



# ERCB Monthly Enforcement Action Summary

April 2008

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

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High Risk Compliance Category Statistics				
ERCB	Compliance Category	APRIL 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	70	7	90%
	Facilities Technical	17	1	94%
	Pipelines/Pipeline Installations Technical	24	0	100%
	Wells Technical	44	5	87%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Spacing	n/a	3	n/a
	Commingling	n/a	4	n/a
	Experimental In Situ Oil Sands Schemes	n/a	1	n/a
	Control Wells	n/a	1	n/a
<b>Subtotal</b>		<b>155</b>	<b>22</b>	<b>86%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Sulphur Recovery	103	3	97%
	Production Measurement & Reporting	7	6	14%
Environment Group Waste and Storage Section	Storage Audits	5	0	100%
	Oilfield Waste Receiver	1	1	0%
<b>Subtotal</b>		<b>116</b>	<b>10</b>	<b>91%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	40	0	100%
	Well Servicing	19	1	94%
	Oil Facilities	184	7	96%
	Gas Facilities	99	3	96%
	Pipelines	153	14	90%
	Drilling Waste	3	0	100%
	Waste management	3	2	66%
	Well Site Inspections	209	1	99%
<b>Subtotal</b>		<b>710</b>	<b>28</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	508	1	100%
<b>Subtotal</b>		<b>508</b>	<b>1</b>	<b>100%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1489</b>	<b>61</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	Advantage Oil & Gas Ltd.	Field Surveillance/ Gas Facilities	H <sub>2</sub> S emissions off lease.	April 3, 2008	12-23-051-27W4 Parkland County	Operations suspended.  Licensee repaired the tank that was the source of the odours.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Advantage Oil & Gas Ltd.	Field Surveillance/ Oil Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	April 16, 2008	07-31-052-25W4 Parkland County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee conducted integrity testing on the tanks.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Advantage Oil & Gas Ltd.	Field Surveillance/ Pipelines	No operations and maintenance procedures manual, or not followed.  Damage by others – proper procedures were not followed.	April 20, 2008	12-12-045-02W5 County of Wetaskiwin	Operations suspended.  Licensee has updated internal procedures on ground disturbance procedures.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
4	Anterra Energy Inc.	Resource Applications/ Spacing	Production of more than one well per pool per drilling spacing unit without approval.	April 1, 2008	09-09-023-14W4 Vulcan County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Apache Canada Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	April 1, 2008	100/06-31-038-07W4/2 M.D. of Provost	Licence suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
6	Assure Energy Inc.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	April 3, 2008	11-34-051-27W4 Parkland County	Operations suspended.  Licensee repaired the tank that was the source of the odours.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
7	Baytex Energy Ltd.	Field Surveillance/ Waste Facilities	Surface run-on/ runoff control not installed where required.	April 22, 2008	SW-16-061-03W4 M.D. of Bonnyville	Operations were not suspended, as there was no potential impact/hazard to the environment or the public.  Licensee constructed a containment area.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
8	Bonavista Petroleum Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	April 1, 2008	02-20-036-03W5 Camrose County	Licence not cancelled or suspended, as the noncompliance was corrected immediately.  Licensee addressed the outstanding public concerns.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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9	Bowood Energy Corp.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	April 8, 2008	03-31-012-16W4  M.D. of Taber	Licence suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
10	BP Canada Energy Company	Resources Applications/ Commingling	Commingling without approval.	April 24, 2008	08-04-076-26W4  M.D. of Lesser Slave River	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
11	Breaker Energy Ltd.	Operations Group/ Production Measurement & Reporting	Delivery point hydrocarbon liquid measurement device(s) does not exist, or is not installed correctly, or not in use.  Inaccurate vent gas estimation.  Inaccurate accounting and reporting of hydrocarbons liquid dispositions.  Inaccurate reporting of vent gas.  Inaccurate accounting and reporting of actual hydrocarbons liquid production.  Inaccurate accounting and reporting of actual gas production.	April 30, 2008	13-15-076-22W5  M.D. of Smoky River	Operations were not suspended, as there was no potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Although this has been received and reviewed, volumes reported to the Petroleum Registry still require further amending and therefore compliance has not been achieved to date.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
12	Canadian Forest Oil Ltd.	Operations Group/ Production Measurement & Reporting	<p>Delivery point hydrocarbon liquid measurement device(s) does not exist, or is not installed correctly, or not in use.</p> <p>Inadequate production audit trail.</p> <p>Inaccurate accounting and reporting of gas dispositions.</p> <p>Inaccurate reporting of vent gas.</p> <p>Inaccurate accounting and reporting of actual hydrocarbons liquid production.</p> <p>Inaccurate accounting and reporting of actual gas production.</p>	April 29, 2008	12-22-038-01W4 M.D. of Provost	<p>Operations were not suspended, as there was no potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliances and prevent future occurrences.</p> <p>Although this has been received and reviewed, complete compliance has not been achieved to date.</p>
13	Canadian Forest Oil Ltd.	Facilities Applications/ Well Technical	Failure to acquire the abandoned wellbore rights.	March 26, 2008	05-20-038-01W4 M.D. of Provost	<p>Licence cancelled.</p> <p>Licensee appealed the High Risk enforcement action; appeal denied by the Enforcement Advisor.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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14	Canadian Natural Resources Limited	Field Surveillance/ Oil Facilities	Release criteria in Directive 055/ Directive 058 not met prior to release.	April 14, 2008	06-12-055-06W4 Yellowhead County	Operations were not suspended, as the incident occurred prior to the inspection.  Licensee installed signage at the location directing staff to contact the management before any work may commence.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
15	Canadian Natural Resources Limited	Resource Applications/ Spacing	Production of more than one well per pool per drilling spacing unit without approval.	April 17, 2008	Section 22-076-15W4 Lac La Biche County	Operations were not suspended, as the licensee made corrections to the production strings with the Petroleum Registry.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
16	Compass Petroleum Inc.	Operations Group/ Production Measurement & Reporting	Delivery point hydrocarbon liquid measurement device(s) does not exist, or is not installed correctly, or not in use.  Inaccurate flare gas estimation.  Inaccurate reporting of flare gas.	April 15, 2008	02-27-011-14W4 03-34-010-15W4 M.D. of Taber	Operations were not suspended, as there was no potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.

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17	Daylight Energy Ltd.	Operations Group/ Production Measurement & Reporting	Inaccurate accounting and reporting of hydrocarbons liquid dispositions.  Inaccurate accounting and reporting of actual hydrocarbons liquid production.	April 9, 2008	10-32-070-09W6 County of Grande Prairie 14-10-084-08W6 M.D. of Clearhills 16-22-077-06W6 M.D. of Spirit River	Operations were not suspended, as there was no potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.
18	Daylight Energy Ltd.	Field Surveillance/ Oil Facilities	Flare reductions during planned shutdowns and emergency events not in compliance with flaring requirements.	April 30, 2008	05-02-049-27W4 Leduc County	Operations suspended.  Licensee made pipeline amendments and installed a compressor to enable delivery of solution gas.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
19	Devon Canada Corporation	Field Surveillance/ Oil Facilities	Lease not diked where required.	April 14, 2008	13-30-063-07W4 M.D. of Bonnyville	Operations not suspended, as mitigative measures are in place.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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20	Direct Energy Marketing Limited	Field Surveillance/ Pipelines	Joining/inspection and testing – joining/radiograph unsatisfactory.	April 18, 2008	10-27-014-02W4 Cypress County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee implemented new policy requiring any contractor installing high-density polyethylene piping to prepare and submit a manual detailing the procedures to be used.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Enermark Inc.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre (pipeline failure).	April 22, 2008	16-07-013-05W4 Cypress County	Operations suspended.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	EOG Resources Canada Inc.	Resources Applications/ Control Wells	Production without requisite control wells.	April 28, 2008	Enforcement includes 47 wells in total.	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	Fairborne Energy Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	April 9, 2008	15-09-051-23W4 Strathcona County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee conducted integrity testing on the tank.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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24	FET Resources Ltd.	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	April 3, 2008	09-13-078-11W6 M.D. of Saddle Hills	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
25	Galleon Energy Inc.	Field Surveillance/ Pipelines	Pressure control devices or pressure relief device installations unsatisfactory.	April 4, 2008	16-15-072-26W5 M.D. of Lesser Slave River	Operations suspended.  Licensee installed and tested new pressure control devices.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
26	Highpine Energy Ltd.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	April 21, 2008	03-23-047-11W5 Brazeau County	Licence not cancelled or suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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27	Hunt Oil Company Inc.	Operations Group/ Production Measurement & Reporting	<p>Delivery point hydrocarbon liquid measurement device(s) does not exist, or is not installed correctly, or not in use.</p> <p>Inaccurate accounting and reporting of hydrocarbons liquid dispositions.</p> <p>Inaccurate accounting and reporting of gas dispositions.</p> <p>Inaccurate accounting and reporting of gas receipts.</p> <p>Inaccurate accounting and reporting of actual hydrocarbons liquid production.</p> <p>Inaccurate accounting and reporting of actual gas production.</p>	April 30, 2008	02-30-071-26W5  M.D. of Greenview	<p>Operations were not suspended, as there was no potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliances and prevent future occurrences.</p> <p>Although this has been received and reviewed, complete compliance has not been achieved to date.</p> <p>Compliance achieved.</p>
28	Husky Oil Operations Limited	Field Surveillance/ Well Servicing	<p>Improper pipe ram sizing.</p> <p>Blowout preventer components not pressure tested.</p>	April 10, 2008	15-32-038-01W4  M.D. of Provost	<p>Operations suspended.</p> <p>Licensee installed the proper size pipe ram.</p> <p>Licensee conducted pressure testing on the blowout preventer.</p> <p>Licensee provided a plan to address the noncompliances and prevent future occurrences.</p> <p>Compliance achieved.</p>

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29	Leddy Exploration Limited	Field Surveillance/ Oil Facilities	Flare reductions during planned shutdowns and emergency events not in compliance with flaring requirements.  No personal consultation/notification public notification where required.	April 30, 2008	13-35-048-27W4  Leduc County	Operations suspended.  Licensee implemented a new flaring process to ensure requirements are met.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
30	Meg Energy Corp.	Field Surveillance/ Pipelines	Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory.	April 7, 2008	04-09-076-10W4  Lakeland County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	One Exploration Inc.	Facilities Applications/ Participant Involvement	Filing the application before expiry of the 14- calendar-day notification period.	April 10, 2008	05-22-052-10W5  Yellowhead County	License not cancelled or suspended, as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
32	Omers Energy Inc.	Field Surveillance/ Pipelines	Pressure control devices or pressure relief device installations unsatisfactory.	April 24, 2008	06-13-052-14W4  County of Minburn	Operations suspended.  Licensee submitted an application to the ERCB to increase the maximum operating pressure of the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
33	Orleans Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the necessary well licence prior to commencing site preparation, construction, and/or operation.	April 15, 2008	13-22-060-19W5 M.D. of Greenview	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
34	Orleans Energy Ltd.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys – no records of survey results.	April 28, 2008	06-31-038-16W4 County of Paintearth	Operations were not suspended, as there was no potential impact/hazard to the environment or the public.  Licensee completed a cathodic protection survey.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
35	Padriv Development Ltd.	Facilities Applications/ Wells Technical	Failure to submit a facility licence application as “Facilities-technical nonroutine” when required.	April 9, 2008	08-18-035-11W5 Clearwater County	Licence not cancelled or suspended as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
36	Paramount Energy Operating Corp.	Resources Applications/ Commingling	Commingling without approval.	April 9, 2008	07-09-082-05W4 Regional Municipality of Wood Buffalo	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
37	Pearl Exploration & Production Limited	Operations Group/ Directive 060 Economic Evaluation Audits	Decision tree process not completed for new, existing, and temporary flares, incinerators, and vents as required.  Exceeding oil and gas well test flaring/ incinerating and venting duration limits without approval.	April 24, 2008	01-22-072-08W5  M.D. of Big Lakes	Operations suspended.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.
38	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	Hand excavation: Mechanical excavation takes taking place within 5 m of existing pipeline prior to hand exposure.	April 1, 2008	13-15-034-26W4  Red Deer County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
39	Penn West Petroleum Ltd.	Field Surveillance/ Well Site	Residents within required radius not notified of flaring or venting.	April 17, 2008	10-24-056-05W5  Lac Ste. Anne County	Operations suspended.  Licensee updated internal procedures for notifying residents of flaring or venting.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
40	Penn West Petroleum Ltd.	Operations Group/ Production Measurement & Reporting	Inaccurate accounting and reporting of actual hydrocarbons liquid production.  Inaccurate accounting and reporting of actual gas production.  Inadequate production audit trail.	April 30, 2008	11-11-047-08W4  M.D. of Wainwright	Operations were not suspended, as there was no potential impact/ hazard to the environment or the public.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Although this has been received and reviewed, complete compliance has not been achieved to date.

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41	Petrobank Energy and Resources Ltd.	Resources Applications/ Experimental in Situ Oil Sands Schemes	Failure to measure/ report volume/ characteristics – fluids injected/ produced.  Failure to respond to an ERCB request for clarification.  Failure to resolve an ongoing noncompliance.	April 22, 2008	16-12-077-09W4  Regional Municipality of Wood Buffalo	Operations were not suspended, as there was no potential impact/ hazard to the environment or the public.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.
42	Progress Energy Ltd.	Resources Applications/ Commingling	Commingling without approval.	April 18, 2008	08-03-039-01W5  Red Deer 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.
43	Ridal Resource Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	April 10, 2008	10-25-013-18W4  M.D. of Taber	Licence not suspended or cancelled, as mitigative measures are in place.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
44	Rider Resources Ltd.	Resources Applications/ Commingling	Commingling without approval	April 24, 2008	08-16-052-15W5  Yellowhead County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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45	RSX Energy Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	April 30, 2008	16-30-085-12W6 M.D. of Clear Hills	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.
46	S.V.C. Resources Inc.	Environment Group/ Oilfield Waste Receiver Audits	The licensee generating an oilfield waste does not properly characterize and classify the waste material.  Waste facility accepts wastes they are not approved to receive or capable of handling.	April 1, 2008	07-13-022-08W4 Special Area 2 (near Jenner)	Operations suspended.  Require a plan to address the noncompliances and prevent future occurrences. Licensee failed to comply; therefore noncompliance was escalated to High Risk Action 3.  Continued failure to comply resulted in a repeat of High Risk Action 3, the imposition of the Global Refer status, and issuance of Closure Order No. C 1116.
47	S.V.C. Resources Inc.	Field Surveillance/ Waste Facilities	Surface run-on/ runoff control not installed where required.  Injection/disposal pressure exceeds ERCB approved maximum.	April 9, 2008	07-13-022-08W4 Special Area 2 (near Jenner)	Operations suspended.  Require a plan to address the noncompliances and prevent future occurrences.

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48	Spectra Energy Midstream Corporation	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	April 25, 2008	16-33-038-22W4  Red Deer County	In accordance with ID 2001-03, operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
49	Spry Energy Ltd.	Facilities Applications/ Participant Involvement and Facilities Technical	Incomplete public and/or industry personal consultation and notification prior to filing the application.  Failure to meet the spacing requirements in the facility design prior to filing an application.	April 3, 2008	04-32-043-09W4  Flagstaff County	Licence suspended.  Licensee provided a plan to address the noncompliances and prevent future occurrences.  Compliance achieved.
50	Standard Energy Inc.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	April 2, 2008	08-01-072-05W6  County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed new signs.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
51	Standard Energy Inc.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	April 2, 2008	12-30-071-04W6  County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed new signs.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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52	Sword Energy Inc.	Facilities Applications/ Participant Involvement.	Incomplete public and/or industry personal consultation and notification prior to filing the application.	April 2, 2008	11-21-044-19W4 County of Camrose	License suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
53	Talisman Energy Inc.	Resources Applications/ Spacing	Production of more than one well per pool per drilling spacing unit without approval.	April 24, 2008	04-04-061-23W5 M.D. of Greenview	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
54	Taylor Processing Inc.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	April 25, 2008	09-27-031-04W5 Mountain View County	In accordance with ID 2001-03 operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
55	Trafina Energy Ltd.	Environment Group/ Oilfield Waste Generator Audits	Oilfield waste generator (licensee/approval holder) not tracking oilfield waste from cradle to grave.	April 22, 2008	N/A; action against the licensee	Suspension of operations at this time was not deemed appropriate as the noncompliance occurred in 2007.  Require an action plan to address the noncompliance and and to ensure that in the future waste is is managed, tracked and reported appropriately.
56	Trilogy Blue Mountain Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	April 7, 2008	15-14-078-07W6 Saddle Hills County	Operations suspended.  Licensee repaired the pipeline.  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
57	Vero Energy Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	April 11, 2008	12-15-053-15W5 Yellowhead 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.
58	Zargon Oil & Gas Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	April 2, 2008	04-026-041-13W4 Flagstaff County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
59	Zargon Oil & Gas Ltd.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre (pipeline failure).  Inappropriate construction or design, or documented operating procedures not followed.  Spill material (waste) not properly stored.	April 8, 2008	12-31-041-14W4 Flagstaff County	Operations suspended.  Licensee notified appropriate ERCB Field Centre of spill.  Licensee has updated internal procedures with regard to pressure work on pipelines to prevent future occurrences.  Licensee has removed contaminated soil from spill site.  Licensee provided a plan to address the noncompliances 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	AltaGas Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	April 25, 2008	04-33-017-12W4 County of Newell	<p>In accordance with ID 2001-03, sulphur inlet to the facility was restricted by 30%.</p> <p>As part of the action plan, this facility has applied to the ERCB for an acid gas Injection scheme to replace the current sulphur recovery process.</p> <p>In the interim, the ERCB has approved a reduced sulphur recovery requirement of 60% for this facility.</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 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
1	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	April 18, 2008	15-09-041-01W4 M.D. of Wainwright	Operations suspended. Licensee repaired the leaking flange that was the source of the odour. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee met with the ERCB and its action plan was accepted. Compliance achieved.
2	Petenco Resources Ltd.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre (pipeline failure).  Release reporting – Operator is aware of a reportable release but neglects to report it.	April 24, 2008	11-26-048-06W5 Brazeau County	Operations suspended. Licensee provided a plan to address the noncompliances and prevent future occurrences.  Action plan currently under review by the ERCB.

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	Arbour Energy Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	April 25, 2008	10-11-033-10W4 16-11-033-10W4 Special Area 2 (near Kirkpatrick Lake) 06-32-028-03W5 Ponoka County	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2008-3.</p> <p>Arbour Energy Inc. is 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>Arbour Energy Inc. failed to comply. Closure Order No. C 1109 subsequently issued and well licences suspended.</p> <p>Subsequent failure to comply resulted in the issuance of Abandonment Order No. AD 2008-7 and Closure/Abandonment Order No. AD 2008-8.</p> <p>Arbour Energy Inc. remains noncompliant with ERCB requirements.</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
2	Excel Valley Petroleum Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit and abandonment costs.	April 30, 2008	07-33-057-25W4 10-28-057-25W4 Sturgeon County	<p>Global Refer status.</p> <p>Issuance of Abandonment Costs Order No. ACO 2008-2.</p> <p>Licensee and working interest participant Goldenrod Resources Inc. required to pay abandonment costs plus a 25% penalty.</p> <p>The working interest participant satisfied Abandonment Costs Order No. ACO 2008-2 by submitting full payment of costs incurred by the ERCB for the abandonment of Excel Valley Petroleum Ltd.'s properties plus penalty. The order was subsequently rescinded in Abandonment Costs Order No. ACO 2008-2A.</p> <p>However, Excel Valley Petroleum Ltd. remains on Global Refer status for failure to pay the security deposit for the remaining reclamation liabilities, acquiring an Active status with Alberta Corporate Registries, and submitting a written action plan acceptable to the ERCB addressing the failure to respond and detailing steps to prevent further occurrences.</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	Independence Energy Corp.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Independence Energy Corp. is a resident of Alberta.	April 23, 2008	05-20-010-22W4 05-13-010-23W4 04-18-010-22W4  Special Area 2 (near Jenner)	Global Refer status.  Issuance of a Closure Order No.: C 1108.  Suspension of well licences.  Independence Energy Corp. is required to complete one of the following:  1) provide substantive information to show that Independence Energy Corp. has a fully functioning office in Alberta, or  2) apply for the appointment of an approved agent should Independence deem that it does not have a fully function office in Alberta.  In addition to point s1 and 2 above, Independence must also provide to the ERCB:  3) a corporate profile update and a certificate of proof of insurance describing the coverage and the effective date of the insurance;  4) a list of the working interest participants and their corresponding percentage of participation for each of Independence's wells listed;  5) confirmation that Independence has active surface and mineral

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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>leases for the wells listed; and</p> <p>6) a written action plan outlining procedures that have been implemented internally to prevent occurrence of a similar event.</p> <p>7) a senior company representative must meet with the ERCB to address the noncompliance issue and discuss the action plan.</p> <p>Alternatively, Independence could dispose of the wells by transferring properties to a responsible party, in accordance with <i>Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Program</i>, or abandon all properties, in accordance with <i>Directive 020: Well Abandonment</i> and <i>Directive 059: Well Drilling and Completion Data Filing Requirements</i>.</p> <p>Independence Energy Corp. failed to comply and Abandonment Order No. AD 2008-6 was issued.</p> <p>Independence Energy Corp. subsequently transferred all licences to a responsible party, in accordance with <i>Directive 006</i>, and the Closure and Abandonment Orders were rescinded. However, Independence failed to submit the written action plan and meet with the ERCB. As Independence Energy Corp. remains a nonresident of Alberta, the Global Refer status is maintained.</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.