and closing each blow out preventer component and the HCR in the diverter/bleed off line.	February 10, 2010	04-12-030-21W4 Starland County	Operations suspended. Require a plan to address the noncompliance and prevent future occurrences. Licensee demonstrated to the satisfaction of the ERCB that the blow out preventers were functioning correctly and consistently. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
19	Sirius Energy Inc.	Field Operations/ Pipelines	Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory.	February 10, 2010	04-12-030-21W4 Starland County	Operations suspended. Licensee updated internal operating procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	Suncor Energy Inc.	Field Operations/ Drilling Inspection	Fluid turns in diverter line not made using right angle connections constructed of tees and crosses blocked on fluid turns.	February 24, 2010	14-20-015-04-W4 Cypress County	Operations were not suspended at time of the inspection as the casing had already been run into the well and cementing operations were about to commence. An alternate inlet was used on the flare tank, which allowed a connection without any directional changes. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
21	Zargon Oil & Gas Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 23, 2010	16-06-036-10W4 County of Paintearth	<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>Currently under review.</p>

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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
	None					

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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
	None					

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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	Alberta Oilsands Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 19, 2010	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-2.</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>Alberta Oilsands Inc. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	Pemberton Energy Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 25, 2010	<p>Well licences: 08-25-095-05W5 M.D. of Opportunity</p> <p>06-15-082-03W6 10-15-082-03W6 M.D. of Fairview</p> <p>Pipeline licence: 14-28-012-15W4 M.D. of Taber</p>	<p>This is an escalation from previous enforcement actions reported on November 30, 2009 and December 15, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2010-14 and AD 2010-15.</p> <p>Issuance of Closure/Abandonment Order No. AD 2010-16</p> <p>Abandonment of well and pipeline licences.</p> <p>Licensee required to pay 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 Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>meet with the ERCB to review its noncompliance history and action plan.</p> <p>Pemberton Energy Ltd. failed to comply with the Abandonment Orders and Closure/Abandonment Order.</p>
3	Radius Resources Corp.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 25, 2010	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-4.</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>Radius Resources Corp. failed to comply. Closure Order No. C 1194, Abandonment Orders No. AD 2010-24 and AD 2010-25 and Closure/Abandonment Order No. AD 2010-26 were subsequently issued.</p> <p>Radius Resources Corp. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
4	Sunrise Energy Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 25, 2010	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-3.</p> <p>Licensee required to pay security</p>

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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>deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Sunrise Energy Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
5	SynCo Exploration Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 1, 2010	<p>Well Licences: 16-10-030-08W4 Special Area 3</p> <p>03-05-046-20W4 11-24-045-19W4 14-18-045-18W4 02-05-046-20W4 Camrose County</p> <p>06-30-026-11W4 02-30-026-11W4 Special Area 2</p> <p>14-14-097-20W5 M.D. of Northern Lights</p> <p>Facility Licence: 00/02-05-046-20W4 Camrose County</p> <p>Pipeline Licences: 02-05-046-20W4 Camrose County</p> <p>02-30-026-11W4 Special Area 2</p>	<p>This is an escalation from previous enforcement actions reported on November 30, 2009 and December 21, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2010-10 and AD 2010-11 and Closure/Abandonment Order No. AD 2010-12</p> <p>Abandonment of well, facility and pipeline licences.</p> <p>Licensee required to 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 meet with the ERCB to review its noncompliance history and action plan.</p> <p>SynCo Exploration Inc. failed to comply with the Abandonment Orders and Closure/Abandonment</p>

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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
						Order. SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant, and its licences designated orphan for the purposes of abandonment.

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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	Pemberton Energy Ltd.	Corporate Enforcement/ Right to Hold Audit	Failure to prove to the satisfaction of the ERCB that the pipeline licence is associated with an operating well or facility.	February 12, 2010	14-28-012-15W4 M.D. of Taber	<p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2010-13.</p> <p>Immediate suspension and abandonment of the pipeline licence.</p> <p>Licensee required to abandon the pipeline licence in accordance with the requirements of <i>Directive 056: Energy Development Applications and Schedules: Schedule 3</i>, and provide confirmation that the pipeline was properly abandoned pursuant to section 82 of the Pipeline Regulations; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>Pemberton Energy Ltd. failed to comply with the Abandonment Order.</p>
2	Sahara Energy Ltd.	Corporate Enforcement/ 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 2, 2010	16-35-015-20W4 Vulcan County	<p>This is a continuation from previous enforcement actions reported on November 4, 2009, and January 12, 2010.</p> <p>Global Refer status.</p> <p>Issuance of amended Abandonment Order No. AD 2010-5A.</p>

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>Abandonment of well licence.</p> <p>Licensee required to: abandon the 16-35-015-20W4 well; complete the Digital Data Submission indicating both downhole and surface abandonment; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>Working Interest Participant, Drake Energy Ltd. granted an extension to abandon the well, through Abandonment Order No. AD 2010-5A, due to a request for more time to commence the abandonment process.</p> <p>Working Interest Participant, Drake Energy Ltd., has successfully abandoned the 16-35-015-20W4 well. However, Sahara Energy Ltd. remains on Global Refer for failure to provide a written explanation and meet with the ERCB.</p>
3	Sarg Oils Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Sarg Oils Ltd. has a valid entitlement to the right to produce the well.	February 16, 2010	10-09-001-17W4 12-09-001-17W4 County of Warner	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1195.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to complete one</p>

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>of the following:</p> <ul style="list-style-type: none"> a) reacquire or reinstate the mineral rights; b) convert the wells for water disposal or injection; c) transfer the well licences to a viable licensee and link the wellbores to active mineral agreements; or, d) abandon the wells. <p>In addition, licensee required to provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and, meet with the ERCB to review its noncompliance history and action plan.</p> <p>Sarg Oils Ltd. failed to comply. Abandonment Order No. AD 2010-19 and Closure/Abandonment Order No. AD 2010-28 were subsequently issued.</p> <p>Sarg Oils Ltd. failed to comply with the Abandonment Order and Closure/Abandonment Order.</p>
4	SynCo Exploration Inc.	Corporate Enforcement/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a valid entitlement to the right to access and produce the subject wells and facility	February 1, 2010	Well Licences: 16-10-030-08W4 Special Area 3 03-05-046-20W4 11-24-045-19W4 14-18-045-18W4 02-05-046-20W4 Camrose County	<p>This is an escalation from a previous enforcement action reported on December 21, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2010-7 and AD 2010-8 and Closure/Abandonment Order No.</p>

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
					06-30-026-11W4 02-30-026-11W4 Special Area 2 14-14-097-20W5 M.D. of Northern Facility Licence: 00/02-05-046-20W4 Camrose County Pipeline Licences: 02-05-046-20W4 Camrose County 02-30-026-11W4 Special Area 2	AD 2010-9. Abandonment of well, facility and pipeline licences. Licensee required to abandon the wells and facility in accordance with <i>Directive 020: Well Abandonment Guide</i> . The Digital Data Submission for the subject wells, including both the downhole and surface abandonment, must be submitted within the same time frame. Licensee required to abandon the subject pipeline in accordance with the requirements of <i>Directive 056: Energy Development Applications and Schedules</i> and provide confirmation that the pipeline was properly abandoned; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan. SynCo Exploration Inc. failed to comply with the Abandonment Orders and Closure/Abandonment Order. SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant, and its licences designated orphan for the purposes of abandonment.

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
5	SynCo Exploration Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a valid entitlement to the right to produce the well.	February 1, 2010	06-30-026-11W4 Special Area 2	<p>This is an escalation from a previous enforcement action reported on December 21, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2010-6.</p> <p>Abandonment of the well licence.</p> <p>Licensee required to abandon the 06-30-026-11W4 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 detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>SynCo Exploration Inc. failed to comply with the Abandonment Order.</p> <p>SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant, and its licences designated orphan for the purposes of abandonment.</p>

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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 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.

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 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.

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 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.

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. 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.