



# ERCB Monthly Enforcement Action Summary

September 2009

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, September 2009**

January 2010

Published by

Energy Resources Conservation Board  
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	September 2009		
		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	41	6	85%
	Facilities Technical	13	2	85%
	Pipelines/Pipeline Installations Technical	19	0	100%
	Wells Technical	35	1	97%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	18	2	89%
	Control Wells	n/a	2	n/a
<b>Subtotal</b>		<b>126</b>	<b>13</b>	<b>90%</b>
<b>Field Surveillance and Operations Branch</b>				
Field Operations Group	Drilling Operations	35	3	91%
	Well Servicing	29	0	100%
	Oil Facilities	266	2	99.2%
	Gas Facilities	326	2	99.4%
	Pipelines	167	13	92%
	Drilling Waste	18	3	83
	Well Site Inspections	453	5	99%
	Waste Management	5	0	100%
Emergency Management Group	General and Technical ERP Requirements	5	1	80%
<b>Subtotal</b>		<b>1304</b>	<b>29</b>	<b>98%</b>
<b>Geology, Environmental Science &amp; Economics Branch</b>				
Environment Sciences Group Waste and Storage Section	Drilling Waste Audits	5	2	60%
	Storage Audits	10	0	100%
Geology and Reserves Group	Oil Overproduction	363	0	100%
<b>Subtotal</b>		<b>378</b>	<b>2</b>	<b>99.5%</b>
<b>Oil Sands Branch</b>				
Mineable Oil Sands Group	Mineable Oil Sands	n/a	1	n/a
<b>Subtotal</b>		<b>n/a</b>	<b>1</b>	<b>n/a</b>
<b>Total Audit/Inspections High Risk</b>		<b>1808</b>	<b>45</b>	<b>97.5%</b>

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	AltaGas Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 2, 2009	06-27-041-13W4 Flagstaff County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	ARC Resources Ltd.	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	September 2, 2009	07-06-058-21W4 County of Thorhild	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	ARC Resources Ltd.	Field Operations/ Well Site Inspection	Abandonment procedures not in accordance with guidelines.	September 16, 2009	08-18-010-12W4 County of Forty Mile	Abandonment operations suspended.  Licensee applied for and was granted a waiver to leave the cement plugs as is.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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4	Barrick Energy Inc.	Field Operations/ Pipelines	H <sub>2</sub> S content is higher than that stated on licence and the line is operating.	September 25, 2009	04-11-069-21W5  MD of Greenview	Operations suspended.  Licensee installed new pipelines to meet the pipeline licence requirements.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
5	Bronco Energy Ltd.	Field Operations/ Drilling Waste Inspection	Non compliant with other ERCB requirement – sump closure not completed within 12 months of drilling rig release.	September 29, 2009	14-05-080-22W4  M.D. of Opportunity	Operations were not suspended as drilling operations occurred in 2008 and there is no further activity occurring at the location.  Licensee granted an extension so that the sump material can be sampled, also the licensee to fence off the sump.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review until all the requirements can be met.
6	Bronco Energy Ltd.	Field Operations/ Oil Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	September 29, 2009	11-01-080-23W4  M.D. of Opportunity	Operations were not suspended as the bolts were immediately installed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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7	Calver Resources Inc.	Field Operations/ Pipelines	Cathodic protection system not operational or not installed.	September 2, 2009	12-22-102-23W5 M.D. of Northern Lights	<p>Operations were not suspended as the deficiency is dealing with the steel risers supporting the pipeline.</p> <p>Licensee currently working on replacing the risers. Extension granted to the end of February 2010 to complete the construction.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Currently under review until all the requirements can be met.</p>
8	Cancen Oil Processors Inc.	Field Operations/ Oilfield Waste Facilities	<p>Non compliant with other ERCB requirement – Adherence to Board approvals – facility operating without approval.</p> <p>Non compliant with other ERCB requirement – Adherence to Board approvals – facility receiving wastes other than approved/authorized.</p>	September 21, 2009	14-10-050-22W4 Leduc County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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9	Celtic Exploration Ltd.	Field Operations/ Drilling Waste Inspection	Sump located in porous/coarse soil.	September 9, 2009	13-04-059-19W5 M.D. of Greenview	<p>Operations were not suspended as the inspection occurred after the drilling operations had been completed.</p> <p>Licensee disposed of the material and reclaimed the sump.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Condor Canada Petroleum Inc.	Field Operations/ Well Site Inspection	H <sub>2</sub> S emissions off lease.	September 14, 2009	16-27-037-24W4 Red Deer County	<p>Operations suspended.</p> <p>Licensee replaced the stuffing box that was leaking.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
11	Connacher Oil & Gas Limited	Field Operations/ Pipelines	Cathodic protection system not operational or not installed.	September 2, 2009	05-10-081-07W5 Northern Sunrise County	<p>Operations were not suspended as the pipeline was only 18 months old and the licensee was actively working on installing a cathodic protection system.</p> <p>Licensee installed 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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12	Connacher Oil and Gas Limited	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 23, 2009	02-17-079-05W5M  M.D. of Opportunity	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
13	ConocoPhillips Canada (BRC) Ltd.	Field Operations/ Well Site Inspection	Non compliant with other ERCB requirement – Underground tank(s) not tested as the required 3 year frequency/operator cannot demonstrate tank integrity.	September 8, 2009	07-11-015-27W4  M.D. of Willow Creek	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee tested the tank(s).  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
14	Conocophillips Canada (BRC) Ltd.	Field Operations/ Drilling Inspection	Blowout preventor(s) or hydraulic controlled remote valve (HCR) on the diverter/bleed off line failed to operate from the floor position.	September 16, 2009	16-10-047-13W4  Beaver County	Operations suspended.  Licensee replaced the HCR valve.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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15	Crew Energy Inc.	Field Operations/ Drilling Waste Inspection	Ten minute flow checks not conducted at the required intervals.	September 10, 2009	15-20-044-13W4 Flagstaff County	<p>Operations were not suspended as the noncompliance was not witnessed during the inspection but was found during the records review.</p> <p>Licensee updated internal procedures to ensure that flow checks would be completed.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
16	Culane Energy Corp.	Facilities Applications/ Wells Technical	Failure to acquire the rights for the intended formation(s).	September 9, 2009	04-16-046-12W4 Beaver County	<p>Licence(s) not cancelled as it is a re-entry/resume application.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
17	Diaz Resources Ltd.	Field Operations/ Pipelines	Internal Corrosion Control – no monitoring and mitigation in a corrosive environment.	September 29, 2009	07-25-060-09W4 08-12-064-09W4 M.D. of Bonnyville 09-29-061-15W4 Smoky Lake County	<p>Operations were not suspended as the licensee took immediate action to address the noncompliance.</p> <p>Licensee implemented an updated pipeline integrity management program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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18	Encana Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or personal consultation and notification prior to filing the application.	September 29, 2009	04-29-027-18W4 Wheatland County	<p>Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.</p> <p>Require a plan to address the noncompliance and prevent future occurrences.</p> <p>NOTE: The notification issue has been addressed; however, Encana filed a reconsideration request on November 12, 2009, and no action plan has been provided yet. File is still under review.</p>
19	EnCana Corporation	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	September 17, 2009	08-11-060-03W6 M.D. of Greenview	<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>
20	EnCana Corporation	Resources Applications/ Enhanced Recovery Schemes	Inadequate VRR (Voidage Replacement Ratio).	September 21, 2009	Approval No. 11208	<p>Licensee submitted an application in accordance with <i>Directive 065: Resources Applications for Conventional Oil &amp; Gas Reservoirs</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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21	Enquest Environmental Services	Field Operations/ 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.	September 11, 2009	03-19-036-01W5  Red Deer County	Operations suspended.  Require a plan to address the noncompliance and prevent future occurrences.  Licensee did not comply, subsequently High Risk Enforcement Action 3 was issued on September 14, 2009.
22	Gibraltar Exploration Ltd.	Environmental Sciences/ Drilling Waste Audits	All appropriate approval criteria have not been followed for a particular method.	September 21, 2009	Remote Sump Location  06-14-062-08W6  M.D. of Greenview	Operations were not suspended as disposal operations were completed in 2007.  Licensee addressed required corrective actions to resample and monitor waste disposal area.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	Hansen Drilling Ventures Ltd.	Field Operations/ Gas Facilities	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.	September 23, 2009	16-32-003-05W4  County of Forty Mile	Operations were not suspended as the location was in a suspended state at the time of the inspection.  Licensee updated and posted the correct 24-hour emergency number.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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24	Husky Oil Operations Limited	Field Operations/ Oil Facilities	H <sub>2</sub> S content is higher than that stated on licence and the pipeline is operating.	September 2, 2009	01-32-064-04W4 16-29-064-04W4  M.D. of Bonnyville	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee amended the licence.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
25	Iteration Energy Ltd.	EPA Group/ General ERP Requirements and Technical ERP Requirements	Failure of the new licensee to contact the EPA section within 30 days of the transfer of a license to discuss a timeframe for submitting a new ERP.  Failure to submit a supplement for review and approval.  Failure to conduct a public involvement program for all members of the public within the proposed EPZ as defined in Section 4.3 of Directive 071.	September 17, 2009	Gordondale Area - 079- 09W6M	Operations were not suspended as it was determined that there was no immediate impact to the environment and/or the public.  Licensee submitted the required information and conducted a public involvement program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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26	Midlake Oil & Gas Limited	Field Operations/ Drilling Inspection	Bleed off line(s) not made using right angle connections constructed of tees and crosses blocked on fluid turns.  Fluid turns in flare line not made using right angle connections constructed of tees and crosses blocked on fluid turns.	September 17, 2009	16-20-029-07W4  Special Area 3 (near Cereal)	Operations suspended.  Licensee corrected the angles to allow for proper fluid turns.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
27	NOVA Chemicals Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 22, 2009	14-22-049-23W4  County of Leduc	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	Pembina Pipeline Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	September 1, 2009	12-18-060-12W5  Woodlands County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
29	Provident Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	September 30, 2009	11-11-013-19W4M County of Lethbridge	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
30	Quicksilver Resources Canada Inc.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	September 17, 2009	14-06-036-27W4 Red Deer County	Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	Response Energy Corporation	Field Operations/ Drilling Waste Inspection	Overall material storage – stored directly on surface or in unlined pit.	September 17, 2009	10-31-050-03W5 Leduc County	Operations were not suspended as the rig crew rectified the deficiency while the inspector was on site.  Licensee moved the material to a containment unit.  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
32	Shell Canada Limited	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	September 9, 2009	06-22-031-09W5 Clearwater County  10-13-030-07W5 M.D. of Bighorn	Operations were not suspended as the licensee erected temporary signage until the proper signage could be obtained.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
33	Skana Exploration Ltd.	Environmental Sciences/ Drilling Waste Audits	Sump closure was not completed within 12 months of drilling rig release.	September 18, 2009	16-02-032-04W5  Mountain View County	Operations were not suspended as further delays to the disposal operations would have resulted in a further risk to the environment.  Licensee addressed the waste.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
34	Stealth Ventures Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	September 4, 2009	121 locations	Operations not suspended.  Licensee confirmed in writing that the noncompliance has been addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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35	Strike Petroleum Ltd.	Field Operations/ Pipelines	Internal corrosion control – no records in corrosive environment.  Internal corrosion control – no monitoring and mitigation in corrosive environment.	September 17, 2009	08-08-020-19W4  Vulcan County	Operations suspended.  Licensee conducted a gas analysis on the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
36	Syncrude Canada Ltd.	Mineable Oil Sands/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	September 16, 2009	Approval No. 8573G	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended.  Failure to meet the approved sulphur recovery efficiency in the next 12 months may result in a restriction of raw gas inlet.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
37	Talisman Energy Inc.	Field Operations/ Gas Facilities	Surface runoff control - release criteria in Directive 55/Directive 58 not met prior to release.	September 24, 2009	04-36-058-24W5  Yellowhead County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.  Licensee updated internal procedures on surface runoff control criteria.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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38	Welton Energy Corporation	Field Operations/ Oil Facilities	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.	September 2, 2009	07-27-048-12W5 Yellowhead County	Operations suspended.  Licensee updated and posted the correct 24-hour emergency number.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
39	Zapata Energy Corporation	Resources Applications/ Enhanced Recovery Schemes	Inadequate VRR (Voidage Replacement Ratio).	September 23, 2009	Approval No. 10168C	Licensee submitted an application in accordance with <i>Directive 065: Resources Applications for Conventional Oil &amp; Gas Reservoirs</i> .  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.
40	Zenergy Canada Corp.	Field Operations/ Well Site Inspection	Oilfield waste materials not properly stored/contained.	September 1, 2009	10-09-020-10W4 Cypress County	Operations suspended.  Licensee contained the waste.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action 2 (Persistent Noncompliance) <sup>2</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed. (3 <sup>rd</sup> party pipeline hit)	September 25, 2009	04-21-015-11W4  County of Newell	Operations suspended.  Licensee updated its internal ground disturbance procedures.  Licensee met with the ERCB to review its action plan.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard)<sup>3</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Enquest Environmental Services	Field Operations/ 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.	September 14, 2009	03-19-036-01W5  Red Deer County	<p>This is a result of failing to comply with a High Risk Enforcement Action 1 issued on September 11, 2009.</p> <p>Operations suspended.</p> <p>Licensee updated and posted the correct 24-hour emergency number.</p> <p>Licensee met with the ERCB to review its action plan.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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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	Ignition Energy Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 10, 2009	Well Licences: 12-29-039-08W5 Clearwater County  10-34-041-12W4 Flagstaff County  Facility Licence: 00/13-29-039-08W5 Clearwater County	This is an escalation from previous enforcement actions reported on August 28, 2009.  Global Refer status.  Issuance of Closure Orders No. C 1176 and 1177.  Suspension and closure of well and facility licences.  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.  Ignition Energy Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB.  Compliance achieved.
2	Magnus Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	September 22, 2009	01-18-012-19W4 County of Lethbridge  02-32-072-07W5 M.D. of Lesser Slave River	This is an escalation from previous enforcement actions reported on July 23, 2009, and August 13, 2009.  Global Refer status.  Issuance of Abandonment Orders No. AD 2009-39 and AD 2009-40.  Abandonment of well licences.  Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty; provide a written explanation acceptable to the

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Low Risk Enforcement Action – Global REFER Summary <sup>4</sup>						
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						<p>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> <p>Magnus Energy Inc. failed to comply. Abandonment Orders No. AD 2009-39A and AD 2009-39B were subsequently issued to capture working interest participation changes and technical difficulties associated with abandoning the 01-18-012-19W4 well.</p>
3	Northern Sun Exploration Company Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 10, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-50.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Northern Sun Exploration Company Inc. failed to comply. Closure Orders No. C 1184 and C 1185 and Abandonment Orders No. AD 2009-47, AD 2009-48, and AD 2009-49 were subsequently issued.</p> <p>Northern Sun Exploration Company Inc. subsequently transferred all of its licences to a third party and provided a written action plan to the ERCB.</p> <p>Compliance achieved.</p>

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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
4	NVI Mining Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 10, 2009	16-07-026-16W4  Special Area 2 (near Dorothy)	<p>This is an escalation from a previous enforcement action reported on August 20, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 1178.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>NVI Mining Ltd. failed to comply . Abandonment Order No. AD 2009-45 was subsequently issued.</p> <p>NVI Mining Ltd. failed to comply with the abandonment order. The ERCB notified NVI Mining Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</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	Jordan Energy Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Jordan Energy Inc. has a valid entitlement to the right to produce the well.	September 2, 2009	16-35-066-03W4  M.D. of Bonnyville	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1174.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to abandon the 16-35-066-03W4 well; complete the Digital Data Submission (DDS), indicating both the downhole and surface abandonment; 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> <p>Jordan Energy Inc. failed to comply. Abandonment Order No. AD 2009-46 subsequently issued.</p> <p>The 16-35-066-03W4 well is abandoned. However, Jordan Energy Inc. remains on Global Refer status for failure to complete the DDS and provide a written explanation to the ERCB.</p>
2	Magnus One Energy Corp.	Corporate Compliance/ Surface Lease Expiry	Failure to prove to the satisfaction of the ERCB that Magnus One Energy Corp. has a valid entitlement to the surface lease and right of access (entry).	September 2, 2009	06-26-031-12W4  Special Area 2 (near Hanna)	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1173.</p> <p>Suspension of well licences.</p> <p>Licensee required to complete one of the following:</p>

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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>a) reacquire or reinstate the surface lease, or b) transfer the well licence to a viable licensee that has right of access.</p> <p>In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent a future occurrence of a similar event and meet with the ERCB to explain the noncompliance issues and the devised action plan.</p> <p>Magnus One Energy Corp. failed to comply.</p> <p>A third party has abandoned the 06-26-031-12W4 well.</p>
3	NVI Mining Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that NVI Mining Ltd. has a valid entitlement to the right to produce the well.	September 24, 2009	16-07-026-16W4  Special Area 2	<p>This is an escalation from a previous enforcement action reported on August 20, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2009-41.</p> <p>Abandonment of well licence.</p> <p>Licensee required to abandon the 16-07-026-16W4 well; complete the Digital Data Submission indicating both the downhole and surface abandonment; provide a written explanation acceptable to the ERCB addressing the failure to</p>

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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>respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>NVI Mining Ltd. failed to comply. The ERCB notified NVI Mining Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p>

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## 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.