



# ERCBC Monthly Enforcement Action Summary

March 2008

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

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640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

Telephone: 403-297-8311  
Fax: 403-297-7040  
E-mail: [Publications@ercb.ca](mailto:Publications@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)..... 22

High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard)..... 23

Low Risk Enforcement Action – Global REFER Summary ..... 24

Legislative/Regulatory Enforcement Action ..... 25

Endnotes ..... 28



High Risk Compliance Category Statistics				
ERCB	Compliance Category	March 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	54	5	91%
	Facilities Technical	20	3	85%
	Pipelines/Pipeline Installations Technical	66	0	100%
	Wells Technical	20	6	70%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	23	2	91%
	Commingling	n/a	2	n/a
	Control Wells	n/a	5	n/a
	Gas Allowables	n/a	1	n/a
	Spacing	n/a	1	n/a
<b>Subtotal</b>		<b>183</b>	<b>25</b>	<b>86%</b>
<b>Compliance and Operations Branch</b>				
Environmental Group Waste and Storage Section	Oilfield Waste Generator	n/a	2	n/a
<b>Subtotal</b>		<b>n/a</b>	<b>2</b>	<b>n/a</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	37	4	89%
	Well Servicing	15	1	93%
	Oil Facilities	281	5	98%
	Gas Facilities	155	7	95%
	Pipelines	162	17	90%
	Drilling Waste	13	2	85%
	Well Site Inspections	374	4	99%
	Waste Management	11	0	100%
<b>Subtotal</b>		<b>1048</b>	<b>40</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	507	5	99%
<b>Subtotal</b>		<b>507</b>	<b>5</b>	<b>99%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1738</b>	<b>72</b>	<b>95.9%</b>

Note: Compliance category data are evaluated annually and results presented in *ST99 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.	Facilities Applications/ Facilities Technical	Failure to submit a facility licence application as "Facilities-technical nonroutine" when required.	March 26, 2008	13-28-037-21W4 Red Deer County	<p>Licence not suspended or cancelled, as mitigative measures are in place.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Access Pipeline Inc.	Field Surveillance/ Pipelines	<p>No operations and maintenance procedures manual, or not followed.</p> <p>Damage by others – proper procedures not followed.</p>	March 24, 2008	06-31-053-22W4 Strathcona County	<p>Operations suspended.</p> <p>Licensee implemented a Project Safety Manual that addresses ground disturbance activities.</p> <p>Licensee provided a plan to address the noncompliances and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Accrete Energy Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	March 28, 2008	11-18-032-05W5 Mountain View County	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>

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4	Advantage Oil & Gas Ltd.	Field Surveillance/ Pipelines	Disregard for the hand excavation requirements.	March 17, 2008	10-36-112-05W6 M.D. of Mackenzie	Operations were not suspended, as pipeline was abandoned.  Licensee implemented ground disturbance training as a requirement for all field personnel.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
5	Albian Sands Energy Inc.	Field Surveillance/ Pipelines	Pressure testing – test medium/ disposal unsatisfactory.	March 19, 2008	03-24-095-10W4 Regional Municipality of Wood Buffalo	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
6	AltaGas Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the 3-year frequency; operator cannot demonstrate tank integrity.	March 27, 2008	04-33-017-12W4 County of Newell	Operations suspended.  Licensee conducted integrity testing on the tanks.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
7	Anderson Energy Ltd.	Resources Applications/ Commingling	Improper use of the SD (Self-Declared) decision tree.	March 20, 2008	06-15-038-05W5 Clearwater County	Operations suspended.  Licensee confirmed the well has been shut in and will remain shut in until approval from the ERCB.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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8	Apache Canada Ltd.	Environment Group/ Waste and Storage	Oilfield waste not properly characterized.  Oilfield waste not properly classified as either Dangerous (DOW) or non-Dangerous (non-DOW).	March 26, 2008	06-18-036-02W4  M.D. of Provost  07-15-114-05W6  Mackenzie County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2006.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved
9	Assure Energy Inc.	Resources Applications/ Enhanced Recovery Schemes	Failure to meet approval requirements.	March 6, 2008	14-17-042-02W4  M.D. of Wainwright	Operator submitted an application.  Application approved.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
10	B&G Energy Ltd.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting (Directive 060).	March 20, 2008	15-34-046-26W4  County of Wetaskiwin	Operations were not suspended, as there was no immediate or potential hazard/impact to the public and/or environment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
11	Bellamont Exploration Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 20, 2008	07-30-083-23W5  M.D. of Peace	Licence and operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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12	Bonavista Petroleum Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.  Vapour recovery equipment inadequate/ not operable.  H <sub>2</sub> S emissions off lease.	March 11, 2008	07-04-034-05W5  Mountain View County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee repaired the site glass on the flame arrestor.  Licensee cleaned out the vapour recovery unit.  Licensee made repairs to the tank that was the source of the odours.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.
13	Bonavista Petroleum Ltd.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	March 11, 2008	10-04-034-05W5  Mountain View County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee repaired the pressure relief valve on the tank that was the source of the odour.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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14	Breton Energy Inc.	Field Surveillance/ Drilling Operations	Fluid turn(s) in bleed-off line(s) not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	March 12, 2008	11-16-048-05W4 County of Vermilion River	<p>Operations were not suspended, as the drilling was completed at the time of inspection.</p> <p>Licensee correctly reinstalled the fluid tee to allow for proper flow.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Burlington Resources Canada Ltd.	Facilities Applications/ Facilities Technical	Failure to submit a facility licence application as "Facilities-technical nonroutine" when required.	March 27, 2008	11-23-041-04-W5 Clearwater County	<p>Licence not suspended or cancelled, as mitigative measures are in place.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
16	Canadian Natural Resources Limited	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	March 28, 2008	11-04-027-18W4 Wheatland County	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>

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17	Centrica Canada Limited	Resources Applications/ Control Wells	Production without requisite control wells.	March 7, 2008	13-01-038-19W4 16-05-038-19W4 09-35-037-19W4 04-25-037-19W4 08-23-037-19W4 10-23-037-19W4 County of Stettler	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
18	ConocoPhillips Canada (BRC) Ltd.	Field Surveillance/ Drilling Inspection	Fluid turns in flare line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.  STICK diagram does not contain all the required information.	March 26, 2008	03-11-052-05W5 Parkland County	Operations were not suspended, as there was no immediate or potential hazard/impact to the public and/or environment.  Licensee corrected the installation of the fluid turn to allow for proper flow.  Licensee completed the STICK diagram.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
19	ConocoPhillips Canada Resources Corp.	Facilities Applications/ Wells Technical	Failure to meet or address the water body setback requirement prior to filing the application.	March 3, 2008	16-05-043-02W5 Ponoka County	Licence and operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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20	Crew Energy Inc.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the 3-year frequency; operator cannot demonstrate tank integrity.	March 19, 2008	16-26-057-13W4 County of St. Paul	Operations were not suspended as the noncompliance was corrected immediately.  Licensee conducted integrity testing on the tank within a week.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Direct Energy Marketing Limited	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area unsatisfactory.	March 12, 2008	14-29-064-01W5 Westlock County	Operations suspended.  Licensee held a safety meeting to highlight the incident and the importance of following established guidelines and procedures.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	Duvernay Oil Corp.	Field Surveillance/ Drilling Waste	Accumulator pressure dropped below 8400 kPa after function test (of all required blowout preventers) with the recharge pump off.  Trip records not accurately completed.	March 3, 2008	14-29-053-21W5 Yellowhead County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee updated internal procedures to show that flow checks are performed regularly.  Licensee to report trip volumes on a daily basis.  Compliance achieved.

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23	EnCana Corporation	Resources Applications/ Control Wells	Production without requisite control wells.	March 7, 2008	14-25-024-22W4 Wheatland County 11-01-043-04W5 Ponoka County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
24	EnCana Corporation	Field Surveillance/ Pipelines	Pressure control devices or pressure relief device installations unsatisfactory.  Pipeline sign missing or defaced on both sides of a crossing.	March 31, 2008	14-21-015-15W4 County of Newell	Operations were not suspended as there was no immediate or potential hazard/ impact to the public and/ or environment.  Licensee submitted an application to lower the maximum operating pressure allowed for the licence.  Licensee installed proper signage.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
25	EnCana Oil & Gas Partnership	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	March 28, 2008	16-33-014-15W4 M.D. of Taber	Operations suspended.  Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired.  Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.

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26	Enerplus Resources Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 6, 2008	13-32-019-14W4 County of Newell	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
27	Enerplus Resources Corporation	Facilities Applications/ Wells Technical	Failure to acquire the necessary well licence prior to commencing site preparation, construction and/or operation.	March 6, 2008	13-32-019-14W4 County of Newell	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	EOG Resources Canada Inc.	Resources Applications/ Commingling	Improper use of the SD (Self-Declared) decision tree.	March 17, 2008	05-21-021-20W4 Wheatland County	Operations suspended.  Licensee confirmed that the well is shut in and will remain shut -in until approval from the ERCB is granted.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
29	First West Petroleum Inc.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	March 20, 2008	15-22-030-18W4 Starland County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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30	Galleon Energy Inc.	Field Surveillance/ Pipelines	Internal corrosion control – no monitoring and mitigation in corrosive environment.  Cathodic protection system not operational or not installed.  Pressure control devices or pressure relief device installations unsatisfactory.	March 10, 2008	16-36-078-10W6  Saddle Hills County	Operations suspended.  Licensee implemented a corrosion control program.  Licensee restored cathodic protection.  Licensee to check pressure control devices on a monthly basis to ensure functionality.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	Gentry Resources Ltd.	Field Surveillance/ Well Service	Noncompliant with other ERCB requirement of Directive 033, documented practices not available at the well site for the safe management of the potential for explosive mixtures and ignition in wells and associated surface equipment.	March 3, 2008	08-36-018-11W4  County of Newell	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee implemented a work permit/hazard identification form to be completed by the on-site completions supervisor.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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32	Gentry Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	March 28, 2008	01-06-019-11W4 10-12-019-12W4 County of Newell	<p>01-6: Operations suspended.</p> <p>Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Surveillance suggests that the well resumed production prior to the retirement of all cumulative overproduction. Discussions are ongoing.</p> <p>10-12: Operations not suspended, as all overproduction has been retired. Request for reconsideration of enforcement action denied.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>10-12: All overproduction retired.</p> <p>10-12: Compliance achieved.</p>
33	Harvest Operations Corp.	Field Surveillance/ Pipelines	Substance different from that stated on licence and the line is operating.	March 12, 2008	14-03-072-05W6 County of Grande Prairie	<p>Operations were not suspended, as there was no immediate or potential hazard/impact to the public and/or environment.</p> <p>Licensee amended the licence to show the correct substance.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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34	Harvest Operations Corp.	Field Surveillance/ Well Site Inspection	Lease not diked where required.	March 19, 2008	02-28-041-14W4  Flagstaff County	Operations suspended.  Licensee constructed a dike.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
35	Harvest Operations Corp.	Field Surveillance/ Oil Facilities	Flame type equipment without workable flame arrester less than 25 m from a process vessel.	March 19, 2008	03-28-041-14W4  Flagstaff County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed bolts/nuts on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
36	Highpine Oil & Gas Limited	Field Surveillance/ Well Site	H <sub>2</sub> S emissions off lease.  Well testing and flaring – Failure to comply with special conditions of permit or approval.	March 12, 2008	11-11-050-08W5  Brazeau County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee capped the hoses on the truck that was the source of the odours.  Licensee will give written notice to the ERCB prior to flaring.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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37	Husky Oil Operations Limited	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	March 4, 2008	13-36-050-17W4  Beaver County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
38	Kootenay Energy Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	March 3, 2008	12-28-057-19W4  Lamont County	Operations suspended.  Licensee repaired the damaged section of pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
39	Korea National Oil Corporation	Field Surveillance/ Drilling Waste	Sump located in porous/ coarse soil.  Storage requirements not being met.	March 12, 2008	09-01-076-07W4  Regional Municipality of Wood Buffalo	Operations suspended.  Licensee updated its environmental operating procedures.  Licensee removed the drilling waste that was stored directly on the ground.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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40	Mancal Energy Inc.	Field Surveillance/ Pipelines	Hand excavation: Mechanical excavation taking place within 5 m of existing pipeline prior to hand exposure.  Notification to the owner of the existing pipeline prior to ground disturbance unsatisfactory.	March 4, 2008	08-04-057-21W4  Sturgeon County	Operations suspended.  Licensee developed a ground disturbance manual.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
41	Mec Operating Company ULC	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	March 14, 2008	11-18-049-25W4  Leduc County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
42	Nuvista Energy Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	March 10, 2008	10-19-062-01W4  M.D. of Bonnyville	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
43	Omers Energy Inc.	Field Surveillance/ Drilling Waste	Disposal closer than allowable limits to surface water.	March 19, 2008	02-33-042-04W5  Ponoka County	Operations were not suspended, as the incident occurred prior to the inspection.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
44	Penn West Petroleum Ltd.	Resources Applications/ Gas Allowables	Producing without an allowable.	March 12, 2008	04-04-083-13W5  Northern Sunrise County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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45	Penn West Petroleum Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/ or industry personal consultation and notification prior to filing the application.  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.	March 27, 2008	15-35-051-26W4  Parkland County	Licence suspended.  Licensee has resolved the outstanding issues through the ERCB's Review and Variance process.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
46	Pennine Petroleum Corporation	Field Surveillance/ Oil Facilities	Contaminated material stored directly on the ground.	March 27, 2008	01-11-004-29W4  Special Area 3	Operations were not suspended as the noncompliance was corrected immediately.  Licensee removed all contaminated material from the lease.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
47	Petro-Canada	Resources Applications/ Spacing	Production of too many wells per pool per DSU or Holding without approval.	March 5, 2008	11-15-033-07W5 16-15-033-07W5 05-20-033-07W5 09-20-033-07W5  Mountain View County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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48	Primewest Energy Inc.	Resources Applications/ Control Wells	Production without requisite control wells.	March 13, 2008	Enforcement includes 87 wells in total.	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
49	Primewest Energy Inc.	Geology and Reserves /Oil Overproduction	Failure to retire oil overproduction.	March 28, 2008	12-16-047-09W5 Brazeau County	Operations suspended.  Licensee confirmed the well has been shut-in and will remain shut-in until all overproduction has been retired.  Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.
50	Spectra Energy Midstream Corporation	Field Surveillance/ Gas Facilities	Flame type equipment without workable flame arrester less than 25 m from a process vessel.  Underground tank(s) not tested at the 3 year frequency/ operator cannot demonstrate tank integrity.  Pilot/ ignition device not available/ operable (intermittent sour and acid gas flares).	March 18, 2008	16-33-038-22W4 Red Deer County	Operations were not suspended as there was no immediate or potential hazard/ impact to the public and/ or environment.  Licensee installed bolts/ nuts on the flame arrester.  Licensee conducted integrity testing on the tanks.  Licensee installed an ignition device.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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51	Talisman Energy Inc.	Field Surveillance/ Oil Facilities	Pilot/ignition device not available/operable (intermittent sour and acid gas flares).	March 4, 2008	05-22-078-10W6 Saddle Hills County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee fixed the flare igniter.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
52	Talisman Energy Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	March 6, 2008	16-12-078-11W6 Saddle Hills County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed bolts/nuts on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
53	Talisman Energy Inc.	Field Surveillance/ Pipelines	Damage by others - disregard for the acts and regulations.	March 27, 2008	05-03-057-05W6 M.D. of Greenview	Operations were not suspended, as there was no immediate or potential hazard/impact to the public and/or environment.  Licensee reviewed and updated their ground disturbance manual/procedures.  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
54	Taqa North Ltd.	Resources Applications/ Control Wells	Production without requisite control wells.	March 10, 2008	08-23-032-21W4  Starland County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
55	Trilogy Energy Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.  Vapour recovery equipment inadequate/ not operable.  Spill on/off lease not adequately controlled/ cleaned up.	March 4, 2008	08-09-064-19W5  M.D. of Greenview	Operations were not suspended, as there was no immediate or potential hazard/impact to the public and/or environment.  Licensee installed new gaskets in the flame arresters.  Licensee upgraded the vapour recovery system.  Licensee cleaned up the spill.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
56	True Energy Inc.	Field Surveillance/ Drilling Waste	STICK diagram does not contain all the required information.	March 18, 2008	11-23-045-11W5  Brazeau County	Operations suspended.  Licensee completed the STICK diagram.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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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
57	Twoco Petroleums Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/ or industry personal consultation and notification prior to filing the application.  Failure to provide the required project-specific information package prior to filing the application.	March 19, 2008	13-30-058-15W4  Lamont County	Licence and operations suspended.  Licensee resolved outstanding concerns.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
58	Vermilion Resources Ltd.	Resources Applications/ Control Wells	Production without requisite control wells.	March 7, 2008	Enforcement includes 12 wells in total.	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
59	Vermilion Resources Ltd	Resources Applications/ Enhanced Recovery Schemes	Failure to meet approval requirements.	March 10, 2008	02-36-081-10W5  Northern Sunrise County	Operations commenced injection.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
60	Vermilion Resources Ltd.	Field Surveillance/ Pipelines	Damage by others - disregard for the acts and regulations.	March 25, 2008	12-05-064-20W4  County of Athabasca	Operations suspended.  Licensee repaired and abandoned the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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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
61	Zapata Energy Corporation	Field Surveillance/ Pipelines	H <sub>2</sub> S content higher than that stated on licence and the line is operating.	March 19, 2008	06-22-029-20W4 Starland County	Operations suspended.  Licensee submitted an application to amend the licence.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
62	Zapata Energy Corporation	Field Surveillance/ Pipelines	H <sub>2</sub> S content higher than that stated on licence and the line is operating.	March 19, 2008	08-23-029-20W4 Starland County	Operations suspended.  Licensee submitted an application to amend the licence.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
63	Zapata Energy Corporation	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.  Right-of-way maintenance and patrols not being performed and/or documented in class 2, 3, or 4 (as per Canadian Standards Association Z662-07, oil and gas pipeline systems).	March 19, 2008	10-23-029-20W4 Starland County	Operations were not suspended, as the noncompliances were corrected immediately.  Licensee installed signs.  Licensee completed right-of-way patrols.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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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	EOG Resources Canada Inc.	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements prior to filing an application.	March 19, 2008	08-22-035-27W4 06-22-035-27W4 Red Deer County	Licences not cancelled or suspended, as the wells are drilled and cased.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Canadian Natural Resources Limited	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys- no records of survey results.	March 7, 2008	02-01-038-25W4 Lacombe County	Operations suspended.  Licensee completed a cathodic survey for 2008.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Talisman Energy Inc.	Field Surveillance/ Gas Facilities	Flame type equipment without workable flame arresters less than 25 m from a process vessel.	March 31, 2008	10-08-081-13W6 Saddle Hills County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed bolts/nuts on the flame arrester.  Licensee met with the ERCB to review the action plan.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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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
	None					

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	979708 Alberta Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that 979708 Alberta Ltd. has a valid entitlement to the right to produce the well.	March 5, 2008	10-03-092-13W5  Northern Sunrise County	Global Refer Status.  Issuance of an Closure/Abandonment Order No.: AD 2008-5.  Suspension of licence.  Licensee required to abandon the 10-03-092-13W5 well; complete the Digital Data Submission (DDS) indicating both the downhole and surface abandonment; provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detailing what procedures the licensee has implemented internally to prevent occurrence of a similar event; and meet with the ERCB.  979708 Alberta Ltd. failed to comply.
2	Primewest Energy Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Primewest Energy Inc. has a valid entitlement to the right to produce the well.	March 19, 2008	12-25-044-08W5	Global Refer Status  Issuance of a Closure Order No.: C 1107  Suspension of licence.  Licensee required to abandon the 12-25-044-08W5 well; complete the DDS indicating both the downhole and surface abandonment; provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detailing what procedures the licensee has implemented internally to prevent

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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
						<p>occurrence of a similar event; meet with the ERCB.</p> <p>Primewest Energy Inc. achieved compliance by abandoning the 12-25-044-08W5 well, submitting the required DDS information; providing a written action plan acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and meeting with the ERCB to discuss the noncompliance issues.</p> <p>Compliance achieved.</p>
3	Savant Energy Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Savant Energy Ltd. has a valid entitlement to the right to produce the well.	March 10, 2008	16-20-057-05W5  County of Barrhead	<p>Global Refer Status</p> <p>Issuance of Closure Order No.: C 1105.</p> <p>Suspension of licence.</p> <p>Licensee required to abandon the 16-20-057-05W5 well; complete the DDS indicating the downhole and surface abandonment; provide an action plan acceptable to the ERCB identifying the root causes of noncompliance, detailing what procedures the licensee has implemented internally to prevent occurrence of a similar event.</p> <p>Savant Energy Ltd. achieved compliance by abandoning the 16-20-057-05W5 well; submitting the required DDS information; and providing a written action plan</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
						<p>acceptable to the ERCB addressing the failure to respond, an explanation of why previous action plans failed, and outlining internal procedures implemented to prevent occurrence of a similar event.</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).

## Endnotes

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