



ERCB Monthly Enforcement Action Summary

September 2011

ENERGY RESOURCES CONSERVATION BOARD
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Contents

High Risk Compliance Category Statistics 1

High Risk Enforcement Action 2

High Risk Enforcement Action (Persistent Noncompliance) 8

High Risk Enforcement Action (Demonstrated Disregard) 9

High Risk Enforcement Action (Failure to Comply)..... 10

Low Risk Enforcement Action (Global Refer)..... 11

Legislative/Regulatory Enforcement Action 16

Endnotes..... 17

High Risk Compliance Category Statistics				
ERCB	Compliance Category	September 2011		
		Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	27	4	85%
	Facilities Technical	18	0	100%
	Pipelines/Pipeline Installations Technical	4	0	100%
	Wells Technical	23	4	83%
Resources Applications Group Enforcement & Surveillance Section	Commingling	n/a	1	n/a
Subtotal		72	9	88%
Field Surveillance and Operations Branch				
Field Operations Group	Drilling Operations	43	4	91%
	Well Servicing	15	1	93%
	Oil Facilities	289	2	99.3%
	Gas Facilities	238	8	97%
	Pipelines	111	11	90%
	Drilling Waste	8	2	75%
	Well Site Inspections	328	7	98%
	Waste Management	6	1	83%
Subtotal		1038	36	97%
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	415	2	99.5%
Subtotal		415	2	99.5%
Total Audit/Inspections High Risk		1525	47	96.9%

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Athabasca Oil Sands Corp.	Facilities Applications/ Wells Technical	No rights to substances(s) for the intended formation(s).	September 26, 2011	3-22-064-18W5 M. D of Greenview	Licence(s) was not cancelled or suspended as licensee amended the licence(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Birchcliff Energy Ltd.	Field Operations/ Pipelines	Inappropriate construction or design or documented operation procedures not followed.	September 9, 2011	10-29-087-09W6 Clear Hills County	Operations suspended. Licensee updated their procedures manual. Licensee cleaned up the spill. Licensee will abandon the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Central Global Resources ULC	Field Operations/ Pipelines	Not left in a safe condition. Failure to notify appropriate ERCB Field Centre. Operating and maintenance procedures manual not followed.	September 30, 2011	10-09-042-22W4 County of Camrose	Operations suspended. Licensee completed a failure analysis. Licensee updated their Pipeline Operation and Maintenance Manual. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Desoto Resources Limited	Field Operations/ Well Site Inspections	24-hour emergency number not clearly posted at all entrances.	September 2, 2011	01-03-058-07W4 County of St. Paul	Operations were not suspended as the well was already in suspension at the time of inspection. Licensee posted the 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Edge Resources Inc.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	September 7, 2011	16-13-041-05W5 Clearwater County	Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Husky Oil Operations Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	September 1, 2011	05-18-050-06W4 County of Vermillion River	Operations suspended. Licensee repaired the pipeline and conducted a successful pressure test. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	MEC Operating Company ULC	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 8, 2011	9-16-051-26W4 Parkland County	Licence(s) suspended Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	MEC Operating Company ULC	Field Operations/ Well Servicing	Noncompliant with other ERCB requirement. (Documented practices were not available at the well site pursuant to <i>Directive 033: Well Servicing and Completions Operations—Interim Requirement Regarding the Potential for Explosive Mixtures and Ignition in Wells.</i>)	September 22, 2011	06-29-049-25W4 County of Leduc	Operations suspended. Licensee documented and reviewed practices with staff while the ERCB inspector was on site. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Nexen Inc.	Field Operations/ Pipelines	Damage by others; proper procedures were not followed. Operator is aware of a reportable release but neglects to report it.	September 2, 2011	10-23-014-01W4 Cypress County	Operations suspended. Licensee repaired the pipeline. Licensee will update its documents to include a requirement to immediately notify the ERCB of any pipeline strikes. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Penn West Petroleum Ltd.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	September 1, 2011	16-29-091-12W5 Northern Sunrise County	Operations were not suspended as the pipeline was disconnected from the main system and properly suspended. Licensee submitted a licence amendment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	RMP Energy Inc.	Resources Applications/ Commingling	Commingling without approval	September 15, 2011	06-16-082-24W5 M. D. of Peace	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. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Second Wave Petroleum Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	September 30, 2011	00/11-24-063-10W5/0 (production string) Woodlands County	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Suncor Energy Oil and Gas Partnership	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	September 30, 2011	00/06-22-078-09W6/0 (production string) Saddle Hill County	Operations suspended. Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	Tourmaline Oil Corp.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification. Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 12, 2011	14-15-049-21W5 Yellowhead County	Licence(s) cancelled Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA)¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
15	Twin Butte Energy Ltd.	Facilities Applications/ Wells Technical	Incomplete drilling spacing unit (DSU) for the intended formation(s)	September 12, 2011	07-23-056-03W4 10-23-056-03W4 11-23-056-03W4 M. D of Bonnyville	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (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 (Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	The Locke Stock & Barrel Co. Ltd.	Field Operations/ Well Site Inspections	<p>Spill or release not contained/cleaned up.</p> <p>24-hour emergency number not clearly posted at all entrances.</p> <p>Improper suspension for well type.</p> <p>Improper well suspension for inactive wells (includes both surface and down-hole).</p>	September 22, 2011	<p>14-24-023-03W5 16-13-026-03W5 06-23-020-03W5</p> <p>Rocky View County</p>	<p>This is an escalation of a previous High Risk Enforcement Action.</p> <p>Operations were not suspended as operations were suspended at the time of the inspections</p> <p>Licensee cleaned up the spill.</p> <p>Licensee posted the 24-hour emergency number.</p> <p>Licensee will abandon the well.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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High Risk Enforcement Action (Failure to Comply)⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Beau Energy Inc.	Field Operations/ Well Site Inspections	24-hour emergency number not clearly posted at all entrances.	September 1, 2011	10-21-030-06W4 Special Area 3	<p>Operations were not suspended as the site was already suspended at the time of the inspection.</p> <p>Licensee posted the 24-hour emergency number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Delek Resources Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 22, 2011	N/A - Against Licensee.	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-71.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • 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>Delek Resources Ltd. submitted full payment of its security deposit and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	Duel Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 22, 2011	<p>Well Licences: 04-18-107-10W6 Mackenzie County</p> <p>01-20-059-14W4 Smokey Lake</p> <p>07-04-059-15W4 08-16-034-16W4 County of Stettler</p> <p>16-17-059-14W4 Mackenzie County</p> <p>Facility Licence: 02/04-18-107-10W6 Mackenzie County</p>	<p>This is an escalation of a previous enforcement action reported on August 25, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 1270 and C 1271.</p> <p>Suspension of well and facility licences.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • 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.

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Duel Energy Inc. submitted full payment of its security deposit and provided an explanation to the ERCB. Compliance achieved.
3	Frontier Energy Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20% penalty.	September 22, 2011	Well Licences: 27 Licences Pipeline Licences: 37 Licences	This is an escalation of previous enforcement actions reported on June 29, 2011, and July 21, 2011. Global Refer status. Issuance of Abandonment Orders No. AD 2011-63, AD 2011-64, AD 2011-65 and Closure/Abandonment Order No. AD 2011-66. Abandonment of well and pipeline licences. Licensee required to <ul style="list-style-type: none"> • pay the 2011 Orphan Fund Levy, plus a 20 per cent penalty, and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Frontier Energy Inc. submitted full payment of its 2011 Orphan Fund Levy, plus the 20 per cent penalty, but did not provide an explanation to the ERCB. Compliance achieved.

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
4	Goldenrod Resources Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20% penalty.	September 22, 2011	Well Licences: 09-20-041-26W4 06-22-041-26W4 08-16-041-26W4 14-21-041-25W4 Lacombe County 10-02-065-20W5 M. D. of Greenview Facility Licence 00/06-22-041-26W4 Lacombe County Pipeline Licences 10-10-065-20W5 10-02-065-20W5 M. D. of Greenview 08-16-041-26W4 Lacombe County	This is an escalation of previous enforcement actions reported on June 29, 2011, and July 21, 2011. Global Refer status. Issuance of Abandonment Orders No. AD 2011-67, AD 2011-68, AD 2011-69, AD 2011-70, AD 2011-71, and Closure/Abandonment Order No. AD 2011-72. Abandonment of well, facility, and pipeline licences. Licensee required to <ul style="list-style-type: none"> • pay the 2011 Orphan Fund Levy, plus a 20 per cent penalty and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Goldenrod Resources Inc. failed to comply. ERCB is evaluating further actions.
5	Shamrock Oil & Gas Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay a security deposit.	September 22, 2011	N/A - Against Licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2011-72. Licensee required to <ul style="list-style-type: none"> • 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.

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Shamrock Oil & Gas Ltd. failed to comply. Closure Order No. C 1272 and Abandonment Order No. AD 2011-79 were subsequently issued.</p> <p>Shamrock Oil & Gas Ltd. submitted full payment of its security deposit but did not provide an explanation to the ERCB.</p> <p>Compliance achieved.</p>
6	West Pacific Petroleum Inc.	Liability Management/ Noncompliance with the Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20% penalty.	September 22, 2011	<p>Well Licence: 15-10-066-12W4</p> <p>Pipeline Licence: 15-10-066-12W4</p> <p>Lac La Biche County</p>	<p>This is an escalation of previous enforcement actions reported on June 29, 2011, and July 21, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2011-58 and Closure/Abandonment Order No. AD 2011-59.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • pay the 2011 Orphan Fund Levy, plus a 20 per cent penalty, and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>West Pacific Petroleum Inc. submitted full payment of its security deposit and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
7	Woodthorpe Petroleum Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 22, 2011	<p>Well Licences: 06-14-098-07W6 12-09-098-07W6 11-10-098-07W6 12-11-098-07W6</p> <p>Facility Licence: 00/11-10-098-07W6</p> <p>Pipeline Licences: 11-10-098-07W6 12-11-098-07W6 06-14-098-07W6 13-11-098-07W6 13-11-098-07W6 12-11-098-07W6 11-10-098-07W6</p> <p>M. D. of Northern Lights</p>	<p>This is an escalation of previous enforcement actions reported on June 29, 2011, and August 11, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2011-60 and AD 2011-61 and Closure/Abandonment Order No. AD 2011-62.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • 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>Abandonment Orders No. AD 2011-60A, AD 2011-61B, and AD 2011-62A were subsequently issued giving the licensee until January 31, 2012, to comply.</p>

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Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Enerhance Resources Inc.	Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Enerhance Resources Inc. has a valid entitlement to produce the well.	September 22, 2011	Well Licences: 06-02-013-02W4 14-11-013-02W4 10-31-012-01W4 06-15-012-03W4 06-07-013-01W4 04-22-012-03W4 County of Warner	Global Refer status. Issuance of Abandonment Cost Order No. ACO 2011-9. Licensee required to pay the invoiced costs plus a 25 per cent penalty against the invoiced costs. Amended Abandonment Costs Orders AD 2011-9A and ACO 2011-9B were subsequently issued. Enerhance Resources Inc. failed to comply. The ERCB is evaluating further actions.

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Endnotes

¹ **Directive 019—High Risk Enforcement Action (HREA)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA against a licensee if it identifies a high risk noncompliant event(s). To address an HREA, the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 calendar days or in the time specified by the ERCB group (a licensee may also be required to submit the written action plan and meet with the ERCB group to discuss both the action plan and the licensee's compliance history); and notify the ERCB group that it has corrected and addressed the high risk noncompliance. The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects/addressed the noncompliance); suspension and/or cancellation of the permit, licence, or approval.

² **Directive 019—High Risk Enforcement Action (HREA) (Persistent Noncompliance)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Persistent Noncompliance) against a licensee with an unacceptable rate, ratio, percentage or number of noncompliant events, either in the same or in different compliance categories. To address an HREA (Persistent Noncompliance), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan within 30 calendar days or in the time specified by the ERCB group (the action plan should address the root causes of any previous noncompliance(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval.

A licensee must operate in compliance for a period of 60 calendar days (or in a time specified by the ERCB) in the same compliance category before achieving overall compliance.

³ **Directive 019—High Risk Enforcement Action (HREA) (Demonstrated Disregard)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Demonstrated Disregard) against a licensee if the licensee knows or should know about a high risk noncompliant event(s) but does not act to correct and address the noncompliance(s). The ERCB assesses demonstrated disregard on a case-by-case basis. To address an HREA (Demonstrated Disregard), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact/hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁴ **Directive 019—High Risk Enforcement Action (HREA) (Failure to Comply)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Failure to Comply) against a licensee if it failed to comply with the direction of the ERCB in an ERCB Notice of High Risk Noncompliance, HREA, HREA (Persistent Noncompliance), HREA (Demonstrated Disregard), or a previous HREA (Failure to Comply). To address an HREA (Failure to Comply), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase the impact or risk to the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance); suspension and/or cancellation of permit, licensee, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁵ **Directive 019—Low Risk Enforcement Action (LREA) (Global Refer)** In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an LREA (Global Refer) against a licensee who failed to comply with the direction of the ERCB in a Notice of Low Risk Noncompliance. To address an LREA, the licensee must: immediately correct and address the low risk noncompliant event(s) identified by the ERCB; notify the ERCB group that it has addressed the low risk noncompliant event(s); and develop, implement, and submit written action plan within 30 calendar days or in the time specified by the ERCB group; and meet with the ERCB group to discuss the low risk noncompliant event(s), the licensee's compliance history, or the written action plan. The ERCB may also apply or require one or more of the following: noncompliance fees, partial or full suspension, suspension and/or cancellation of permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

⁶ **Legislative/Regulatory Enforcement Action**

The ERCB initiates a Legislative/Regulatory Enforcement Action for noncompliance with ERCB requirements that fall outside the administration of *Directive 019: Compliance Assurance*. The ERCB relies upon its statutory and regulatory authority to initiate the enforcement action against the licensee by applying a Refer status against the licensee and possibly issuing an Order (Closure, Miscellaneous, and Abandonment). The ERCB generally initiates these enforcement actions because of a mineral or surface lease expiry, an environmental and public safety concern, or a failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and working interest ownership in the property.

Refer Status—Focused or Global

This status indicates a licensee's inability or unwillingness to comply. If applied against a licensee, the ERCB will consider the status when deciding to approve or deny future and pending applications and may apply conditions for continued operation.

For further information on ERCB Enforcement Actions, see *Directive 019: Compliance Assurance* or contact the ERCB Compliance Assurance Section at compliancecoordination@ercb.ca.

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