

## ENERGY RESOURCES CONSERVATION BOARD

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Calgary Alberta

### DECISION TO ISSUE A DECLARATION NAMING TIMOTHY M. COONEY PURSUANT TO SECTION 106 OF THE OIL AND GAS CONSERVATION ACT

2013 ABERCB 007 Errata  
Proceeding No. 1747420

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The Energy Resources Conservation Board (ERCB/Board) issued *2013 ABERCB 007 (Decision 2013-007)* following the hearing that commenced and concluded on March 13, 2013, in Calgary, Alberta.

The Board has recognized two clerical errors in the decision report. Paragraph 2 is amended to read as follows:

[2] By submission dated November 1, 2011, the Liability Management Group (LMG) of the ERCB recommended to the Board that it issue a declaration under section 106 of the *OGCA* (the November 1, 2011, LMG submission) naming Cooney. The LMG based its recommendation on the facts that SynCo **Exploration** Inc. (SynCo) had outstanding Board orders and Cooney occupied positions of control in SynCo when contravention of the orders occurred. Attached to the November 1, 2011, LMG submission were the orders and numerous documents in support of the LMG's position. Appendix 1 contains a summary of the orders.

Appendix 3 is amended to read as follows:

For the reasons set out in the decision in this matter, the Energy Resources Conservation Board (ERCB/Board) has determined that Timothy M. Cooney was a person in direct control of SynCo **Exploration** Inc. (SynCo) and that SynCo contravened ERCB requirements and failed to comply with Board orders while Timothy M. Cooney was in control of SynCo. Therefore, the Board names Timothy M. Cooney under section 106 of the *Oil and Gas Conservation Act (OGCA)* and places the following restrictions on him:

The Board hereby approves the above-noted corrections to *Decision 2013-007*.

Dated in Calgary, Alberta, on May 16, 2013.

ENERGY RESOURCES CONSERVATION BOARD

< *Original signed by* >

**G. Eynon, P.Geo.**  
**Presiding Member**



**Decision to Issue a Declaration  
Naming Timothy M. Cooney Pursuant  
to Section 106 of the *Oil and Gas  
Conservation Act***

**Proceeding No. 1747420**

**May 14, 2013**

**ENERGY RESOURCES CONSERVATION BOARD**  
Decision 2013 ABERCB 007: Proceeding No. 1747420

May 14, 2013

Published by

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**CONTENTS**

Decision ..... 1

Introduction..... 1

    The Notice Panel and the Notice Panel Proceeding..... 1

    The Declaration Panel and Declaration Panel Proceeding ..... 1

Issues..... 2

Contravention of Board Orders..... 2

    Evidence..... 2

    Analysis and Findings..... 3

Control of Synco..... 3

    Analysis and Findings..... 5

Public Interest ..... 6

    Evidence..... 6

    Analysis and Findings..... 7

Conclusions..... 9

Appendices

1 List of Board Orders ..... 10

2 Hearing Participants..... 11

3 Declaration Naming Timothy M. Cooney Pursuant to Section 106(3) of the  
Oil And Gas Conservation Act ..... 12



## **ENERGY RESOURCES CONSERVATION BOARD**

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**Calgary Alberta**

### **DECISION TO ISSUE A DECLARATION NAMING TIMOTHY M. COONEY PURSUANT TO SECTION 106 OF THE OIL AND GAS CONSERVATION ACT**

**2013 ABERCB 007  
Proceeding No. 1747420**

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## **DECISION**

[1] Having carefully considered all the evidence, the Energy Resources Conservation Board (ERCB/Board) hereby issues a declaration under section 106 of the *Oil and Gas Conservation Act (OGCA)*, subject to the terms and conditions set out in appendix 3, naming Timothy M. Cooney (Cooney).

## **INTRODUCTION**

### **Background**

[2] By submission dated November 1, 2011, the Liability Management Group (LMG) of the ERCB recommended to the Board that it issue a declaration under section 106 of the *OGCA* (the November 1, 2011, LMG submission) naming Cooney. The LMG based its recommendation on the facts that SynCo Exploration Inc. (SynCo) had outstanding Board orders and Cooney occupied positions of control in SynCo when contravention of the orders occurred. Attached to the November 1, 2011, LMG submission were the orders and numerous documents in support of the LMG's position. Appendix 1 contains a summary of the orders.

### **The Notice Panel and the Notice Panel Proceeding**

[3] The Board appointed a notice panel with a single member, B. T. McManus, Q.C., Board Member, to determine whether to issue a Notice of Intention to Issue a Declaration Naming Cooney pursuant to section 106 of the *OGCA*.

[4] The notice panel reviewed the November 1, 2011, LMG submission and attachments and found that these documents constituted prima facie evidence of contravention of the orders by SynCo and that Cooney was a person directly or indirectly in control of SynCo at the time the contraventions occurred.

[5] Based on these findings, on September 20, 2012, the notice panel issued a Notice of Intention to Issue a Declaration naming Timothy M. Cooney (the notice) in accordance with section 106 of the *OGCA*. On September 25, 2012, the notice, along with the November 1, 2011, LMG submission and attachments, was served on Cooney.

### **The Declaration Panel and Declaration Panel Proceeding**

[6] In response to the notification to show cause as to why he should not be named, as set out in the notice, Cooney filed a submission on November 1, 2012, objecting to the issuance of a declaration against him. The Board considered the response from Cooney to the notice and

decided to hold a show-cause hearing in which Cooney would need to show cause why a declaration should not be issued.

[7] The Board appointed a declaration panel, composed of G. Eynon, P. Geo. (Presiding Member), and Board Members T. C. Engen and R. C. McManus, M.E.Des., to conduct a hearing into whether to issue a declaration naming Cooney pursuant to section 106 of the *OGCA*.

[8] On January 15, 2013, the ERCB scheduled a public hearing as part of Proceeding No. 1747420 (the proceeding), to commence on March 13, 2013. Appendix 2 lists those who appeared at the hearing.

## **ISSUES**

[9] To name a person, the Board must find that section 106(1) of the *OGCA* is met. This section reads as follows:

106(1) Where a licensee, approval holder or working interest participant

(a) contravenes or fails to comply with an order of the Board, or

(b) has an outstanding debt to the Board, or to the Board to the account of the orphan fund, in respect of suspension, abandonment or reclamation,

and where the Board considers it in the public interest to do so, the Board may make a declaration setting out the nature of the contravention, failure to comply or debt and naming one or more directors, officers, agents or persons who, in the Board's opinion, were directly or indirectly in control of the licensee, approval holder or working interest participant at the time of the contravention, failure to comply or failure to pay.

[10] The declaration panel considers the issues respecting the proceeding to be

- contravention of Board orders,
- control of SynCo, and
- the public interest.

[11] In reaching the determinations contained in this decision, the declaration panel has considered all relevant materials constituting the record of this proceeding, including the evidence and argument provided by each party. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the declaration panel's reasoning relating to a particular matter and should not be taken as an indication that the declaration panel did not consider all relevant portions of the record with respect to that matter.

## **CONTRAVENTION OF BOARD ORDERS**

### **Evidence**

[12] On March 12, 2013, the parties submitted an agreed statement of facts that set out that a total of 13 abandonment orders and 1 miscellaneous order issued to SynCo between March 2009 and April 2010, none of which were complied with.

[13] LMG testified that the Orphan Well Association (OWA) has spent about \$1.59 million to date to abandon the properties, noting that reclamation is still proceeding on the properties and further costs will be incurred.

[14] Cooney did not contest that the orders were contravened or the amount that the OWA has incurred in relation to these properties.

### **Analysis and Findings**

[15] The declaration panel notes that the abandonment orders were based on the loss of mineral rights, failure to pay security deposits in accordance with the Licensee Liability Rating (LLR) Program, and failure to provide information in response to an ERCB audit of SynCo's mineral rights for its wells.

[16] The declaration panel also acknowledges the agreed statement of facts that the orders set out in appendix 1 were issued to SynCo and that SynCo did not comply with those orders. Further, the declaration panel notes that there were other orders, including four closure orders, that required action by SynCo to bring itself into compliance and that these orders were also not complied with.

[17] Accordingly, the declaration panel finds that SynCo did contravene Board orders, based on the test under section 106 of the *OGCA*.

[18] The declaration panel is of the view that some minor issues in the LMG's process, although not affecting the substantive finding above, could be addressed by the LMG, including review of the LMG's declaration document regarding mineral interests to ensure clarity of the document and timely response to the information provided.

[19] The declaration panel also notes that some of the abandonment orders did not provide any deadlines for compliance because the wells had already been ordered abandoned. The declaration panel understands that multiple abandonment orders may be issued for the same site as a result of multiple breaches of different ERCB requirements. However, the declaration panel is of the view that licensees cannot be held accountable for contravening orders where there was not a reasonable opportunity for or expectation of compliance with those orders.

[20] Notwithstanding this view, given that section 106 of the *OGCA* does not set out a minimum number of orders required to be contravened, all SynCo's 17 properties were ordered abandoned at some point, and SynCo failed to abandon any of these properties, the finding by the declaration panel that Board orders were contravened is not affected by this discrepancy.

### **CONTROL OF SYNCO**

#### *Definition of Control*

[21] The LMG submitted that, in determining whether a person is in control of a licensee for the purpose of a section 106 declaration, the Board should apply the following test, as set out in *Decision 2000-51: South Alberta Energy Corp., Greg Justice, 693040 Alberta Ltd. and Marc Dame, Review of Abandonment Cost Order No. ACO 98-1*:

Real, effective, and practical control over a company's business affairs... may exist in a wide variety of settings and arrangements. Control is ultimately the power to direct the business of a company and make decisions that will be complied with and acted upon by the company. Each case must be reviewed on its own facts and circumstances in order to determine the entity effectively exercising this authority.

[22] The LMG also referred to the *Securities Act*, the *Alberta Business Corporations Act*, and an excerpt from *Black's Law Dictionary* related to the definition of control. The LMG submitted that Cooney was a person in direct and indirect control of SynCo. It submitted that the Alberta Corporate Registry currently shows Cooney as the sole director of SynCo, all correspondence sent to the Board from SynCo was signed by Cooney, historical searches of the Alberta Corporate Registry using the date of issuance of the abandonment orders show Cooney as the sole director, and Cooney's résumé states that he was the president and owner of SynCo, with responsibilities that included "handling the day-to-day operations of the company from the accounting and banking to the drilling of wells."

[23] Cooney stated that, in theory, persons outside a company could be in control. Cooney submitted that he was not in control of SynCo at the time of the contraventions because the National Bank of Canada (National Bank) controlled the funds of SynCo, and therefore controlled the company.

[24] Cooney submitted that the National Bank called its loan with Cheyenne Energy Inc. (Cheyenne) in 2008, but could not sell all the company's assets for an amount that would satisfy the loan. Cooney stated that the National Bank then approached him, as the former president and CEO of Cheyenne, to take some of the assets so that he might enhance them and pay back the debt.

[25] Cooney stated that he thought the National Bank would support him in this endeavour, but noted that the National Bank would only allow funds to be allocated for rent, telephones, and office supplies. Cooney stated that, as a result, he was left to find a drilling partner and raise additional funds.

[26] Cooney stated that he was unable to do this given both the large debt that he had assumed from Cheyenne and changes to the royalty structure in Alberta. Cooney submitted that he did find working-interest partners to rehabilitate the well located at Legal Subdivision 14, Section 14, Township 97, Range 20, West of the 5th Meridian (14-14), but the project was unsuccessful. He further noted that, once it was informed of this (October 2009), the National Bank "scooped all remaining funds from SynCo's accounts and walked away from the company."

[27] Cooney stated that the instructions about what he could do with the company funds were handled through conversations with the National Bank, but not put in writing. Cooney submitted a copy of the lending agreement (the Credit Facility Agreement) between SynCo and the National Bank. Cooney testified that he and the National Bank discussed the remaining assets of Cheyenne that Cooney was interested in taking over, as a precursor to him signing the Credit Facility Agreement for the loan.

[28] Cooney testified that he stepped down from the board of SynCo in March 2009, but noted that there was no one else at SynCo, that no one took over from him, and that his involvement

was minimal after he stepped down. However, Cooney confirmed that he sent the letters dated April 9, 2009, and January 25, 2010, to the ERCB on behalf of SynCo.

[29] The LMG argued that Cooney did not provide sufficient evidence to support his claim that the National Bank controlled SynCo or, alternatively, that section 106 of the *OGCA* permits the Board to find more than one person in control of a licensee. The LMG also referred to *Decision 2011 ABERCB 037: Decision to Issue a Declaration Naming Marc R. Dame and Murray F. Craig Pursuant to Section 106 of the Oil and Gas Conservation Act*, in which the Board stated that “financial issues are not an excuse for noncompliance with Board orders.”

### **Analysis and Findings**

[30] The Board’s test for control has been set out in numerous ERCB decisions, including *Decision 2011 ABERCB 037*, which states in paragraph 120:

The declaration panel confirms that the test to establish control under Section 106 and as set out in previous ERCB decisions requires real, effective, and practical control over a company’s business affairs, and further confirms that such control could exist in a wide variety of settings and arrangements. Control is ultimately the power to direct the business of a company and make decisions that will be complied with and acted upon by a company. The declaration panel affirms that each case must be reviewed on its own facts and circumstances in order to identify the person effectively exercising this authority. Central to this test is the view that, at all times, one or more persons associated with a licensee must be exercising practical control over the actions of the licensee.

[31] The declaration panel notes that Cooney held the positions of sole director, president, and owner of SynCo. Cooney was the only person directly in positions of control at SynCo.

[32] Regarding Cooney’s argument that the National Bank was in control because it controlled the money of SynCo, the declaration panel finds that a licensee’s private arrangements with third parties may not be a defense against meeting its obligations under the *OGCA*. The view is supported in section 9 of the *OGCA*, which states that the act, the regulations, and a declaration or order or direction from the Board overrides any conflicting terms or conditions of a contract or arrangement. Licensees must ensure that they can meet their obligations at all times, and ensuring that sufficient funds are available is a critical part of this requirement.

[33] The declaration panel notes, as previously established in *Decision 2011 ABERCB 037* at paragraph 158, that financial issues are not an excuse for noncompliance. Persons in control of licensees know that oil and gas infrastructure installed by the licensees will have to be abandoned and reclaimed at some point in time. These abandonment and reclamation obligations are not contingent upon whether the project is successful. Licensees must include these costs in their financing plans at the outset, prior to taking on or applying for licences.

[34] The declaration panel acknowledges that Cooney’s decisions regarding operations of SynCo may have been constrained by finances, but those constraints neither relieved him of his obligations nor changed his position of control over SynCo. The declaration panel also notes that Cooney voluntarily entered into the Credit Facility Agreement, which would have given him some control over the way the agreement was structured. Furthermore, the Credit Facility Agreement required SynCo to ensure that it met all industry standards and applicable regulations,

which suggests that the parties to the agreement understood that SynCo was obligated to meet the applicable regulations, including Board orders, when conducting operations.

[35] Based on the above, the declaration panel finds that the financial arrangement SynCo entered into with the National Bank does not excuse SynCo from meeting its obligations under the *OGCA*. There is no indication that the National Bank determined any of the day-to-day actions of SynCo. As well, the Credit Facility Agreement clearly stated that SynCo had the obligation to meet the applicable regulations. The declaration panel finds that, as sole director, owner, and president, Cooney had real, effective, and practical control over SynCo's business, which meets the test for control as set out above.

## **PUBLIC INTEREST**

### **Evidence**

[36] The LMG submitted that compliance with ERCB requirements and orders is fundamental to the protection of the public and the environment, and the orderly, economic development of Alberta's energy resources. The LMG submitted that it is in the public interest to name Cooney, not only because of the magnitude of the debt he left behind, but also in order to deter further noncompliances by himself or other like-minded persons.

[37] The LMG confirmed that the OWA has spent approximately \$1.59 million abandoning and reclaiming SynCo's properties, but that none of the reclamation work has yet been completed.

[38] The LMG further noted that Cooney was a president, CEO and a director of Cheyenne, which went into bankruptcy, and that Synco acquired some of Cheyenne's licences.

[39] Cooney submitted that, after the National Bank left the company with no money, he had to deal with some personal issues relating to money owed by Cheyenne. Since the company could not afford to maintain its office or mailing address, it did not receive some of the orders.

[40] Cooney submitted that he has been involved in the industry for about 30 years and has not had issues with the Board before. Cooney contended that it would be a travesty for the Board to further damage his reputation by looking at a single situation, over which he had no control.

[41] Cooney also stated that changes in the royalty structure resulted in many junior companies not being able to survive and that many good people across the province lost their companies. Cooney also noted that this contributed to him not being able to raise money to maintain his company's viability. He argued, therefore, that it was unjust to target him when many people were affected by circumstances beyond their control. Cooney explained that nothing he did was malicious; he simply had no control over the situation.

[42] Cooney also testified that he currently runs an oil and gas company (NQ Resources) that holds some lands that he is planning to develop, and his goal is to return to working as an oilman.

[43] Cooney stated that he would enter into an agreement with the ERCB not to become an operator provided that the ERCB did not issue a declaration. Cooney noted that a declaration

would make it difficult for him to put a deal together in the oil and gas industry and would make his lands worthless.

[44] The LMG submitted that a declaration should contain the usual terms and should be for an indefinite period of time.

### **Analysis and Findings**

[45] The declaration panel affirms that once an order or direction is issued by the ERCB, it is the company's responsibility to respond and ensure compliance in a timely manner. The declaration panel notes that Cooney was ordered to abandon the wells located at 03-30-097-19W5M (3-30) and that he requested two extensions, one of which was granted. The panel notes, however, that Cooney did not abandon the 3-30 wells and provided no response to the ERCB about them.

[46] The declaration panel further notes that Cooney requested and was granted an extension to abandon the 6-30 well in order to acquire the mineral rights for the well located at 06-30-026-11W4M (6-30). Again the panel notes, however, that after the date by which SynCo was to have obtained the mineral rights, no information was provided to the ERCB about the well.

[47] Furthermore, on January 25, 2010, Cooney responded to the closure orders issued for failure to pay the LLR by requesting an extension in order to evaluate the 14-14 well. This was denied by the ERCB since SynCo had failed to establish that it had the requisite mineral rights, and no further response was received from Cooney regarding that matter.

[48] The declaration panel notes that the abandonment orders were issued for failure to provide information establishing the mineral rights of SynCo. Compliance would not have involved providing funds, but simply providing a photocopy of SynCo's mineral leases or mineral lease number from the Department of Energy. The declaration panel notes that Cooney appears to have been more concerned with conducting operations at the 3-30, 6-30, and 14-14 wells than with bringing SynCo into compliance.

[49] The declaration panel is concerned with Cooney's lack of response to ERCB directions and letters, including requests for information; his e-mail correspondence to the ERCB of January 25, 2010, shows that he was receiving correspondence at least until that time. The declaration panel notes that much of the ERCB correspondence was via e-mail, which did not require funds to maintain.

[50] The ERCB correspondence clearly set out the actions required for compliance, the deadlines, and the actions to be taken for failure to comply, which included possible section 106 proceedings. The declaration panel finds that the actions of Cooney, as set out above, show a disregard for ERCB direction and orders.

[51] The declaration panel notes that disregard of noncompliance issues is a cost to the industry, government, the public, and the ERCB in that it requires time, effort, and resources from all the entities involved. The OWA has spent more than \$1.5 million abandoning SynCo wells and properties. This makes SynCo one of the 25 companies with the highest amounts spent by the OWA to abandon and reclaim properties orphaned by the licensee. The declaration panel also notes the correspondence from the Surface Rights Board terminating SynCo's access, which

resulted in the Government of Alberta paying the surface rentals for SynCo's properties. The panel understands that this public expense continues until the properties are abandoned and reclaimed.

[52] The declaration panel notes that Cooney thought the SynCo properties would be put through receivership, as the Cheyenne properties had been, and was surprised when the National Bank walked away from SynCo. The declaration panel finds that receivership proceedings are not an appropriate mechanism to deal with liabilities and is extremely troubled that it appears Cooney did not plan for SynCo to abandon the properties.

[53] The declaration panel acknowledges that Cooney appears to have been involved in the industry for a long period of time without incident, but does not agree that this means he should be permitted to be in control of licences. Holding a licence under the *OGCA* is a privilege and comes with the responsibility of ensuring that the property is under control and that there are people to respond to emergencies and protect the public and the environment.

[54] The Board is charged with ensuring licensees are able to meet those obligations. The declaration panel is extremely concerned that SynCo's properties were left, for a considerable period of time, without anyone to monitor them and anyone to contact in the event of an emergency. The obligation of the ERCB to ensure that industry operates in the public interest is frustrated if it cannot contact the person in charge of a licensee or if the person refuses to respond to the ERCB.

[55] The declaration panel finds that a person who is prepared to put the public and environment at such risk must not be permitted to be in control of a licensee. The declaration panel is extremely concerned with the lack of acknowledgement by Cooney of his obligations under ERCB licences, and that he continues to blame the National Bank and the government's royalty regime for contraventions by SynCo.

[56] Finally, the declaration panel notes Cooney's current involvement in the industry and his future plans to continue in the industry. Accordingly, the declaration panel finds that it is in the public interest to issue a declaration naming Cooney.

[57] The declaration panel finds that the declaration naming Cooney should contain the Board's usual terms and be for an indefinite period of time. This is based on the amount of debt left to the OWA and the Government of Alberta, Cooney's disregard of ERCB directions, his failure to comply with Board orders, the risk to public safety he created by not being available to respond to emergencies at SynCo's sites, his expectation of receivership proceedings resolving outstanding liabilities, and his continued participation in the industry.

[58] If Cooney repays his outstanding debts to the OWA and achieves compliance, he could file an application to have the Board review the declaration. The declaration panel declines Cooney's offer to enter into a private agreement to avoid a public declaration being issued; the panel affirms the value of a public declaration in serving as a notice to any like-minded persons of the consequences of acting in a manner similar to the SynCo situation and to avoid these issues.

## CONCLUSIONS

[59] For the above reasons, the declaration panel has determined that it is in the public interest to issue a declaration naming Timothy M. Cooney, subject to the terms and conditions set out in appendix 3.

Dated in Calgary, Alberta, on May 14, 2013.

## ENERGY RESOURCES CONSERVATION BOARD

*<original signed by>*

G. Eynon, P.Geo.  
Presiding Member

*<original signed by>*

T. C. Engen  
Board Member

*<original signed by>*

R. C. McManus, M.E.Des.  
Board Member

## APPENDIX 1 LIST OF BOARD ORDERS

Property	Orders	Reason for Order
<b>Wells:</b>		
00/06-30-026-11W4M Licence No. 0337869	AD 2010-6 AD 2010-7 AD 2010-10	Loss of minerals Failure to confirm right to produce/right to access Failure to address order MISC 2009-52
00/10-30-026-11W4M Licence No. 0313613	AD 2010-7 AD 2010-10	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52
00/16-10-030-08W4M Licence No. 0275444	AD 2010-7 AD 2010-10	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52
00/14-18-045-18W4M Licence No. 0331536	AD 2010-7 AD 2010-10 AD 2010-18	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52 Loss of minerals
00/06-24-045-19W4M Licence No. 0352428	AD 2010-7 AD 2010-10 AD 2010-17	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52 Loss of minerals
02/02-05-046-20W4M Licence No. 0284162	AD 2010-7 AD 2010-10	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52
00/03-05-046-20W4M Licence No. 0406527	AD 2010-7 AD 2010-10	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52
00/03-30-097-19W5M Licence No. 0304695	AD 2009-18 AD 2009-56 AD 2009-57	Loss of minerals Failure to address order MISC 2009-52 Failure to confirm right to produce/right to access
02/03-30-097-19W5M Licence No. 0344398	AD 2009-18 AD 2009-56 AD 2009-57	Loss of minerals Failure to address order MISC 2009-52 Failure to confirm right to produce/right to access
00-14-14-097-20W5M Licence No. 0375455	AD 2010-7 AD 2010-10 AD 2010-29	Failure to confirm right to produce/right to access Failure to address order MISC 2009-52 Loss of minerals
<b>Pipelines:</b>		
Licence No. 42005	AD 2010-9 AD 2010-12	Assoc. wells ordered abandoned Assoc. wells ordered abandoned
Licence No. 44209	AD 2010-9 AD 2010-12	Assoc. wells ordered abandoned Assoc. wells ordered abandoned
<b>Facility:</b>		
00/02-05-046-20W4M Licence No. 30680	AD 2010-8 AD 2010-11	Failure to confirm right to access Failure to address order MISC 2009-52

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**APPENDIX 2 HEARING PARTICIPANTS**

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Principals and Representatives  
(Abbreviations used in report)

Witnesses

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T. M. Cooney

T. M. Cooney

Liability Management Group (LMG)  
K. Cameron

M. Greer, of LMG  
B. Grant, of LMG

Energy Resources Conservation Board staff  
D. Burns, Board Counsel  
M. Schuster  
M. Gonie

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### **APPENDIX 3 DECLARATION NAMING TIMOTHY M. COONEY PURSUANT TO SECTION 106(3) OF THE OIL AND GAS CONSERVATION ACT**

For the reasons set out in the decision in this matter, the Energy Resources Conservation Board (ERCB/Board) has determined that Timothy M. Cooney was a person in direct control of SynCo Exploration Inc. (SynCo) and that SynCo contravened ERCB requirements and failed to comply with Board orders while Timothy M. Cooney was in control of SynCo. Therefore, the Board names Timothy M. Cooney under section 106 of the *Oil and Gas Conservation Act (OGCA)* and places the following restrictions on him:

- 1) The ERCB may suspend operations of a licensee or approval holder under the *OGCA* or a licensee under the *Pipeline Act* over which Timothy M. Cooney is, in the opinion of the ERCB, a director, officer, agent, or other person in direct or indirect control.
- 2) The ERCB may refuse to consider any application for an identification code, licence, or approval or a transfer of a licence or approval under the *OGCA* or the *Pipeline Act* from Timothy M. Cooney or any company over which Timothy M. Cooney is, in the opinion of the Board, a director, officer, agent, or other person in direct or indirect control.
- 3) If the ERCB were to consider an application from Timothy M. Cooney or any company over which Timothy M. Cooney is, in the opinion of the Board, a director, officer, agent, or other person in direct or indirect control, the ERCB may require the submission of abandonment and reclamation deposits in amounts determined by the ERCB prior to granting any licence, approval, or transfer to an applicant, transferor, or transferee under the *OGCA*.
- 4) Any company that holds or is applying to the ERCB for an identification code, licence, or approval or the transfer of a licence or approval under the *OGCA* or the *Pipeline Act* and in which Timothy M. Cooney is a director, officer, agent, or other person involved with that company must inform the ERCB of his status within the company and that a section 106 declaration is in effect against Timothy M. Cooney.
- 5) Timothy M. Cooney must submit a sworn declaration by June 10, 2013, declaring that he is not a director, officer, agent, or other person involved in a company that is an applicant to the ERCB, a licensee, or an approval holder under the *OGCA* or the *Pipeline Act*, or if he is, declaring the name of the company or companies and specifying the applications it has before the ERCB and the ERCB licences and approvals the company holds.
- 6) Timothy M. Cooney cannot act as an agent of a company as defined under section 1(1)(c) of the *OGCA* or section 1(1)(c) of the *Pipeline Act* for any company for the purposes of those acts.
- 7) This declaration is in force at the date of this decision and will remain in force until SynCo has complied with the above-mentioned Board orders, rectified its contraventions, and paid its debts to the ERCB and to the account of the orphan fund for abandonment costs or until the Board orders otherwise.

**May 14, 2013**