



# ERCB Monthly Enforcement Action Summary

November 2009

**ENERGY RESOURCES CONSERVATION BOARD**  
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	November 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	42	2	95%
	Facilities Technical	14	1	93%
	Pipelines/Pipeline Installations Technical	11	0	100%
	Wells Technical	27	3	89%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	4	2	50%
	Groundwater Protection	n/a	1	n/a
	Control Wells	n/a	2	n/a
	Commingling	n/a	2	n/a
<b>Subtotal</b>		<b>98</b>	<b>13</b>	<b>87%</b>
<b>Field Surveillance and Operations Branch</b>				
	Drilling Operations	38	0	100%
	Well Servicing	17	0	100%
	Oil Facilities	171	2	99%
	Gas Facilities	154	2	99%
	Pipelines	245	19	92%
	Drilling Waste	11	0	100%
	Well Site Inspections	251	3	99%
	Waste Management	5	0	100%
<b>Subtotal</b>		<b>892</b>	<b>26</b>	<b>97%</b>
<b>Geology, Environmental Science &amp; Economics Branch</b>				
Environmental Science Group Waste and Storage Section	Oilfield Waste Generator	0	6	n/a
	Drilling Waste Audits	1	1	0%
Geology and Reserves Group	Oil Overproduction	386	3	99.2%
<b>Subtotal</b>		<b>387</b>	<b>4</b>	<b>99.0%</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>1377</b>	<b>44</b>	<b>96.8%</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	1127309 Alberta Ltd.	Resources Applications/ Commingling	Commingling without approval.	November 4, 2009	06-22-051-01W5 Parkland County	<p>Licensee to confirm 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>Currently under review</p>
2	Alberta Oilsands Inc.	Field Operations/ Pipelines	<p>No operations and maintenance procedures manual, or not followed.</p> <p>Noncompliant with other ERCB requirement – licensee not registered with Alberta One Call.</p>	November 18, 2009	07-31-049-26W4 Leduc County	<p>Operations were already suspended at the time of the inspection.</p> <p>Licensee implemented a ground disturbance manual and registered with Alberta One Call.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	AltaGas Ltd.	Field Operations/ Gas Facilities	No tank dike where required.	November 18, 2009	02-23-064-06W5 Woodlands County	<p>Operations were not suspended, as the licensee will empty the tank daily until a secondary containment area is installed.</p> <p>Licensee installed a secondary containment area.</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
4	ARC Resources Ltd.	Field Operations/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	November 13, 2009	09-07-037-24W5  Red Deer County	Operations were suspended until a ground disturbance meeting was held.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
5	ATCO Gas and Pipelines Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed (ground disturbance).	November 26, 2009	04-25-024-29W4  City of Calgary	Operations were not suspended, as the pipeline is deemed to be a main distribution line and is an essential public service.  Licensee updated internal procedures on ground disturbance activities.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
6	Blaze Energy Ltd.	Facilities Applications/ Participant Involvement	Failure to disclose to the ERCB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	November 9, 2009	11-02-048-13W5  Yellowhead 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
7	Bowood Energy Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	November 30, 2009	00/07-02-017-19W4/0 (production string)  Vulcan County	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p>
8	Brand S Resources Ltd.	Field Operations/ Well Site Inspection	Noncompliant 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 <i>Directive 071</i> .	November 17, 2009	10-07-043-27W4  Ponoka County	<p>Operations were not suspended, as the licensee was able to immediately address the noncompliance.</p> <p>Licensee updated and posted the correct 24-hour emergency number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
9	Bronco Energy Ltd.	Field Operations/ Pipelines	Internal corrosion control – no records in corrosive environment.	November 10, 2009	12-06-080-22W4 09-02-081-23W4  M.D. of Opportunity	<p>Operations were not suspended, as the licensee took immediate action to address the noncompliance.</p> <p>Licensee implemented a corrosion control program.</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
10	Canadian Forest Oil Ltd.	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	November 25, 2009	11-04-087-11W5 Northern Sunrise County	<p>Operations were not suspended, as the pipelines are located in a remote area and pose no immediate threat to the public or the environment.</p> <p>Licensee installed the signage.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
11	Canadian Forest Oil Ltd.	Field Operations/ Oil Facilities	<p>Flame-type equipment without workable flame arrester less than 25 m from a process vessel.</p> <p>Underground storage tank(s) not double walled (tanks installed after January 1, 2002).</p>	November 25, 2009	11-04-087-11W5 Northern Sunrise County	<p>Operations were not suspended, as the flame arrester was repaired immediately, the spill posed no threat to the public or the environment, and the tank will be emptied and taken out of service.</p> <p>Licensee installed the bolts on the flame arrester.</p> <p>Licensee took the storage tank out of service.</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
12	Canadian Forest Oil Ltd.	Field Operations/ Well Site	Spill off lease not adequately controlled/cleaned up.	November 25, 2009	07-04-087-11W5 Northern Sunrise County	Operations not suspended, as licensee replaced the hose and put in secondary containment.  Licensee cleaned up the spill.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
13	Canadian Forest Oil Ltd.	Field Operations/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	November 26, 2009	10-09-038-01W4 M.D. of Provost	Operations suspended.  Licensee updated internal procedures on ground disturbance activities.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
14	Connacher Oil and Gas Limited	Resources Applications/ Enhanced Recovery Schemes	Failure to commence injection.	November 5, 2009	Approval No. 10469E	Operations not suspended, injection not commenced.  Licensee submitted an application, in accordance with <i>Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs</i> , for an appropriate amendment of Approval No. 10469E.  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
15	Conserve Oil Corporation	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	November 17, 2009	06-04-034-28W4 Red Deer County	Operations were not suspended, as the licensee immediately erected temporary signs.  Licensee installed the signage.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
16	Conserve Oil Corporation	Field Operations/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	November 17, 2009	06-04-034-28W4 Red Deer County	Operations were not suspended, as the licensee immediately erected temporary signs.  Licensee installed the signage.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
17	Devon Canada Corporation	Field Operations/ Pipelines	Damage by others – proper procedures were not followed (ground disturbance).	November 25, 2009	08-23-078-25W5 Birch Hills County	Operations suspended.  Licensee reviewed its ground disturbance procedures with the staff.  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
18	EnCana Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	November 30, 2009	07-23-041-13W4 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.
19	EnCana Oil & Gas Co. Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed.  (pipeline hit)	November 20, 2009	14-17-019-08W4 Cypress County	Operations suspended.  Licensee reviewed its ground disturbance procedures with the staff.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
20	Esprit Exploration Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	November 5, 2009	00/14-15-031-02W5/0 (production string) Mountain View County	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.  Licensee was directed to develop and implement 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
21	Gibson Energy ULC	Field Operations/ Pipelines	Pressure control devices or pressure relief device installations unsatisfactory.	November 19, 2009	04-29-042-09W4  M.D. of Provost	Operations were not suspended, as the licensee lowered the maximum operating pressure on the set points in case of a pressure failure.  Require a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	Glenogle Energy Inc.	Environmental Science/ Oilfield Waste Generator Audits	Oilfield waste was not disposed of in the appropriate class of disposal well.	November 9, 2009	15-02-078-13W6  Saddle Hills County	Operations were not suspended, as the disposal operation occurred in 2009.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	Goodland Energy Ltd.	Facilities Applications/ Wells Technical	Failure to submit a well licence application as "Wells-Technical nonroutine" when required.	November 3, 2009	08-07-037-1W4  M.D. of Provost	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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24	Hornet Energy Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.  Failure to resolve issues or notify the ERCB of unresolved issues.	November 20, 2009	08-11-018-26W4 Vulcan County  07-20-018-27W4 M.D. of Foothills	Operations suspended.  Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in.  Require a plan to address the noncompliance and prevent future occurrences.  Currently under review.
25	Hunt Oil Company of Canada, Inc.	Resources Applications/ Enhanced Recovery Schemes	Failure to commence injection.	November 9, 2009	Approval No. 11325	Operations not suspended, injection not commenced.  Licensee submitted an application in accordance with <i>Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs</i> , for an appropriate amendment of Approval No. 11325.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
26	Iteration Energy Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed.  (pipeline hit)	November 13, 2009	16-26-005-05W4  County of Forty Mile	Operations suspended.  Licensee reviewed its ground disturbance procedures with their staff.  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
27	Kerrisdale Resources Ltd.	Field Operations/ Pipelines	Operator is aware of a reportable release but neglects to report it.	November 25, 2009	10-26-020-08W4  Special Area 2 (near Buffalo)	Operations suspended.  Licensee cleaned up the spill.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
28	Northern Spirit Resources Inc.	Field Operations/ Well Site Inspection	Spill on/off lease not adequately controlled/cleaned up.  No notification of spill to ERCB (if reportable).	November 13, 2009	12-26-034-01W5  Red Deer County	Closure Order No. C 1184 issued on November 10, 2009. Closure Order No. C 1184 was replaced with Closure Order No. 1185 on November 20, 2009.  Licensee may access the site, but only for the purpose of correcting the noncompliance. Permission for access must first be obtained from ERCB Red Deer Field Centre.  Licensee cleaned up the spill.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
29	Oakmont Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	November 4, 2009	04-15-011-19W4  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.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
30	Orleans Energy Ltd.	Environmental Science/ Drilling Waste Audits	Sump was not constructed in impermeable material.	November 13, 2009	05-33-059-18W5 M.D. of Greenview	Operations were not suspended, as the waste contained within the sump has been appropriately dealt with.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
31	Pembina Gas Services Ltd.	Field Operations/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	November 12, 2009	04-25-062-06W6 M.D. of Greenview	Operations were not suspended, as the licensee was able to promptly correct the noncompliance.  Licensee replaced the nuts/blots on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
32	Pengrowth Corporation	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	November 12, 2009	15-02-065-11W5 M.D. of Big Lakes	The operations at the site were already suspended at the time of the inspection.  Licensee implemented mitigation and monitoring program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
33	Petrobank Energy and Resources Ltd.	Field Operations/ Pipelines	<p>The status of crossing agreements is unsatisfactory.</p> <p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p> <p>Machine working within 60 cm without authorization from the owner of the existing crossing.</p> <p>Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory.</p>	November 21, 2009	11-24-049-27W4 Leduc County	<p>Operations were not suspended by the ERCB, as the pipeline was shut in at the time of the inspection.</p> <p>Licensee repaired the pipeline and implemented new internal procedures on ground disturbance activities.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
34	Second Wave Petroleum Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with DOE.	November 5, 2009	04-24-031-20W4 Starland County	<p>Licence(s) cancelled.</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
35	Syncrude Canada Ltd.	Oil Sands/ Mineable Oil Sands	Failure by an operator to measure oil sands, crude bitumen, derivatives or crude bitumen or oil sands products, and all significant process streams that have a bearing on the calculations of material balances of hydrocarbons or sulphur in a manner satisfactory to the Board.	November 19, 2009	Approval No. 8573G	<p>Licensee to provide the daily Plant 6 tailings sample attainment, including all assays and line downtime.</p> <p>Licensee to submit a plan on how to achieve 95% sample attainment for all froth treatment tailing samples involved in the calculation of solvent losses to the pond.</p> <p>Licensee to develop procedures on how to perform and record periodical revisions/calibrations, checks for tailings meters, acid gas flow meters, tail gas flow meters and flare gas flow meters.</p> <p>Require a plan to address the noncompliance and prevent future occurrences.</p> <p>Additional information required.</p>
36	Taqa North Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	November 5, 2009	00/12-04-041-06W5/0 (production string) Clearwater County	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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37	Taqa North Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	November 24, 2009	16-20-030-27W4 Mountain View County	<p>Operations were not suspended in accordance with <i>Directive 040: Pressure and Deliverability Oil and Gas Well—Minimum Requirements and Recommended Practices</i>.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed by submitting sufficient pressure test data through the ERCB Digital Data Submission (DDS) system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
38	Terra Energy Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy	November 20, 2009	07-33-082-10W6 Saddle Hills County	<p>License(s) cancelled.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
39	Western Canada Energy Ltd.	Field Operations/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	November 24, 2009	08-26-087-11W6 M.D. of Clear Hills	<p>Operations suspended.</p> <p>Require a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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40	Zapata Energy Corporation	Resources Applications/ Commingling	Improper use of the decision trees.	November 5, 2009	08-15-018-21W4 Vulcan 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>
41	Zargon Oil & Gas Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	November 6, 2009	14-36-048-11W5 Brazeau County	<p>Operations were not suspended in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i>.</p> <p>Licensee to determine the source and composition of the produced water and provide a water analysis.</p> <p>Require a plan to address the noncompliance and prevent future occurrences; currently under review.</p>

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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	Cancen Oil Processors Inc.	Field Operations/ Waste Facility Inspection	No waste characterizations/sampling of incoming waste stream(s).  Facility receiving wastes other than approved/authorized.  Injection pressure exceeds ERCB approved maximum.  Disposal/injection well accepting prohibited waste streams.	November 17, 2009	14-10-050-22W4  Leduc County	Operations suspended.  Licensee must operate in compliance for 60 days.  Licensee must meet with the ERCB to review its action plan.  Require a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Penn West Petroleum Ltd.	Field Operations/ Pipelines	Damage by others – proper procedures were not followed.  (pipeline hit)	November 12, 2009	10-13-040-03W4  M.D. of Provost	Operations suspended.  Licensee reviewed its internal ground disturbance procedures with staff.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee met with the ERCB to review its action plan.  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
3	Penn West Petroleum Ltd.	Field Operations/ Pipelines	<p>Pipeline coating/handling conditions are unsatisfactory.</p> <p>Safety precautions are unsatisfactory.</p> <p>Poor construction practices resulting in failure within one year's service/operation.</p>	November 13, 2009	04-02-033-01W4  Special Area 4 (near Compeer)	<p>Operations suspended.</p> <p>Licensee implemented a training program for all construction personnel designated to do underground pressure piping.</p> <p>Licensee repaired the pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to review its action plan.</p> <p>Compliance achieved.</p>

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

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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	Pemberton Energy Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 30, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-54.</p> <p>Licensee required to pay 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>Pemberton Energy Ltd. failed to comply. Closure Order No. C 1190, Abandonment Orders No. AD 2010-14 and 2010-15, and Closure/Abandonment Order No. AD 2010-16 were subsequently issued.</p>
2	SynCo Exploration Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 30, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-51.</p> <p>Licensee required to pay 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>SynCo Exploration Inc. failed to comply. Closure Orders No. C 1188 and C 1189, Abandonment Orders No. AD 2010-10 and AD 2010-11, and Closure/Abandonment Order No. AD 2010-12 were subsequently issued.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



Low Risk Enforcement Action – Global REFER Summary<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
3	WestWind Resources Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 30, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-53.</p> <p>Licensee required to pay 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>Westwind Resources Inc. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</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
1	Cam-Star Resources (1990) Ltd.	Corporate Enforcement/ Right to Hold Audit	Failure to prove to the satisfaction of the ERCB that Cam-Star Resources (1990) Ltd. has a valid entitlement to the right to access and produce the subject wells.	November 30, 2009	08-17-044-25W4 09-17-044-25W4  Ponoka County	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1186.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee required to complete one of the following:</p> <ul style="list-style-type: none"> <li>a) reacquire or reinstate the mineral rights and surface leases;</li> <li>b) transfer the well licences to a viable licensee who has the right to hold; or</li> <li>c) abandon the wells.</li> </ul> <p>In addition, licensee required to 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>Cam-Star Resources (1990) Ltd. failed to comply. Abandonment Order No. AD 2010-1 was subsequently issued.</p> <p>Cam-Star Resources (1990) Ltd. reacquired the mineral rights and surface leases, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</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
2	Northern Spirit Resources Inc.	Corporate Enforcement/ Corporate Status	Failure to prove to the satisfaction of the ERCB that Northern Spirit Resources Inc. is eligible to hold licences.	November 19, 2009	12-26-034-01W5  Red Deer County	Global Refer status.  Issuance of Closure Order No. C 1185.  Closure of well licence.  Licensee required to provide confirmation to the ERCB that it continues to be a registered, active company in the Province of Alberta and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.  Northern Spirit Resources Inc. returned to active status and provided a written explanation to the ERCB.  Compliance achieved.
3	Sahara Energy Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Sahara Energy Ltd. has a valid entitlement to the right to produce the well.	November 4, 2009	16-35-015-20W4  Vulcan County	Global Refer status.  Issuance of Closure Order No. C 1183.  Suspension and closure of well licence.  Licensee required to abandon the 16-35-015-20W4 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

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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>meet with the ERCB to review its noncompliance history and action plan.</p> <p>Sahara Energy Ltd. failed to comply. Abandonment Order No. AD 2010-5 was issued.</p> <p>Amended Abandonment Order No. AD 2010-5A was subsequently issued.</p> <p>Working interest participant granted until March 31, 2010, to comply.</p>
4	Savant Energy Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Savant Energy Ltd. has a valid entitlement to the right to produce the well.	November 30, 2009	06-08-052-06W4  County of Vermilion River	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1187.</p> <p>Suspension and closure of the well licence.</p> <p>Licensee required to complete one of the following:</p> <ol style="list-style-type: none"> <li>reacquire or reinstate the mineral rights,</li> <li>transfer the well licence to a viable licensee who has the right to hold, or</li> <li>abandon the well.</li> </ol> <p>In addition, licensee required to 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 non-compliance history and action plan.</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>Savant Energy Ltd. failed to comply. Abandonment Order No. AD 2010-3 was subsequently issued.</p> <p>Savant Energy Ltd. failed to comply with the abandonment order. The ERCB notified Savant Energy Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p>
5	Shorthorn Exploration Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Shorthorn Exploration Ltd. has a valid entitlement to the right to produce the well.	November 4, 2009	10-04-026-10W4  Special Area 2 (Near Pollickville)	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1182.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to abandon the 10-04-026-10W4 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>Shorthorn Exploration Ltd. abandoned the well, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</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
6	Silver Swan Resources Inc.	Corporate Enforcement/ Surface Access Termination	Failure to prove to the satisfaction of the ERCB that Silver Swan Resources Inc. has a valid entitlement to the right to access the well.	November 20, 2009	06-08-028-05W4  Special Area 3 (near Cereal)	<p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2009-51.</p> <p>Closure and abandonment of well licence.</p> <p>Licensee required to abandon the 06-08-028-05W4 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>Silver Swan Resources Inc. failed to comply. The ERCB notified Silver Swan Resources Inc. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p> <p>Silver Swan Resources Inc. was subsequently deemed a defaulting working interest participant, and well licence designated orphan for the purposes of abandonment.</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
7	Slate Energy Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Slate Energy Inc. has a valid entitlement to the right to produce the wells.	November 17, 2009	03-34-055-24W4 06-34-055-24W4 11-34-055-24W4  Sturgeon County	This is an escalation from a previous enforcement action reported on October 9, 2009.  Global Refer status.  Issuance of Abandonment Order No. AD 2009-50.  Abandonment of well licences.  Licensee required to abandon the wells, 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.  Slate Energy Inc. failed to comply. The ERCB notified Slate Energy Inc. of its intention to have the wells abandoned as a result of the breaching of the abandonment order.
8	Slate Energy Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Slate Energy Inc. has a valid entitlement to the right to produce the wells.	November 30, 2009	11-34-055-24W4 06-34-055-24W4  Sturgeon County	Global Refer status.  Issuance of Closure/Abandonment Order No. AD 2009-52.  Suspension and abandonment of the pipeline licences associated with wells ordered abandoned.

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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>Licensee required to abandon the pipeline licences and their associated pipeline segments in accordance with the <i>Pipeline Act</i> and <i>Pipeline Regulations</i>, 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>Slate Energy Inc. failed to comply. The ERCB notified Slate Energy Inc. of its intention to have the wells abandoned as a result of the breaching of the closure/abandonment order.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca).



## Endnotes

### <sup>1</sup> **Directive 019 – High Risk Enforcement Action 1 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB identifies a High Risk noncompliance event. To address High Risk Enforcement Action 1, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 days (or in the time specified by the ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension until the noncompliance is corrected/addressed; suspension and/or cancellation of permit, licence, or approval.

### <sup>2</sup> **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 2 is initiated against a licensee who has an unacceptable rate, ratio, percentage or number of noncompliances, either in the same or in different compliance categories. To address High Risk Enforcement Action 2, the licensee must: immediately correct/address the High Risk noncompliance; develop and implement a written action plan within 30 days (or in the time specified by the ERCB group) addressing the root causes of previous noncompliance events and detailing what the licensee will do to prevent future noncompliance events in this compliance category/categories; if operations were suspended, have the action plan approved by the ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval.

### <sup>3</sup> **Directive 019 – High Risk Enforcement Action 3 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 3 is initiated against a licensee who has failed to comply with the requirements of High Risk Enforcement Action 1, 2, or 3, or has demonstrated disregard of ERCB requirements that have been identified as High Risk. To address High Risk Enforcement Action 3, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public); develop and implement a written action plan acceptable to the ERCB group that addresses the root causes of noncompliance events and details what the licensee will do to prevent future noncompliance events in this compliance category; and meet with the ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; third-party audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); “Refer” status: focused or global.

High Risk Enforcement Action 3 with global Refer results in formal orders to comply (Closure, Miscellaneous and Abandonment) and the imposition of the global Refer status against the licensee. The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company.

### <sup>4</sup> **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, Low Risk Enforcement Action – global Refer is initiated against a licensee who has failed to correct/address a Low Risk noncompliance event in the time specified by the ERCB group. Low Risk Enforcement Action – global Refer enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions of continued operation may be applied to the entire company. To address Low Risk Enforcement Action, the licensee must: immediately correct/address the Low Risk noncompliance within the time specified by the ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB group addressing the failure to respond and detailing steps to prevent future occurrences.

### <sup>5</sup> **Legislative/Regulatory Enforcement Action Summary**

In accordance with certain legislative authorities, Legislative/Regulatory enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company. Enforcement actions that are not administered through *Directive 019*, but rather through existing legislation, and for which enforcement proceeds directly to a formal order and global Refer are: mineral lease expiry, surface lease expiry, environmental and public safety concerns, and failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and a working interest ownership in the property.