



# ERCB Monthly Enforcement Action Summary

July 2012

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**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, July 2012**

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Suite 1000, 250 – 5 Street SW  
Calgary, Alberta  
T2P 0R4

Telephone: 403-297-8311  
Toll free: 1-855-297-8311  
E-mail: [infoservices@ercb.ca](mailto:infoservices@ercb.ca)  
Website: [www.ercb.ca](http://www.ercb.ca)

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## Introduction

This report provides information on all licensees that have had a High Risk Enforcement Action<sup>1</sup>, Low Risk Enforcement Action (Global Refer), or Legislative/Regulatory Enforcement issued against them and is published in the fourth month after the enforcement actions are issued.

The table below summarizes the enforcement actions issued by each ERCB group in July 2012.

ERCB Monthly Enforcement Action Summary*				
	Compliance Category	July 2012		
		Number of High Risk Enforcement <sup>1</sup> Actions	Number of Low Risk Enforcement Actions (Global Refer)	Number of Legislative/Regulatory Enforcement Actions
<b>Applications Branch</b>				
Resources Applications Group	Commingling	1	0	0
	Control Wells	3	0	0
	Groundwater Protection	1	0	0
	Spacing	1	0	0
<b>Subtotal</b>		<b>6</b>	<b>0</b>	<b>0</b>
<b>Field Surveillance and Operations Branch</b>				
Emergency Management	Technical ERP Requirements	1	0	0
Field Operations Group	Drilling Waste Inspections	1	0	0
	Gas Facilities	2	0	0
	Oil Facilities	1	0	0
	Pipelines	5	0	0
	Well Site Inspections	4	0	0
Liability Management Group	Noncompliance with Liability Management Program Requirements	0	3	0
Technical Operations Group	Sulphur Recovery Guidelines	5	0	0
<b>Subtotal</b>		<b>19</b>	<b>3</b>	<b>0</b>
	Noncompliance with Abandonment	0	0	1
<b>Subtotal</b>		<b>0</b>	<b>0</b>	<b>1</b>
<b>Geology, Environmental Science, and Economics Branch</b>				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	2	0	0
<b>Subtotal</b>		<b>2</b>	<b>0</b>	<b>0</b>
<b>Total Enforcement Actions issued</b>		<b>27</b>	<b>3</b>	<b>1</b>

\*This table only summarizes the compliance categories for which there were monthly enforcement actions issued.

<sup>1</sup> For high risk noncompliances, the ERCB may issue any of the following enforcement actions: High Risk Enforcement Action, High Risk Enforcement Action (Persistent Noncompliance), High Risk Enforcement Action (Failure to Comply), or High Risk Enforcement Action (Demonstrated Disregard).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
1	Advantage Oil & Gas Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 31, 2012	05-02-076-12W6  Saddle Hills County	In accordance with <i>Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Anterra Energy Inc.	Field Operations/ Gas Facilities	Spill or release not contained/cleaned up.	July 6, 2012	16-01-016-12W4  County of Newell	Operations were already suspended at the time of inspection.  Licensee removed residual rainwater from the secondary containment and excavated the contaminated soil. Licensee reviewed its corporate emergency response plan with its operators.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Ashton Oil & Gas Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	July 5, 2012	00/03-19-014-18W4/0  M.D. of Taber	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
4	Barrick Energy Inc.	Field Operations/ Well Site Inspections	Release criteria of collected surface water not met prior to release to adjacent lands.	July 18, 2012	09-09-072-26W5  M.D. of Greenview	<p>Operations were not suspended as the operations that resulted in the impact/hazard occurred in the past.</p> <p>Licensee developed a process to document the test results of the surface water discharge and obtain approval from the landowner prior to release. Licensee reviewed Section 11 of <i>Directive 055: Storage Requirements for the Upstream Petroleum Industry</i> with operations staff.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
5	Canadian Natural Resources Limited	Field Operations/ Well Site Inspections	Release criteria of collected surface water not met prior to release to adjacent lands.	July 27, 2012	01-28-044-02W5  Ponoka County	<p>Operations were not suspended as the operations that resulted in the impact/hazard occurred in the past.</p> <p>Licensee sampled the soil and water at release site; the lab analysis found no evidence of contamination. Licensee reviewed Section 11 of <i>Directive 055: Storage Requirements for the Upstream Petroleum Industry</i> with construction supervisors.</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 (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
6	Charger Energy Corp.	Resources Applications/ Commingling	Failure to meet conditions of approval – High	July 20, 2012	01-05-042-12W4  Flagstaff County	<p>Licence or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Applicant/Licensee has met the corrective actions specified with the ERCB accepted action plan.</p> <p>Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
7	City of Medicine Hat	Field Operations/ Pipelines	Cathodic protection system not operational or not installed.	July 23, 2012	08-33-013-06W4  Cypress County	<p>Operations suspended.</p> <p>Licensee will abandon the pipeline located at LSD 08-33-013-06W4M and conduct a cathodic protection audit. The estimated date of completion is November 30, 2012.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
8	Endurance Energy Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	July 6, 2012	03-12-049-11W4  County of Minburn	<p>Licence/Operation suspended.</p> <p>Applicant/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 (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
9	Enerplus Corporation	Field Operations/ Well Site Inspections	Well closer than 100 metres to the normal high-water mark of a body of water or permanent stream without appropriate protective measures.	July 4, 2012	02-14-039-03W4  M.D. of Provost	<p>Operations were not suspended as the well was already shut in and it will remain shut in until noncompliance event is corrected.</p> <p>Licensee installed a dike on the site. Licensee circulated a company-wide document to staff detailing water body protection requirements.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Enerplus Corporation	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	July 6, 2012	07-08-019-13W4  County of Newell	<p>Licence/Operation suspended.</p> <p>Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
11	Harvest Operations Corp.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	July 25, 2012	04-21-072-11W4  Lac La Biche County	<p>Licence or Operation not suspended because suspension may result in further impacts or increased risk.</p> <p>Applicant/Licensee has met the corrective actions specified with the ERCB accepted action plan.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
12	Keyera Energy Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 23, 2012	09-06-063-25W5  M.D. of Greenview	In accordance with <i>Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
13	Marksman Energy Inc.	Field Operations/ Drilling Waste	Sump closure was not completed within 12 months of drilling rig release.	July 27, 2012	10-11-045-07W5  County of Westaskiwin	Operations were not suspended as the well was already suspended.  Licensee drained the sump onto the site, analyzed the sump contents, and filled the sump.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
14	NAL Resources Limited	Field Operations/ Gas Facilities	Release criteria of collected surface water not met prior to release to adjacent lands.	July 3, 2012	12-12-029-27W4  Mountain View County	Operations were not suspended as the operations that resulted in the impact/hazard occurred in the past.  Licensee sampled and tested the released water and confirmed there was no contamination or oil sheen present.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
15	NAL Resources Limited	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	July 6, 2012	14-28-039-22W4  Lacombe County	Licence/Operation suspended.  Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
16	Omers Energy Inc.	Field Operations/ Well Site Inspections	Well closer than 100 metres to the normal high-water mark of a body of water or permanent stream without appropriate protective measures.	July 23, 2012	02-16-043-04W5  Ponoka County	Operations suspended.  Licensee cleaned up the spill, sampled the soil, diked the west side of the facility, and installed a secondary containment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
17	Paramount Resources Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 31, 2012	06-32-122-02W6  Mackenzie County	In accordance with <i>Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
18	Penn West Petroleum Ltd.	Field Operations/ Gas Facilities	Failure to meet the permissible sound level at the nearest or most impacted dwelling.	July 9, 2012	10-22-051-08W5  Parkland County	<p>Operations were not suspended as the licensee was able to immediately correct the noncompliance.</p> <p>Licensee immediately closed the doors and windows in the buildings at the location. Licensee implemented a training and education program for personnel that operate at the site.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
19	Penn West Petroleum Ltd.	Field Operations/ Pipelines	Depth of cover is unsatisfactory.	July 12, 2012	07-08-049-06W5  Brazeau County	<p>Operations not suspended as the pipeline was already shut in.</p> <p>Licensee purged the pipeline clean. Licensee sent notification letters to landowner and proceed with pipeline abandonment and backfill activities.</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 (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
20	Penn West Petroleum Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 30, 2012	05-02-053-26W4  Parkland County	In accordance with <i>Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Second Wave Petroleum Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	July 5, 2012	00/13-25-063-10W5/0  Woodlands County	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	SemCAMS ULC	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 26, 2012	03-15-059-18W5  M.D. of Greenview	In accordance with <i>Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
23	Sinopec Daylight Energy Ltd.	Field Operations/ Pipelines	<p>Operating and maintenance procedures manual not followed.</p> <p>There is no documented monitoring or mitigation program in place or company is not following the program.</p>	July 5, 2012	<p>01-06-049-08W5</p> <p>Brazeau County</p>	<p>Operations suspended.</p> <p>Licensee reviewed its pipeline operating &amp; maintenance manual.</p> <p>Licensee reviewed its pigging procedures with its operators and the corrosion mitigation program was reviewed by the chemical supplier with the operators.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
24	Sword Energy Inc.	Resources Applications/ Spacing	Production of too many wells per pool per DSU/Holding/Unit/Block/Project/GTO/W without approval.	July 24, 2012	<p>04-25-048-05W5</p> <p>06-25-048-05W5</p> <p>12-24-048-05W5</p> <p>Brazeau County</p>	<p>Licence/Operation suspended.</p> <p>Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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<b>High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup></b>						
<b>#</b>	<b>Licensee</b>	<b>ERCB Group/ Compliance Category</b>	<b>Noncompliance Event</b>	<b>Date of Enforcement</b>	<b>Location</b>	<b>ERCB Action(s) and Licensee Response</b>
1	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place or company is not following the program.	July 13, 2012	01-33-076-03W5  M.D. of Lesser Slave River	<p>Operations not suspended as the pipeline was already shut in as a result of a previous failure that occurred. The line has been discontinued.</p> <p>Licensee rolled out its Pipeline Integrity Training for Operators course for all operations personnel. Licensee updated its <i>Pipeline Corrosion Assessment Procedure</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place or company is not following the program.	July 25, 2012	10-34-067-04W6  M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee installed a new pipeline to replace the failed line, an EFM pin point monitoring unit, and in-line coupons. Licensee rolled out its Pipeline Integrity Training for Operators course for all operations personnel.</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 (Demonstrated Disregard) <sup>3</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
	None					

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High Risk Enforcement Action (Failure to Comply) <sup>4</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
1	Benjaka Exploration Inc.	Emergency Management/ Technical ERP Requirements	<p><i>Note: As a member of the Western Canadian Spill Services Ltd. (WCSS), the licensee failed to pay its annual membership fees. As a result, the following requirements expected of a nonmember were requested to be verified:</i></p> <p>Failure of a nonmember of an oil spill cooperative to have an ERCB-approved plan in place to address a release of any liquid product onto land or water.</p> <p>Failure of a nonmember of an oil spill cooperative to meet spill response equipment requirements.</p>	July 19, 2012	N/A – Against licensee	<p>This is a re-issuance of a previous enforcement action issued on May 4, 2012.</p> <p>Operations were not suspended as failure to pay annual membership fees is treated as an administrative action item because the noncompliance can be remedied immediately if payment occurred; as well, there was no immediate impact to public safety or the environment as there was no incident occurring.</p> <p>Licensee is required to address noncompliance and submit an action plan to address the noncompliance and prevent future occurrences, or alternatively pay oil spill membership fees and be reinstated as a member in good standing.</p> <p>Licensee failed to comply. Board Orders were subsequently issued. Licensee paid its outstanding membership fees and provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Follow-up
1	1471002 Alberta Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 25, 2012	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-13.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Order No. C 2012-36 was subsequently issued, giving the licensee until November 29, 2012, to provide its security deposit.</p>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Follow-up
2	Beau Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 8, 2012	10-21-030-06W4  Special Area 3	<p>This is an escalation from a previous enforcement action issued on June 8, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2012-27.</p> <p>Abandonment of the well licence.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• abandon the well,</li> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. The ERCB has sent its well to the Orphan Well Association to be abandoned.</p>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Follow-up
3	Marksmen Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 24, 2012	22 well licences and 1 facility licence  County of Wetaskiwin Red Deer County	<p>This is an escalation from a previous enforcement action issued on June 8, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2012-27 and C 2012-28.</p> <p>Suspension and closure of the well, facility, and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>

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Legislative/Regulatory Enforcement Action <sup>6</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Follow up
1	*Saamis Oil & Gas Ltd.	Liability Management/ Noncompliance with Abandonment	Failure to pay the abandonment costs.	July 31, 2012	10-25-012-02-W4  Cypress County	<p>Global Refer status.</p> <p>Issuance of Abandonment Costs Order No. ACO 2012-01.</p> <p>Licensee is required to pay the costs incurred by the ERCB for the abandonment of the licensee's ERCB licensed properties, plus 25 per cent penalty.</p> <p>Licensee failed to comply. The ERCB filed a Writ of Enforcement with the Court of Queen's Bench of Alberta and registered it with the Personal Property Registry of Alberta.</p> <p>The ERCB is evaluating further actions.</p>

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## Endnotes

### <sup>1</sup> **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.

### <sup>2</sup> **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.

### <sup>3</sup> **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.

### <sup>4</sup> **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.

<sup>5</sup> **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).

<sup>6</sup> **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](mailto:compliancecoordination@ercb.ca)

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).