



# ERCB Monthly Enforcement Action Summary

November 2008

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, November 2008**

March 2009

Published by

Energy Resources Conservation Board  
640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

Telephone: 403-297-8311  
Fax: 403-297-7040  
E-mail: [infoservices@ercb.ca](mailto:infoservices@ercb.ca)  
Web site: [www.ercb.ca](http://www.ercb.ca)

## Contents

High Risk Compliance Category Statistics.....	1
High Risk Enforcement Action 1 .....	2
High Risk Enforcement Action 2 (Persistent Noncompliance).....	23
High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard).....	24
Low Risk Enforcement Action – Global REFER Summary.....	25
Legislative/Regulatory Enforcement Action .....	28
Endnotes .....	34



High Risk Compliance Category Statistics				
ERCB	Compliance Category	November 2008		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
<b>Applications Branch</b>				
Facilities Applications Group Audit Section	Participant Involvement	61	5	92%
	Facilities Technical	11	0	100%
	Pipelines/Pipeline Installations Technical	15	0	100%
	Wells Technical	44	7	84%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Control Wells	n/a	18	n/a
	Commingling	n/a	1	n/a
<b>Subtotal</b>		<b>131</b>	<b>31</b>	<b>76%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Directive 60 Economic Evaluation Audits	n/a	1	n/a
Environment Group Waste and Storage Section	Oilfield Waste Generator	n/a	2	n/a
	Storage Audits	1	1	0%
Well Operations Section	Well Abandonment	n/a	1	n/a
<b>Subtotal</b>		<b>1</b>	<b>5</b>	<b>n/a</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	30	1	97%
	Well Servicing	14	2	86%
	Oil Facilities	180	5	97%
	Gas Facilities	132	6	95%
	Pipelines	130	20	85%
	Drilling Waste	14	0	100%
	Well Site Inspections	266	1	99.6%
	Waste Management	5	0	100%
<b>Subtotal</b>		<b>771</b>	<b>35</b>	<b>95%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	504	0	100%
<b>Subtotal</b>		<b>504</b>	<b>0</b>	<b>100%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1407</b>	<b>71</b>	<b>94.9%</b>

Note: Compliance category data are evaluated annually and results presented in *ST98: ERCB Provincial Surveillance and Compliance Summary*.

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	981384 Alberta Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 4, 2008	48 well locations	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.
2	981405 Alberta Ltd.	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.	November 19, 2008	04-32-062-05W5 Woodlands County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Advantage Oil & Gas Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	08-24-038-21W4 13-07-040-21W4 County of Stettler	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Alberta Pinnacle Oil Company Ltd.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up.	November 27, 2008	04-09-034-20W4 Starland County	Operations suspended.  Require a plan to address the noncompliance and prevent future occurrences.  Currently under review.
5	Anderson Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - no agreement with Department of Energy.	November 13, 2008	12-35-039-01W5 Lacombe County	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
6	ARC Resources Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 4, 2008	13-30-036-22W4 05-30-036-23W4 14-06-037-22W4 07-18-037-22W4 12-04-037-23W4 13-16-037-23W4 11-11-037-25W4  Red Deer County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Barnwell of Canada, Limited	Field Surveillance/ Pipelines	<p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Hand excavation: mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p> <p>Machine working within 60 cm without authorization from the owner of the existing crossing.</p>	November 18, 2008	02-04-042-24W4  Ponoka County	<p>Operations suspended.</p> <p>Licensee implemented changes to its internal ground disturbance procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
8	Bears paw Petroleum Limited	Operations Group/ Guide 60 Economic Evaluation Audits	Flaring solution gas from an oil/bitumen well with a GOR (Gas Oil Ratio) greater than 3000 m <sup>3</sup> /m <sup>3</sup> .	November 5, 2008	15-24-029-20W4  Starland County	<p>Operations suspended.</p> <p>Licensee shut in the well pending the results of gas conservation.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review.</p>
9	Birchcliff Energy Ltd.	Field Surveillance/ Pipelines	Hand excavation: mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	November 21, 2008	05-28-087-09W6  M.D. of Clear Hills	<p>Operations suspended.</p> <p>Licensee implemented changes to its internal ground disturbance procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Bonterra Energy Corp.	Field Surveillance/ Pipelines	Corrosion Internal: There is no documented monitoring or mitigation program in place and/or company is not following program.	November 13, 2008	16-11-048-06W5 Brazeau County	Operations suspended.  Licensee implemented a corrosion control program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
11	Cabrera Resources Ltd.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease (identify source and cause).	November 26, 2008	02-27-040-13W4 Flagstaff County	Operations suspended.  Licensee made repairs to the equipment that was the source of the leak.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
12	Canadian Natural Resources Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure, and annual segregated pressure in each calendar year).	November 4, 2008	34 well locations	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Canadian Natural Resources Limited	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.  Noncompliant with other ERCB requirement – insufficient heating value available to flare as per <i>Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting</i> .	November 27, 2008	13-14-044-17W4 Camrose County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee replaced the cracked sight glass on the flame arrester.  Licensee changed the heating valve.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.
14	City of Medicine Hat	Field Surveillance/ Gas Facilities	Noncompliant with other ERCB requirement – Contaminated ex situ soils from the excavation and removal of the underground knockout tank at this site were segregated, tested and buried when the tank was removed. As per IL 98-02, contaminated ex situ soils at an upstream oil and gas facility is an oilfield waste and must be handled in accordance with IL 98-2 and <i>Directive 058</i> .	November 18, 2008	05-20-013-06W4 Cypress County	Operations were not suspended as the noncompliance item occurred in the past.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.
15	Compton Petroleum Corporation	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	November 3, 2008	02-20-020-26W4 M.D. of Foothills	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Cordero Energy Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure, and annual segregated pressure in each calendar year).	November 5, 2008	16-11-038-23W4 Red Deer County  09-14-039-21W4 County of Stettler  05-34-040-21W4 Lacombe County  12-12-041-21W4 Camrose County  14-14-043-22W4 16-20-043-22W4 13-31-043-22W4 Ponoka County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters.</i>  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
17	Desoto Resources Limited	Facilities Applications/ Participant Involvement  Facilities Applications/ Wells Technical	Incomplete public and/or industry personal consultation and notification prior to filing the application.  Failure to design the surface casing to meet all applicable requirements.	November 21, 2008	06-24-038-25W4 Lacombe County	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Devon Canada Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	14-34-033-26W4 06-11-034-26W4 14-16-034-26W4 Kneehill County  16-28-038-21W4 16-22-034-21W4 County of Stettler  06-04-036-23W4 Red Deer County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
19	Devon Canada Corporation	Field Surveillance/ Gas Facilities	Noncompliant with other ERCB requirement – No high-level alarm or high-level facility shutdown on the knockout drum/ flare separator where required.	November 6, 2008	04-34-078-25W5  Birch Hills County	Operations suspended.  Licensee installed a high-level alarm.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
20	Devon Canada Corporation	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.  Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	November 6, 2008	05-34-078-25W5  Birch Hills County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee repaired the cracked sight glass on the flame arrester.  Licensee had the tank integrity tested.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
21	Direct Energy Marketing Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) properly (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	15-34-037-21W4 County of Stettler	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	Drake Pacific Enterprises Ltd.	Field Surveillance/ Pipelines	Internal corrosion control-no monitoring and mitigation in corrosive environment.	November 6, 2008	01-01-111-04W6 Mackenzie County	Operations suspended.  Licensee implemented a corrosion control program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	Duvernay Oil Corp.	Field Surveillance/ Pipelines	Operations and Maintenance Procedures -No operations and maintenance procedures manual or not followed.  Emergency Procedures Manual -ERP manual not updated yearly and exercises not held or details not documented.	November 18, 2008	06-34-058-22W5 M.D. of Greenview	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee has updated its emergency response plan.  Licensee required to provide a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
24	EnCana Corporation	Field Surveillance/ Drilling Operations	Low-pressure and/or high-pressure test(s) not conducted on all required components and/or casing strings.	November 12, 2008	16-05-022-16W4 County of Newell	<p>Operations were not suspended as the noncompliant event occurred in the past.</p> <p>Licensee has updated internal policies and procedures to prevent future noncompliances.</p> <p>Licensee held safety meeting to discuss minimum cementing requirements.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
25	EnCana Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure, and annual segregated pressure in each calendar year).	November 19, 2008	30 Locations	<p>Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
26	Enerplus Resources Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	10-15-019-13W4 10-24-019-13W4 County of Newell	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
27	Enerplus Resources Corporation	Field Surveillance/ Well Service Inspection	Noncompliant with other ERCB requirement – no documentation in regards to <i>Directive 033: Well Servicing and Completions Operations - Interim Requirement Regarding the Potential for Explosive Mixtures and Ignition in Wells</i> .	November 27, 2008	15-14-018-13W4 County of Newell	Operations were not suspended as the noncompliance was corrected immediately.  Licensee provided the required documentation concerning the safe management of the potential for explosive mixtures and ignition in wells and associated surface equipment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	Fairborne Energy Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	15-28-042-23W4 Ponoka County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
						address the noncompliance and prevent future occurrences.  Compliance achieved.
29	Highpine Oil & Gas Limited	Operations Group/ Well Abandonment Audit	Failure to contact area office and discuss remedial action prior to conducting a surface casing cement top fill.	November 12, 2008	11-16-049-08W5  Brazeau County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
30	Husky Oil Operations Limited	Field Surveillance/ Well Site Inspection	Fluid bypassing through blowout preventer controls (BOPs will not function) or pressure dropped below 8400 kPa after function test with pump off.	November 24, 2008	08-19-016-19W4  Vulcan County	Operations suspended.  Licensee corrected the loss of pressure on the accumulator.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	Iteration Energy Ltd.	Field Surveillance/ Pipelines	Pipe coating/handling conditions are unsatisfactory.	November 26, 2008	06-27-073-10W6 16-21-073-10W6  County of Grande Prairie	Operations suspended.  Licensee repaired/replaced any sections of the pipeline that had defects.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
32	Mec Operating Company ULC	Facilities Applications/ Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	November 26, 2008	04-20-046-01W5  County of Wetaskiwin	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
33	MEC Operating Company ULC	Field Surveillance/ Pipelines	Leak detection unsatisfactory.	November 4, 2008	02-26-056-19W4  Lamont County	Operations suspended.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
34	Mosaic Energy Ltd.	Field Surveillance/ Pipelines	No operations and maintenance procedures manual, or not followed.  Internal corrosion control-no monitoring and mitigation in corrosive environment.  Pressure control devices or pressure relief device installations unsatisfactory.	November 4, 2008	03-28-040-05W4  M.D. of Provost	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee implemented a corrosion control monitoring program.  Licensee implemented a operations and maintenance procedures manual.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
35	NAL Resources Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) properly.  Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	06-13-040-26W4  Lacombe County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
36	Nova Gas Transmission Ltd	Environment Group/ Oilfield Waste Generator Audits	Oilfield waste was not properly characterized.  Oilfield waste was not properly classified as either Dangerous (DOW) or non- Dangerous (non-DOW)	November 4, 2008	Licensee (0TB3)	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2007.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
37	Orleans Energy Ltd.	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.	November 18, 2008	03-27-041-02W5  Ponoka County	Application(s) withdrawn prior to issuance of disposition.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
38	Paramount Resources Ltd	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure, and annual segregated pressure in each calendar year).	November 5, 2008	12-14-033-17W4 05-16-033-17W4  Startland County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
39	Paramount Resources Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	November 25, 2008	01-01-118-02W6 M.D. of Mackenzie	Operations were not suspended as the noncompliance was corrected immediately.  Licensee made repairs to the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
40	Paramount Resources Ltd.	Field Surveillance/ Oil Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.  Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	November 28, 2008	04-20-079-07W6 Saddle Hills County	Operations were not suspended as the noncompliance was corrected immediately.  Licensee removed the tank and made repairs to the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
41	Pengrowth Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	06-28-030-23W4 Kneehill County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
42	Penn West Petroleum	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	November 19, 2008	02-30-020-08W4  Special Area 2 (near Jenner)	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
43	Penn West Petroleum Ltd.	Environment Group/ Material Storage Audits	Pre-96 facility single- walled UST (Underground Storage Tank) is not integrity verified every 3 years.	November 5, 2008	13-27-042-08W5  Clearwater County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
44	Petro-Canada	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	November 27, 2008	14-11-093-13W4  Regional Municipality of Wood Buffalo	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
45	Petro-Canada	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Department of Energy.	November 27, 2008	05-33-016-04W4  Cypress County	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
46	Primewest Energy Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	15-20-049-27W4 12-06-049-01W5 12-12-049-01W5  Leduc County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
47	Progress Energy Ltd.	Environment Group/ Oilfield Waste Generator Audit	Oilfield waste was not properly characterized.	November 10, 2008	06-03-069-06W6  M.D. of Greenview	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2006.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
48	Ripper Oil and Gas Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s).  (initial segregated pressure, and annual segregated pressure in each calendar year)	November 5, 2008	05-20-037-24W4  Red Deer County	Operations were not suspended in accordance with Directive 062 ( <i>Coalbed Methane Control Well Requirements and Related Matters</i> )  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) System.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
49	Sabretooth Energy Ltd.	Field Surveillance/ Gas Facilities	Emergency Response Plan(s) (ERPs) - ERP manual not updated yearly, exercises not conducted, or details not documented.  Emergency Response Plan(s) (ERPs) - On-site operator representatives not familiar with ERP.	November 24, 2008	15-13-082-09W6  Saddle Hills County	Operations suspended.  Licensee updated its emergency response plan.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
50	Signalta Resources Limited	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.  Filing the application before expiry of the 14-calendar-day notification period.	November 17, 2008	05-28-015-26W4  M.D. of Willow Creek	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
51	Spur Energy Corp.	Field Surveillance/ Oil Facilities	Surface Runoff Control - Lease not diked (where required).	November 14, 2008	06-34-045-03W5  County of Wetaskiwin	Operations suspended.  Licensee constructed a dike.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
52	Sword Energy Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	12-07-034-18W4 16-24-034-20W4 12-24-035-20W4 County of Stettler  10-24-040-24W4 Lacombe County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
53	Talisman Energy Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure and annual segregated pressure in each calendar year).	November 5, 2008	06-10-045-24W4  County of Wetaskiwin	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
						prevent future occurrences. Compliance achieved.
54	Taqa North Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) (initial segregated pressure, and annual segregated pressure in each calendar year).	November 5, 2008	14-14-029-21W4 08-10-029-24W4 08-29-029-25W4 15-12-030-25W4 Kneehill County  08-04-033-20W4 03-14-033-20W4 Starland County	Operations were not suspended in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> .  Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
55	The Canadian Salt Company Limited La Societe Canadienne	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.  Damage by Others - Proper procedures were not followed, in accordance with Part 5, Section 59 of the <i>Pipeline Regulation</i> : every licensee shall register with the Alberta One-Call service and shall register every licensed pipeline with Alberta One-Call regardless of the operational status of the pipeline.	November 28, 2008	16-11-058-05W4 County of St. Paul	Operations were not suspended as there was not existing or potential impact/hazard to the environment or the public.  Licensee installed new pipeline signs.  Licensee has registered with Alberta One-Call service.  Require a plan to address the noncompliance and prevent future occurrences.  Compliance not yet achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
56	TransCanada Pipelines Limited	Field Surveillance/ Pipelines	Damage by Others – Proper procedures were not followed (ground disturbance).	November 10, 2008	16-26-021-04W4  Special Area 2 (near Buffalo)	Operations suspended.  Licensee implemented new ground disturbance procedures.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
57	Venturion Natural Resources Limited	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.  Failure to notify appropriate ERCB Field Centre (pipeline hit).	November 14, 2008	11-15-046-12W4  Beaver County	Operations suspended.  Licensee to review ground disturbance procedures with staff.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
58	Verge Energy Corp.	Field Surveillance/ Pipelines	Corrosion Internal – There is no documented monitoring or mitigation program in place and/or company is not following program.	November 28, 2008	09-11-040-13W4  Flagstaff County	Operations suspended.  Licensee implemented a corrosion control program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
59	Vero Energy Inc.	Resources Applications/ Commingling	Improper use of the decision trees.	November 6, 2008	01-08-052-13W5 Yellowhead County	Operations were not suspended as compliance was immediately restored.  Licensee confirmed in writing that the noncompliance has been addressed and that well has been shut in and will remain shut in.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
60	Western Canada Energy	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	November 24, 2008	08-26-087-11W6 Clear Hills County	Operations suspended.  Licensee replaced the flame arresters.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
61	Wild River Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	November 20, 2008	10-01-066-05W5 Woodlands County	Licence(s) cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

High Risk Enforcement Action 2 (Persistent Noncompliance) <sup>2</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Devon Canada Corporation	Field Surveillance/ Pipelines	Pressure Control Devices or Pressure Relief Devices – Required function tests not conducted or recorded.	November 6, 2008	05-34-078-25W5 Birch Hills County	Operations were not suspended as the emergency shut down (ESD) was tested at the time of inspection.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB to review its action plan.  Compliance achieved
2	Devon Canada Corporation	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	November 18, 2008	06-19-081-04W6 M.D. of Fairview	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB to review its action plan.  Compliance achieved.
3	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	Construction - depth of cover is unsatisfactory.  No right-of-way surveillance was conducted.	November 4, 2008	10-14-071-04W5 M.D. of Lesser Slave River	Operations suspended.  The pipeline was removed from the river as a failure analysis was completed.  Pipeline right-of-way surveillance was completed on all pipeline water crossings in the Mitsue, Drayton Valley, and Sawn Hills Fields.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee must meet with ERCB to review action plan.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

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

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Low Risk Enforcement Action – Global REFER Summary<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Acheson-East Oil & Gas Co Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 25, 2008	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2008-16.</p> <p>Licensee required to 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> <p>Licensee failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company.</p>
2	Benjaka Exploration Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 10, 2008	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2008-15.</p> <p>Licensee required to 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> <p>Benjaka Exploration Inc. submitted the full security amount and provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Low Risk Enforcement Action – Global REFER Summary<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
3	County Line Energy (Canada) Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2008	10-08-040-01W4 M.D. of Provost	<p>This is an escalation from a previous enforcement action reported on October 28, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1130.</p> <p>Suspension of well licence.</p> <p>Licensee required to 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> <p>County Line Energy (Canada) Inc. submitted the full security amount and provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Compliance achieved.</p>
4	Norlake Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 5, 2008	<p>Well Locations: 08-19-052-06W5 14-19-052-06W5 Parkland County</p> <p>11-21-048-08W5 Brazeau County</p> <p>Pipeline Location: 14-19-052-06W5 Parkland County</p>	<p>This is an escalation from previous enforcement actions reported on September 19, 2008, and October 1, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2008-18 and Closure/Abandonment Order No. AD 2008-19.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Low Risk Enforcement Action – Global REFER Summary<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Abandonment of well and pipeline licences.</p> <p>Licensee required to abandon the properties or pay the security deposit, provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and meet with the ERCB to review Norlake's noncompliant history and action plan.</p> <p>Following this, Norlake Energy Corp. successfully transferred three of four well licences and all pipeline licences and provided a written explanation to the ERCB. However, final ERCB acceptance of the action plan is contingent upon a meeting with the ERCB, which remains outstanding.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action<sup>5</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Canadian Natural Resources Limited	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Canadian Natural Resources Limited has a valid entitlement to the right to produce the well.	November 27, 2008	14-26-057-27W4  Westlock County	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1134.</p> <p>Suspension of well licence.</p> <p>Licensee required to abandon the 14-26-057-27W4 well; complete the Digital Data Submission indicating both the downhole and surface abandonments; provide a written action plan acceptable to the ERCB identifying the root causes of the noncompliance, detailing what procedures the licensee has implemented internally to prevent occurrence of a similar event and an explanation as to why the previous action plan failed; and meet with the ERCB to explain the noncompliance issues and the devised corrective action plan.</p> <p>Canadian Natural Resources Limited abandoned the well on September 30, 2008, completed the Digital Data Submission, submitted an action plan that was accepted by the ERCB, and met with the ERCB to explain the noncompliance issues and the devised corrective action plan.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



Legislative/Regulatory Enforcement Action<sup>5</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
2	Endev Exploration Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Endev Exploration Ltd. has a valid entitlement to the right to produce the well.	November 25, 2008	08-10-018-20W4 16-10-018-20W4  Vulcan County	Global Refer status.  Issuance of Closure Order No. C 1133.  Suspension of well licences.  Licensee required to complete one of the following: a) reacquire or reinstate the mineral rights, b) convert the well for water disposal or injection, c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement, or d) abandon the well.  In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent a recurrence.  Endev Exploration Ltd. subsequently abandoned the wells, completed the Digital Data Submission, and submitted an action plan that was accepted by the ERCB.  Compliance achieved.
3	JED Production Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to complete surface abandonment in accordance with <i>Directive 020: Well Abandonment Guide</i> as previously directed by the Energy	November 13, 2008	Well Location: 10-24-055-23W4 Sturgeon County  Pipeline Location: 10-24-055-23W4 Sturgeon County	Global Refer status.  Licensee required to a) complete the surface abandonment of the 10-24-055-23W4 well; b) abandon ERCB Pipeline Licence

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
			Resources Conservation Board.			<p>No. 39612, Line No. 001, in accordance with the <i>Pipeline Act</i> and <i>Pipeline Regulation</i> and submit confirmation of the completion of abandonment operations and surface equipment removal operations in accordance with <i>Directive 056: Energy Development Applications and Schedules</i>;</p> <p>c) confirm through photographic and GPS evidence, that the surface abandonments of the following wells are in compliance with <i>Directive 020: 11-11-123-18W5</i> and <i>16-22-122-22W5</i>;</p> <p>d) provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detailing what procedures the licensee has implemented internally to prevent a recurrence; and</p> <p>e) meet with the ERCB to review JED Production Inc.'s noncompliance history and corrective action plan.</p> <p>JED Production Inc. satisfactorily addressed the items above and, accordingly, the Global REFER status was removed.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
4	Penn West Petroleum Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Penn West Petroleum Ltd. has a valid entitlement to the right to produce the well.	November 25, 2008	09-04-093-12W5  Northern Sunrise County	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1132.</p> <p>Suspension of well licence.</p> <p>Licensee required to complete one of the following:</p> <ul style="list-style-type: none"> <li>a) reacquire or reinstate the mineral rights,</li> <li>b) convert the well for water disposal or injection,</li> <li>c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement, or</li> <li>d) abandon the well.</li> </ul> <p>In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent a recurrence.</p> <p>Penn West Petroleum Ltd. submitted an action plan and requested an abandonment extension and the removal of the Global REFER status. The ERCB provided the following special dispensation:</p> <ul style="list-style-type: none"> <li>- the Global REFER status was removed, and</li> <li>- an extension was granted until March 15, 2009, to abandon the subject well and satisfy the ERCB with the appropriate documentation.</li> </ul> <p>Penn West Petroleum Ltd. subsequently abandoned the well and completed the</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						Digital Data Submission.  Compliance achieved.
5	Premium Petroleum Inc.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Premium Petroleum Inc. is a resident of Alberta.	November 25, 2008	Well Locations: 14-15-061-11W4 09-22-061-11W4  Pipeline Location: 14-15-061-11W4  County of St. Paul	This is an escalation from a previous enforcement action reported on October 21, 2008.  Global Refer status.  Issuance of Abandonment Orders No. AD 2008-20 and AD 2008-21.  Abandonment of well and pipeline licences.  Licensee required to complete one of the following: 1) provide substantive information to show that Premium Petroleum Inc. has a fully functioning office in Alberta, or  2) apply for the appointment of an approved agent should Premium Petroleum Inc. deem that it does not have a fully functioning office in Alberta.  Premium Petroleum Inc. subsequently transferred all licences to a responsible party, received ERCB approval to appoint an approved agent, and provided a corporate profile update and a certificate of proof of insurance.  Closure and Abandonment Orders rescinded.  Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
6	Zenergy Canada Corp.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Zenergy Canada Corp. has a valid entitlement to the right to produce the well.	November 25, 2008	10-09-020-10W4  Cypress County	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1131.</p> <p>Suspension of well licence.</p> <p>Licensee required to complete one of the following:</p> <ul style="list-style-type: none"> <li>a) reacquire or reinstate the mineral rights,</li> <li>b) convert the well for water disposal or injection,</li> <li>c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement, or</li> <li>d) abandon the well.</li> </ul> <p>In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent a recurrence.</p> <p>Zenergy Canada Corp. failed to comply. Abandonment Order No. AD 2009-4 issued. In addition, the ERCB required that a documented meeting be held to review the licensee's noncompliant history and action plan.</p> <p>Zenergy Canada Corp. subsequently abandoned the well licence, completed the Digital Data Submission, and provided a written explanation to the ERCB. However, final ERCB acceptance of the action plan is contingent upon a meeting with the ERCB, which remains outstanding.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).

## Endnotes

### **Directive 019 – High Risk Enforcement Action 1 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB identifies a High Risk noncompliance event. To address High Risk Enforcement Action 1, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 days (or in the time specified by the ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension until the noncompliance is corrected/addressed; suspension and/or cancellation of permit, licence, or approval.

### <sup>2</sup> **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 2 is initiated against a licensee who has an unacceptable rate, ratio, percentage or number of noncompliances, either in the same or in different compliance categories. To address High Risk Enforcement Action 2, the licensee must: immediately correct/address the High Risk noncompliance; develop and implement a written action plan within 30 days (or in the time specified by the ERCB group) addressing the root causes of previous noncompliance events and detailing what the licensee will do to prevent future noncompliance events in this compliance category/categories; if operations were suspended, have the action plan approved by the ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval.

### <sup>3</sup> **Directive 019 – High Risk Enforcement Action 3 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 3 is initiated against a licensee who has failed to comply with the requirements of High Risk Enforcement Action 1, 2, or 3, or has demonstrated disregard of ERCB requirements that have been identified as High Risk. To address High Risk Enforcement Action 3, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public); develop and implement a written action plan acceptable to the ERCB group that addresses the root causes of noncompliance events and details what the licensee will do to prevent future noncompliance events in this compliance category; and meet with the ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; third-party audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status: focused or global.

High Risk Enforcement Action 3 with global Refer results in formal orders to comply (Closure, Miscellaneous and Abandonment) and the imposition of the global Refer status against the licensee. The global Refer status indicates a licensee's inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company.

### <sup>4</sup> **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, Low Risk Enforcement Action – global Refer is initiated against a licensee who has failed to correct/address a Low Risk noncompliance event in the time specified by the ERCB group. Low Risk Enforcement Action – global Refer enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee's inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions of continued operation may be applied to the entire company. To address Low Risk Enforcement Action, the licensee must: immediately correct/address the Low Risk noncompliance within the time specified by the ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB group addressing the failure to respond and detailing steps to prevent future occurrences.

### <sup>5</sup> **Legislative/Regulatory Enforcement Action Summary**

In accordance with certain legislative authorities, Legislative/Regulatory enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee's inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company. Enforcement actions that are not administered through *Directive 019*, but rather through existing legislation, and for which enforcement proceeds directly to a formal order and global Refer are: mineral lease expiry, surface lease expiry, environmental and public safety concerns, and failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and a working interest ownership in the property.