



ERCB Monthly Enforcement Action Summary

June 2009

ENERGY RESOURCES CONSERVATION BOARD
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Contents

- High Risk Compliance Category Statistics..... 1
- High Risk Enforcement Action 1 2
- High Risk Enforcement Action 2 (Persistent Noncompliance)..... 23
- High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard)..... 24
- Low Risk Enforcement Action – Global REFER Summary 25
- Legislative/Regulatory Enforcement Action 26
- Endnotes 28

High Risk Compliance Category Statistics				
ERCB	Compliance Category	June 2009		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group/Audit Section	Participant Involvement	36	4	89%
	Facilities Technical	7	1	86%
	Pipelines/Pipeline Installations Technical	20	0	100%
	Wells Technical	29	4	86%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	14	3	79%
	Commercial in Situ Oil Sands Schemes	n/a	3	n/a
	Control Wells	n/a	1	n/a
Subtotal		106	16	85%
Compliance and Operations Branch				
Environment Group Waste and Storage Section	Drilling Waste Audits	6	1	83%
	Oilfield Waste Receiver	n/a	2	n/a
Operations Group Production Operations Section	Production Measurement & Reporting	N/A	1	N/A
Subtotal		6	4	33%
Public Safety/Field Surveillance Branch				
	Drilling Operations	27	3	89%
	Well Servicing	30	1	97%
	Oil Facilities	943	13	98.6%
	Gas Facilities	369	4	98.9%
	Pipelines	136	16	88%
	Drilling Waste	14	0	100%
	Well Site Inspections	2186	9	99.6%
	Waste Management	11	0	100%
Subtotal		3716	46	98.7%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	433	1	99.8%
Subtotal		433	1	99.8%
Total Audit/Inspections High Risk		4261	67	98.4%

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	981405 Alberta Ltd.	Field Surveillance/ Well Servicing Inspection	Nitrogen bottle volume low (insufficient usable fluid available - sizing calculations performed).	June 4, 2009	01-19-060-05W5 Count of Barrhead	Operations suspended. Licensee installed a new nitrogen backup bottle. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Apache Canada Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	June 5, 2009	02-31-116-03W6 Mackenzie County	Operations were not suspended, as the current operations were not contributing to the deficiency. Licensee installed proper signage. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Birchcliff Energy Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	June 3, 2009	03-23-072-05W6 County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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4	Blaze Energy Ltd.	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease (identify source and cause).	June 9, 2009	04-31-048-12W5 Yellowhead County	Operations were not suspended, as the licensee immediately put mitigative measures in place. Licensee repaired the thief hatch that was the source of the odours. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Bonavista Petroleum Ltd	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/ cleaned up.	June 26, 2009	14-29-055-07W5 Yellowhead County	Operations were not suspended, as the site was already shut in due to operation issues. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Bonavista Petroleum Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	June 17, 2009	06-22-034-08W4 Special Area 4 (near Veteran)	Licence(s) not cancelled, as it is a reentry/resume application. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Bonavista Petroleum Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	June 17, 2009	16-29-057-05W5 County of Barrhead	Operations suspended. Licensee tested the tank(s). 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
8	Breaker Energy Ltd.	Field Surveillance/ Drilling Operations	Low-pressure and/or high-pressure test(s) not conducted on all required components and/or casing strings.	June 15, 2009	02-25-045-04W4 M.D. of Wainwright	Operations suspended. Licensee conducted proper pressure testing. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Canadian Forest Oil Ltd.	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.	June 8, 2009	08-31-057-24W5M Yellowhead County	No suspension or cancellation, as well is drilled and cased. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	CCS Corporation	Environment Group/ Oilfield Waste Receiver Audits	Facility is not designed or operated to minimize impact on air, groundwater, surface water, or soils on/around the site. The licensee generating an oilfield waste does not properly characterize and classify the waste material. Waste management approval operational requirements are not met.	June 24, 2009	03-29-062-20W5 M.D. of Greenview	Operations were not suspended, as noncompliance events occurred in 2008. Compliance has not yet been achieved, as submission and review of a complete corrective action plan is pending.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
11	CNPC International (Canada) Ltd.	Field Surveillance/ Oil Facilities	Noncompliant with other ERCB requirement – As per Directive 060, Section 12, Table 5: Facility Design states "No high-level alarm or high-level facility shutdown on knockout drum/flare separator where required.	July 7, 2009	08-15-047-08W5 Clearwater County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee installed a high-level switch and shutdown valves on the separator. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Conifer Exploration Ltd.	Field Surveillance/ Drilling Operations	Low-pressure and/or high-pressure test(s) not conducted on all required components and/or casing strings.	June 12, 2009	02-21-056-20W4 Lamont County	Operations suspended. Licensee conducted proper pressure testing. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Corinthian Energy Corp.	Field Surveillance/ Well Site Inspection	Lease not diked where required.	June 9, 2009	16-32-015-22W4 Vulcan County	Operations suspended. Licensee installed a dike. 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
14	Crew Energy Inc.	Field Surveillance/ Oil Facilities	Decision tree process not completed for new, existing, & temporary flares & vents as required by <i>Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting</i> .	June 14, 2009	09-30-037-23W4 Red Deer County	Operations suspended. Licensee provided a completed solution gas decision tree. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Daylight Energy Ltd.	Field Surveillance/ Pipelines	Cathodic protection system-not operational or not installed. External corrosion control/cathodic surveys—no records of survey results.	June 3, 2009	05-15-037-03W4 M.D. of Provost	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee installed a cathodic protection system and a corrosion control program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Dorado Energy Inc.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement—failure to ensure that the licensee 24-hour emergency telephone number is erected at the primary entrance to all licensee well and facility operations as per Directive 071.	June 8, 2009	11-12-035-27W4 Red Deer County	Operations were not suspended, as the site was already shut in and will remain shut in until approval is given. Licensee corrected the noncompliance and implemented measures to ensure that the number is working. 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
17	EnCana Corporation	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	June 23, 2009	05-33-023-23W4 Wheatland County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite approval is obtained.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Enermark Inc.	Operations Group/ Production Measurement & Reporting	<p>Delivery point hydrocarbon liquid measuring device(s) does not exist, is not installed or used correctly, or not in use.</p> <p>Inadequate production audit trail.</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>	June 4, 2009	<p>16-29-076-10W6</p> <p>Saddle Hills County</p>	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee submitted its accounting figures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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19	EOG Resources Canada Inc.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys—no records of survey results. Internal corrosion control—no monitoring and mitigation in corrosive environment. Discontinued Pipeline - not left in safe condition.	June 17, 2009	16-28-038-15W4 02-21-039-15W4 06-02-039-15W4 09-18-039-13W4 County of Paintearth	Operations suspended on pipeline line 43464 (06-02-039-15W4 location). The remaining pipelines were not suspended, as measures have been taken to mitigate the risk. Licensee implemented a corrosion control program. Licensee abandoned the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	EOG Resources Canada Inc.	Field Surveillance/ Well Site Inspection	Pumping well within 800 m of public development and does not have fence as per OGC Regulations, Section 8.180(2).	June 19, 2009	16-22-031-24W4 Kneehill County	Operations suspended. Licensee has installed fencing around the well. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Exoro Energy Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	June 26, 2009	05-25-061-08W5 Woodlands County	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. Licensee resumed production prior to retiring all cumulative overproduction. Compliance not achieved.

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22	Fox Creek Petroleum Corp.	Resources Applications/ Enhanced Recovery Schemes	Failure to commence injection.	June 5, 2009	Approval No. 11221	<p>Operations not suspended; injection not commenced.</p> <p>Licensee to confirm in writing that the noncompliance has been addressed by either commencing injection, providing a short-term action plan for commencement of injection within 3 months or less, or submitting an application in accordance with <i>Directive 065: Resources Applications for Conventional Oil & Gas Reservoirs</i> for an appropriate amendment of Approval No. 11221.</p> <p>Require a plan to address the noncompliance and prevent future occurrences.</p>
23	Glamis Resources Ltd.	Field Surveillance/ Oil Facilities	Failure to ensure that a call to the licensee 24- hour emergency telephone number initiates immediate action.	June 30, 2009	11-24-010-16W4 M.D. of Taber	<p>Operations were not suspended, as the licensee promptly corrected the noncompliance.</p> <p>Licensee corrected the noncompliance and implemented measures to ensure that the number is working.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 1¹

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24	Halvar Resources Ltd.	Field Surveillance/ Pipelines	<p>Emergency Procedures Manual—manual not updated yearly, and exercises not held or details not documented.</p> <p>Pressure control devices or pressure relief device installations unsatisfactory (i.e., not installed where required or does not function).</p> <p>External Corrosion Control/Cathodic Surveys—Cathodic protection system-not operational or not installed.</p> <p>Internal corrosion control—no monitoring and mitigation in corrosive environment.</p> <p>Cathodic protection system—not operational or not installed.</p> <p>No operations and maintenance procedures manual, or not followed.</p> <p>Emergency Procedures Manual—Emergency procedures manual unsatisfactory.</p> <p>Operator is aware of a reportable release but neglects to report it.</p>	June 4, 2009	<p>08-24-045-06W4 04-19-045-05W4 16-13-045-06W4 07-19-045-05W4 14-18-045-05W4</p> <p>M.D. of Wainwright</p>	<p>Operations suspended.</p> <p>Licensee developed a pipeline operations and maintenance integrity manual.</p> <p>Licensee developed an emergency procedures manual.</p> <p>Licensee corrected the pressure controls to comply with the ERCB approved licensed designs.</p> <p>Licensee implemented a corrosion control program.</p> <p>Licensee implemented a cathodic protection system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
			The ERCB may discover the spill during an inspection, receive a report from a third party, or receive a complaint.			
25	Husky Oil Operations Limited	Field Surveillance/ Drilling Operations	Flow Checks -ten-minute flow checks not conducted at the required intervals.	June 4, 2009	03-29-048-04W4 County of Vermilion River	Operations were not suspended, as the well was drilled to total depth prior to the inspection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
26	Husky Oil Operations Limited	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	June 16, 2009	10-29-052-07W4 County of Vermilion River	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Iteration Energy Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	June 11, 2009	07-24-072-10W6 County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected at the time of inspection. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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28	Joli Fou Petroleums Ltd	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	June 4, 2009	10-31-050-11W5 Brazeau County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee promptly cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
29	Leddy Exploration Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel. No notification of reportable spill to ERCB.	June 10, 2009	14-10-047-03W5 County of Wetaskiwin	Operations suspended. Licensee installed nuts/bolts on the flame arrester. Licensee implemented procedures regarding notification of spills. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	Leddy Exploration Limited	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/ cleaned up.	June 10, 2009	06-10-047-03W5 County of Wetaskiwin	Operations were not suspended, as the licensee promptly cleaned up the spill. Licensee cleaned up the spill. 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
31	NAL Resources Limited	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre (pressure test failure).	June 2, 2009	10-06-034-03W5 06-06-035-04W5 Red Deer County	Operations were not suspended, as the noncompliance occurred prior to the inspection and the failed section of the pipeline had been removed for analysis. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
32	Newalta Corporation	Environment Group/ Oilfield Waste Receiver Audits	Waste management approval operation requirements are not met.	June 16, 2009	12-28-048-07W5 Brazeau County	Operations related to the noncompliance were suspended. Operations have been voluntarily suspended on a permanent basis. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance has not yet been achieved, as the required action plan is pending submission and review.
33	Oakmont Energy Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	June 15, 2009	10-22-011-14W4 M.D. of Taber	Operations suspended. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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34	OPTI Canada Inc. and Nexen Inc.	Resources Applications/ Commercial in Situ Oil Sands Schemes	Inadequate measurement/reporting of fluid volume/ characteristics. Failure to resolve issues or notify the ERCB of unresolved issues.	June 25, 2009	Approval 9485	<p>Licensee is required to revise the S-23 manual to include details necessary for the quantification of dilbit components entering the upgrader.</p> <p>Licensee is required to amend the S-23 forms for the reporting period between October 2008 and May 2009.</p> <p>Licensee is required to amend the Petroleum Registry data between January 2008 and May 2009 reporting periods as instructed.</p> <p>Licensee is required to develop a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee has addressed the above requirements and its measures are currently under review.</p>
35	Pearl E & P Canada Ltd.	Resources Applications/ Enhanced Recovery Schemes	Failure to meet approval requirements (failure to commence injection).	June 16, 2009	Approval No. 11217B	<p>Operator submitted an amendment to the application in accordance with <i>Directive 065: Resources Applications for Conventional Oil & Gas Reservoirs</i> for an appropriate amendment of Approval No. 11217B; application approved.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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36	Pengrowth Corporation	Environment Group/ Drilling Waste Audits	Sump closure was not completed within 12 months of rig release.	June 24, 2009	06-23-032-06W5 Mountain View County	<p>Operations were not suspended, as further delays to the disposal operations would have resulted in a further risk to the environment.</p> <p>Licensee disposed of drilling wastes as per Directive 050 and submitted confirmation as such.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
37	Pengrowth Corporation	Field Surveillance/ Well Site Inspection	A flowing well at which the H ₂ S concentration exceeds 5% does not have two master valves.	June 24, 2009	04-23-064-11W5 M.D. of Big Lakes	<p>Operations were not suspended, as there would have been an increased risk to public safety and the environment. Suspending the well would have resulted in acid gas flaring.</p> <p>Licensee installed another master valve.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
38	Pengrowth Corporation	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	June 26, 2009	10-24-037-21W4 County of Stettler	<p>Operations were not suspended, as the noncompliance was a result of a spill that the licensee was in the process of cleaning up.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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39	Petro-Canada	Facilities Applications/ Facilities Technical	Failure to design the surface casing to meet all applicable requirements.	June 5, 2009	06-11-015-04W4 Cypress County	<p>Licence(s) not cancelled or suspended, as the noncompliance was promptly corrected.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
40	Petro-Canada	Resources Applications/ Commercial in Situ Oil Sands Schemes	Altering/modifying scheme design or equipment without notification/approval.	June 26, 2009	Approval 8668	<p>Licensee required to develop a plan and project schedule for the ERCB's review and approval to condense and recycle vented steam from the low-pressure separator.</p> <p>Licensee required to identify and address all major notifications or equipment and plant operations at the MacKay River facility that have been carried out without ERCB approval.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee has addressed the above requirements and its measures are currently under review.</p>
41	Plains Midstream Canada, ULC	Facilities Applications/ Participant Involvement	Failure to provide the required project-specific information package prior to filing the application.	June 26, 2009	12-08-041-02W5 Lacombe County	<p>Licence(s) not cancelled or suspended, as the noncompliance was promptly corrected.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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42	Primrose Drilling Ventures Ltd.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	June 25, 2009	06-26-053-09W5 Yellowhead County	Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Only partial compliance is achieved pending meeting the requirements of the suspension.
43	Sifton Energy Inc.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	June 8, 2009	01-27-034-04W5 Red Deer County	Operations suspended. Licensee installed nuts/bolts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
44	Signalta Resources Limited	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement— Producing a surface casing vent flow that does not meet the surface casing vent flow requirements.	June 10, 2009	02-20-073-04W5 M.D. of Lesser Slave River	Operations were not suspended, as there was no immediate risk to the public. Licensee repaired the surface casing vent flow. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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45	Signalta Resources Limited	Field Surveillance/ Well Site Inspection	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	June 24, 2009	11-29-033-17W4 Starland County	<p>Operations were shut in at the time of inspection and are to remain shut in until ERCB written approval is given.</p> <p>Licensee corrected the noncompliance and implemented measures to ensure that the number is working.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
46	Standard Energy Inc.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	June 4, 2009	07-20-071-04W6 County of Grande Prairie	<p>Operations were not suspended, as there was limited potential for ongoing environmental impact.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
47	Strike Petroleum Ltd.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	June 9, 2009	08-08-020-19W4 Vulcan County	<p>Operations suspended.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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48	SunOcean Energy Ltd.	Field Surveillance/ Well Site Inspection	Well not suspended, as required by <i>Directive 013: Suspension Requirements for Wells.</i>	June 3, 2009	03-01-035-03W5 Red Deer County	Operations were not suspended, as the site was already suspended. Licensee failed to comply by the specified date, which resulted in escalation to High Risk Action 3 on September 25, 2009.
49	Swan Hills Synfuels Ltd.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory. Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure. Machine working within 60 cm without authorization from the owner of the existing crossing.	June 3, 2009	12-10-065-11W5 M.D. of Big Lakes	Operations of the damaged pipeline were suspended. Licensee installed proper signage. Licensee developed and implemented a pipeline operations and maintenance manual. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
50	Syncrude Canada Ltd.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	June 29, 2009	10-01-093-11W4 Regional municipality of Wood Buffalo	Licence(s) not cancelled or suspended, as the noncompliance was promptly corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
51	Taqa North Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	June 29, 2009	09-13-019-10W4 Cypress County	Operations were not suspended, as the licensee promptly corrected the noncompliance by replacing the sight glass on the heater. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
52	Total E&P Joslyn	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	June 26, 2009	20 well locations	Licences were not suspended, as all 20 licences were cancelled at the request of the applicant. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
53	Vero Energy Inc.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction, and /or operation.	June 9, 2009	05-09-061-07W5 Woodlands County	Noncompliance found prior to licence approval; approval not issued until noncompliance addressed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
54	Wolf Coulee Resources Inc.	Field Surveillance/ Oil Facilities	No flame arrester on line from tank to flare stack where required.	June 15, 2009	02-17-038-20W4 County of Stettler	Operations suspended. Licensee installed a flame arrester. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
55	Zargon Oil & Gas Ltd.	Field Surveillance/ Pipelines	Corrosion Internal— There is no documented monitoring or mitigation program in place and/or company is not following program.	June 3, 2009	16-20-048-05W5 Brazeau County	Operations suspended. Licensee implemented a corrosion control program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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

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
1	Apache Canada Ltd.	Resources Applications/ Enhanced Recovery Schemes	Failure to meet conditions of approval.	June 29, 2009	Approval NO. 9267A, 9509A and 9521A	<p>Licensee to confirm in writing that the noncompliance has been addressed and that the wells have been shut in and will remain shut in until the requisite approval is obtained.</p> <p>Licensee submitted a plan to address the noncompliance and prevent future occurrences; currently under review.</p> <p>Licensee has undertaken a self-audit for compliance with all of the ERCB's specified conditions of enhanced recovery approvals held.</p> <p>Licensee has undertaken a self-audit of its management systems to ensure that it has sufficient mechanisms in place to ensure ongoing compliance.</p> <p>Licensee met with the ERCB to discuss its action plan and proposed audit processes.</p> <p>Currently under review.</p>

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

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					

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

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	912522 Alberta Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 23, 2009	08-17-044-25W4 09-17-044-25W4 Ponoka County	<p>This is an escalation from previous enforcement actions reported on April 27, 2009, and May 20, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2009-28</p> <p>Abandonment of well licences.</p> <p>Licensee required to abandon the wells or pay security deposit; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and, meet with the ERCB to review its noncompliance history and action plan.</p>

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

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	Arbour Energy Inc.	Corporate Compliance/ Surface Lease Expiry	Failure to prove to the satisfaction of the ERCB that Arbour Energy Inc. has a valid entitlement to the right to access the well site.	June 15, 2009	06-32-028-03W5 M.D. of Rocky View	Global Refer status. Issuance of Closure/Abandonment Order No. AD 2009-25. Suspension and abandonment of the well licence. Licensee required to abandon the 06-32-028-03W5 well in accordance with <i>Directive 020: Well Abandonment Guide</i> . Licensee required to provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences and to meet with the ERCB to review its noncompliance history and action plan.
2	Desoto Resources Limited	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Desoto Resources Limited has a valid entitlement to the right to produce the well. See EUB <i>Decision 2008-047</i> .	June 19, 2009	11-13-038-25W4 Lacombe County	This is an escalation from a previous enforcement action reported on June 20, 2009. Issuance of Abandonment Order No. AD 2009-27. Abandonment of the well licence. Licensee required to abandon the 00/11-13-038-25W4/0 well in accordance with <i>Directive 020: Well Abandonment Guide</i> .

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

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
3	Pennine Petroleum Corporation	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Pennine Petroleum Corporation has a valid entitlement to the right to produce the well.	June 19, 2009	12-26-073-06W6 County of Grande Prairie	Global Refer status. Issuance of Closure Order No. C 1166. Suspension of well licence. Licensee required to complete one of the following: a) reacquire or reinstate the mineral rights; b) convert the well for water disposal or injection; c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement; or d) abandon the well. In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent occurrence of a similar event and to meet with the ERCB to explain the noncompliance issues and the devised action plan.

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.