ERCB Monthly Enforcement Action Summary

September 2008

Energy Resources Conservation Board

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
		September 2008		
ERCB	Compliance Category	Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	92	3	97%
	Facilities Technical	14	2	86%
	Pipelines/Pipeline Installations Technical	26	0	100%
	Wells Technical	71	7	90%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Commingling	n/a	2	n/a
	Groundwater Protection	n/a	1	n/a
Subtotal		**203**	**15**	**93%**
Compliance and Operations Branch				
Operations Group Production Operations Section	Guide 60 Economic Evaluation Audits	n/a	2	n/a
Well Operations Section	Suspended Well Audits	n/a	1	n/a
Subtotal		**n/a**	**3**	**n/a**
Public Safety/Field Surveillance Branch				
	Drilling Operations	21	3	86%
	Well Servicing	16	1	94%
	Oil Facilities	274	3	98.9%
	Gas Facilities	199	4	98%
	Pipelines	152	19	87%
	Drilling Waste	14	1	93%
	Waste Management	10	0	100%
	Well Site Inspections	579	6	98.9%
Subtotal		**1265**	**37**	**97%**
Total Audit/Inspections High Risk		**1468**	**55**	**96.2%**

Note: Compliance category data are evaluated annually and results presented in *ST99 ERCB Provincial Surveillance and Compliance Summary.*

High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
1	Albian Sands Energy Inc.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys—no records of survey results. Internal corrosion control—no records in corrosive environment.	September 18, 2008	03-24-095-10W4 09-23-095-10W4 13-33-095-10W4 Regional Municipality of Wood Buffalo	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee implemented cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	AltaGas Ltd.	Field Surveillance/ Pipelines	Internal corrosion control —no records in corrosive environment. Pipeline sign missing or defaced on both sides of a crossing.	September 3, 2008	05-27-072-05W5 M.D. of Lesser Slave River	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee cleaned out the pipeline to correct the corrosion. Licensee installed pipeline signs. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Apache Canada Ltd.	Field Surveillance/ Pipelines	Cathodic protection not installed within one year of service/operation.	September 8, 2008	15-02-035-09W4 Special Area 4 (near Veteran)	Operations suspended. Licensee implemented changes to its cathodic protection program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
4	ARC Resources Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	September 17, 2008	06-14-075-09W6 County of Grande Prairie	Operations suspended. Licensee repaired the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	ATCO Gas and Pipelines Ltd. (SOUTH)	Field Surveillance/ Pipelines	Proper procedures were not followed—failure/hit damage by others.	September 9, 2008	14-14-049-16W4 Beaver County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee to review safe operating practices with all staff. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Auriga Energy Inc.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/ cleaned up.	September 16, 2008	09-16-065-20W5 M.D. of Greenview	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Auriga Energy Inc.	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/ cleaned up.	September 16, 2008	10-11-065-20W5 M.D. of Greenview	Operations suspended. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
8	Baytex Energy Ltd.	Field Surveillance/ Gas Facilities	No approval for permanent compressor.	September 12, 2008	10-11-062-04W4 M.D. of Bonnyville	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee submitted an application for approval of the compressor, application approved October 17, 2008. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Bonavista Petroleum Ltd.	Field Surveillance/ Gas Facilities	No flame arrestor on line taken from tank to flare stack where required.	September 3, 2008	07-34-034-06W4 Special Area 4 (near Consort)	Operations suspended. Licensee installed a flame arrestor. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	BP Canada Energy Company	Operations Group/ Suspended Well Audits	Improper suspension for given well type.	September 23, 2008	06-25-062-09W4 M.D. of Bonnyville	Suspension of operations at this time was not deemed appropriate, as the noncompliance occurred in the past. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Cabrerra Resources Ltd.	Field Surveillance/ Pipelines	Ditch preparation is unsatisfactory.	September 10, 2008	16-30-041-12W4 Flagstaff County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
12	Canadian Natural Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	September 9, 2008	10-07-079-11W4 11-35-079-12W4 Lac La Biche County 05-07-084-05W4 13-26-084-05W4 08-12-084-06W4 10-35-084-06W4 Regional Municipality of Wood Buffalo	Operations were not suspended, in accordance with *Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection*. Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review. Licensee provided a plan to address the noncompliance and prevent future occurrences.
13	Canadian Natural Resources Limited	Field Surveillance/ Well Site Inspection	No notification of spill to ERCB.	September 26, 2008	09-24-048-04W4 County of Vermilion River	Operations were not suspended, as the incident occurred prior to the inspection. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	Churchill Energy Inc.	Operations Group/ Directive 060 Economic Evaluation Audits	Decision tree process not completed for new, existing, temporary flares and vents as required.	September 24, 2008	10-07-011-13W4 M.D. of Taber	Operations were not suspended, as the noncompliance was promptly corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
15	Compton Petroleum Corporation	Field Surveillance/ Drilling Inspection	STICK diagram does not contain all the required information.	September 4, 2008	15-14-051-07W5 Parkland County	Operations were not suspended, as the noncompliance was promptly corrected. Licensee had a completed STICK diagram sent to the rig. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Compton Petroleum Corporation	Field Surveillance/ Drilling Waste Inspection	Wastes have migrated off the intended disposal site.	September 22, 2008	04-21-052-14W5 Yellowhead County	Operations were not suspended as the incident occurred prior to the inspection. Licensee cleaned up the waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	ConocoPhillips Canada (BRC) Ltd.	Facilities Applications/ Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	September 2, 2008	01-25-069-14W6 County of Grande Prairie	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Crescent Point General Partner Corp.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	September 3, 2008	14-02-088-10W6 Clear Hills County	Operations suspended. Licensee repaired 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[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
19	Cyries Energy Inc.	Facilities Applications/ Wells Technical	Failure to have permission from the mineral rights owner or lessee to exceed the 15 m maximum overhole depth prior to filing the application.	September 3, 2008	01-13-073-10W6 County of Grande Prairie	Licence not cancelled or suspended, as the noncompliance was promptly corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	Echoex Ltd.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys—no records of survey results.	September 11, 2008	14-06-006-08W4 County of Forty Mile	Operations suspended. Licensee to implement a program to ensure all cathodic surveys are performed yearly. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	EnCana Corporation	Field Surveillance/ Well Servicing Inspection	Non compliant with other ERCB requirement – as per *Directive 033: Well Servicing and Completions Operations —Interim Requirement Regarding the Potential for Explosive Mixtures and Ignition in Wells.*	September 29, 2008	11-08-023-19W4 Wheatland County	Operations suspended. Licensee has updated internal policies and procedures with regard to well fires and explosions. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
22	EnCana Corporation	Resources Applications/ Commingling	Improper use of the decision trees: Associated Gas. Improper use of the decision trees: Failure to use proper Commingling approval. Improper use of the decision trees: Developmental entity wells outside the boundary.	September 30, 2008	16-13-041-09W4 09-24-041-09W4 M.D. of Provost 05-01-071-04W4 Lakeland County 04-05-045-02W5 05-05-045-02W5 01-01-045-03W5 03-01-045-03W5 13-01-045-03W5 Ponoka County	6-13-041-09W4 was abandoned; compliance achieved. 09-24-041-09W4 Application 1596144 submitted. Wells 05-01-071-04W4, 04-05-045-02W5, 05-05-045-02W5, 01-01-045-03W5, 03-01-045-03W5, 13-01-045-03W5 have been corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.
23	Enermark Inc.	Field Surveillance/ Pipelines	There is no approval to construct.	September 17, 2008	16-17-049-21W4 County of Camrose	Operations suspended. Licensee repaired and licensed the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Enerplus Resources Corporation	Field Surveillance/ Pipelines	Test pressure/duration does not conform to requirements. No operations and maintenance procedures manual, or not followed. Failure to notify appropriate ERCB field centre – release reporting.	September 25, 2008	02-15-047-07W5 Brazeau County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee repaired the pipeline and conducted pressure tests. Licensee provided a plan to address the noncompliances and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
25	Enterra Energy Corp.	Field Surveillance/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	September 5, 2008	14-24-040-13W4 Flagstaff County	Operations suspended. Licensee repaired the pipeline and installed proper equipment for. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
26	Fairborne Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	September 11, 2008	16-13-055-20W5 Yellowhead County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Harvest Operations Corp.	Field Surveillance/ Well Site Inspection	Well not suspended, as required by *Directive 013: Suspension Requirements for Wells.*	September 8, 2008	15-11-015-09W4 Cypress County	Operations suspended. Licensee installed a wellhead, which was chained and locked, in accordance with Directive 013. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Husky Energy Limited	Operations Group/ Guide 60 Economic Evaluation Audits	Decision tree process not completed for new, existing, and temporary flares and vents as required. Exceeding oil and gas well test flaring/ incinerating and venting duration limits.	September 8, 2008	12-16-019-23W4 Vulcan County	Operations suspended. Licensee shut in the well. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
29	Jaycor Resources Inc.	Facilities Applications/ Facilities Technical & Participant Involvement	Not completing an acceptable noise impact assessment prior to application. Failure to submit a facility licence application as "facilities technical nonroutine" when required. Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 30, 2008	06-34-051-13W4M County of Minburn	Licence not cancelled or suspended, as the noncompliances were corrected. Licensee provided a plan to address the noncompliances and prevent future occurrences. Compliance achieved.
30	NAL Resources Limited	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	September 15, 2008	07-11-029-16W4 Special Area 2 (near Hanna)	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Northern Alberta Oil Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	September 10, 2008	10-33-091-13W5 Northern Sunrise County	Licence not cancelled or suspended as the licensee amended the licence. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
32	Open Range Energy Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation—No agreement with Department of Energy.	September 17, 2008	10-36-053-20W5 Yellowhead County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
33	Pengrowth Corporation	Field Surveillance/ Gas Facilities	No tank dike where required.	September 17, 2008	10-34-019-09W4 Cypress County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee installed a dike. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
34	Peyto Exploration & Development Corp.	Facilities Applications/ Participant Involvement	Failure to provide the required project-specific information package prior to filing the application. Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 28, 2008	02-34-055-20W5 Yellowhead County	Licence not cancelled or suspended as the noncompliances were promptly corrected. Licensee provided a plan to address the noncompliances and prevent future occurrences. Compliance achieved.
35	Plains Midstream Canada ULC.	Field Surveillance/ Pipelines	Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure. Operating and maintenance procedures manual not followed.	September 9, 2008	06-18-039-03W5 M.D. of Provost	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 noncompliances and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
36	Primewest Energy Inc.	Field Surveillance/ Well Site Inspection	Non compliance with other ERCB requirement —failure to comply with conditions for flaring or incinerating small volumes of sour gas containing more than 50 mol/kmol H_2S when a permit is not required as per *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting.*	September 16, 2008	15-30-070-09W6 County of Grande Prairie	Operations suspended. Require a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
37	Primewest Energy Inc.	Resources Applications/ Commingling	Commingling without approval.	September 30, 2008	14-23-046-10W5 Brazeau County	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and the well has been shut in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.
38	Profound Energy Inc.	Field Surveillance/ Drilling Inspection	Pressure Testing—Low-pressure and/or high-pressure test(s) not conducted on all required components and/or casing strings.	September 8, 2008	01-12-072-07W6 County of Grande Prairie	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee drilled the well to total depth and then completed pressure testing. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
39	Ridal Resource Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	September 2, 2008	16-25-013-18W4 M.D. of Taber	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
40	Rustler Petroleum Inc.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	September 5, 2008	11-34-060-02W5 County of Barrhead	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.
41	Shapco Resources Ltd.	Field Surveillance/ Oil Facilities	Lease not diked (where required).	September 30, 2008	12-11-035-24W4 Red Deer County	Operations suspended. Licensee installed a dike. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
42	Signalta Resources Limited	Field Surveillance/ Oil Facilities	No flame arrester on line from tank to flare stack where required.	September 11, 2008	03-32-034-18W4 County of Stettler	Operations suspended. Licensee installed a flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1[1]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
43	South Ridge Management Ltd.	Field Surveillance/ Oil Facilities	Pilot/ignition device not available/operable (intermittent sour and acid gas flares).	September 17, 2008	08-02-041-25W4 Lacombe County	Operations suspended. Licensee installed a continuous pilot device on the flare stack. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
44	Talisman Energy Inc.	Field Surveillance/ Drilling Inspection	Flexible hose used in degasser inlet line(s) does not meet minimum pressure rating requirements for class of well.	September 15, 2008	05-27-072-05W6 M.D. of Lesser Slave River	Operations suspended. Licensee installed a new hose that met the pressure rating. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
45	Terroco Industries Ltd.	Field Surveillance/ Well Site Inspection	No tank dike(s) where required.	September 25, 2008	03-29-038-20W4 County of Stettler	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee removed all fluids from the tanks. 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)[2]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Response**
	None					

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

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Low Risk Enforcement Action – Global REFER Summary[4]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Follow-up**
1	Foret Management Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 25, 2008	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2008-12. 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. Foret Management Ltd. 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. Compliance achieved.
2	Horizontal Oil Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 30, 2008	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2008-13. 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. Horizontal Oil Ltd. successfully transferred all well and pipeline licences and provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.

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Low Risk Enforcement Action – Global REFER Summary[4]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Follow-up**
						Compliance achieved.
3	Norlake Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 19, 2008	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2008-11. 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. Norlake Energy Corp. failed to comply. As a result, all well licences were ordered suspended in Closure Order No. C 1125. Subsequent failure to comply resulted in the issuance of Abandonment Order No. AD 2008-18 and Closure/Abandonment Order No. AD 2008-19. 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.
4	Premium Petroleum Inc.	Environment Group/ Oilfield Waste Generator Audits	Oilfield Waste Disposition Report was not submitted within the required time frame.	September 10, 2008	Wells: 14-15-061-11W4 09-22-061-11W4 (two well licences at this location)	This is an escalation from a previous enforcement action initially reported on July 10, 2008. Global Refer status. Issuance of Abandonment Order

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Low Risk Enforcement Action – Global REFER Summary[4]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Follow-up**
					Pipeline: 14-15-061-11W4 County of St. Paul	No. AD 2008-10 and Closure/Abandonment Order No. AD 2008-11. Abandonment of well licences, and suspension and abandonment of pipeline licences. Licensee required to 1) submit its 2007 Annual Oilfield Waste Disposition Report via the Digital Data Submission System; 2) provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrence; and 3) attend a documented meeting with the ERCB to review Premium Petroleum Inc.'s noncompliant history and action plan. Premium Petroleum Inc. submitted its 2007 Annual Oilfield Waste Disposition Report, provided an acceptable action plan, and met with the ERCB. Compliance achieved.

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Legislative/Regulatory Enforcement Action[5]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Follow up**
1	Peace West Energy Corporation	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Peace West Energy Corporation is a resident of Alberta**.**	September 09, 2008	01-13-108-19W5 15-31-108-19W5 08-24-108-19W5 01-25-108-19W5 15-33-108-19W5 02-06-109-19W5 13-21-109-19W5 01-18-109-19W5 M.D. of Mackenzie 07-24-073-10W5 05-26-073-10W5 M.D. of Big Lakes	This is an escalation from a previous enforcement action initially reported on July 23, 2008. Global Refer status. Issuance of Abandonment Order No. AD 2008-13. Abandonment of well licences. Licensee required to complete one of the following: 1) provide substantive information to show that Peace West Energy Corporation has a fully functioning office in Alberta; or 2) apply for the appointment of an approved agent should Peace West Energy Corporation deem that it does not have a fully functioning office in Alberta. In addition to points 1 or 2 above, Peace West Energy Corporation 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 Peace West Energy Corporation's wells listed;

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Legislative/Regulatory Enforcement Action[5]						
#	**Licensee**	**ERCB Group/ Compliance Category**	**Noncompliance Event**	**Date of Enforcement**	**Surface Location**	**ERCB Action(s) and Licensee Follow up**
						5) confirmation that Peace West Energy Corporation has active surface and mineral leases for the wells listed; 6) a written action plan to the ERCB outlining procedures that have been implemented internally to prevent a recurrence of a similar event; and 7) a senior company representative must meet with the ERCB to address the noncompliance issue and discuss the action plan. Alternatively, Peace West Energy Corporation could dispose of the wells by transferring properties to a responsible party, in accordance with *Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Program*, OR abandon all properties, in accordance with *Directive 020: Well Abandonment* and *Directive 059: Well Drilling and Completion Data Filing Requirements*. Peace West Energy Corporation failed to comply. ERCB renotified licensee of its intention to have the properties abandoned as a result of breaching the Abandonment Order.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Endnotes

[1] ***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.

[2] ***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.

[3] ***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.

[4] ***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.

[5] **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.