



ERCB Monthly Enforcement Action Summary

March 2010

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	March 2010		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	48	4	92%
	Facilities Technical	20	3	85%
	Pipelines/Pipeline Installations Technical	15	0	100%
	Wells Technical	27	0	100%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Commingling	n/a	1	n/a
	Spacing	n/a	2	n/a
Subtotal		110	10	91%
Field Surveillance and Operations Branch				
Technical Operations Group Production Operations Section	Production Measurement & Reporting	1	1	0%
	Sulphur Recovery Guidelines	0	1	n/a
Field Operations Group	Drilling Operations	30	2	93%
	Well Servicing	60	2	97%
	Oil Facilities	197	0	100%
	Gas Facilities	264	7	97%
	Pipelines	221	2	99.1%
	Drilling Waste	6	1	83%
	Well Site Inspections	323	3	99.1%
	Waste Management	11	0	100%
Subtotal		1113	19	98%
Geology, Environmental Science and Economics Branch				
Environmental Monitoring and Regulation Group	Oilfield Waste Generator Audits	0	1	n/a
Geology and Reserves Group Reserves and Pore Space Management	Oil Overproduction	353	3	99.2%
Subtotal		353	4	98.9%
Total Audits/Inspections High Risk		1576	33	97.9%

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	Apache Canada Ltd.	Field Operations/ Gas Facilities	Noncompliant with other ERCB requirements. (Exceeding the annual flare volume limits at a gas plant.)	March 10, 2010	10-17-064-13W5 M.D. of Big Lakes	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee provided a summary of the <i>Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting</i> requirements to all staff involved in field operations.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	ARC Resources Ltd.	Field Operations/ Gas Facilities	Low-pressure and/or high-pressure test(s) not conducted on all required components and/or casing strings.	March 23, 2010	16-26-056-21W4 Strathcona County	<p>Operations were not suspended, as intermediate casing was set and final trip was being conducted.</p> <p>Licensee submitted an action plan that indicated that a pressure test waiver was submitted and approved.</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 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
3	Bellatrix Exploration	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	March 2, 2010	08-35-046-04W5 County of Westaskiwin	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.
4	Birchcliff Energy Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	March 11, 2010	07-22-077-04W6 Birch Hills County	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Bonterra Energy Corp.	Resources Applications/ Spacing	Production of too many wells per pool per drilling spacing unit without approval.	March 8, 2010	Section 07-048-05W5 Brazeau County	Operator shut in well 17-07-048- 05W5. 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 has been obtained. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
6	EnCana Corporation	Resources Applications/ Equity Orders	Misrepresentation of data in an application.	March 11, 2010	Application No. 1608671	Licensee provided a plan to address the noncompliance and prevent future occurrences. Request for reconsideration of enforcement action denied. Compliance achieved.
7	Enermark Inc.	Field Operations/ Gas Facilities	Contaminated material stored directly on the ground.	March 22, 2010	11-17-047-09W4 M.D. of Wainwright	Operations were not suspended, as the risk will be mitigated by the removal and disposal of the waste. Licensee cleaned up the area and removed the waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Enermark Inc.	Field Operations/ Oil Facilities	H ₂ S emissions off lease.	March 15, 2010	13-23-040-08W4 M.D. of Provost	Operations were not suspended, as the risk was mitigated immediately. Licensee repaired the thief hatch. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	EOG Resources Canada Inc.	Field Operations/ Well Servicing	Noncompliant with other ERCB requirement. (As per <i>Directive 033</i> , licensee must have documented practices available at the well site.)	March 30, 2010	13-34-011-08W4 County of Forty Mile	Operations suspended. Licensee completed the hazard assessment and reviewed it with on-site staff. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Equal Energy Corp.	Field Operations/ Drilling Operations	Manual valve in bleed-off line not operable. Degasser inlet line does not meet minimum sizing requirements for well depth.	March 31, 2010	15-22-026-03W5 M.D. of Rocky View	Operations suspended. Licensee set immediate casing and cemented the wellbore. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	E-T Energy Ltd.	Field Operations/ Drilling Waste	Noncompliant with other ERCB requirement. (Oilfield waste not properly characterized.)	March 8, 2010	09-13-090-10W4 Regional Municipality of Wood Buffalo	Operations were not suspended, as noncompliance occurred in the past. Licensee will review the waste disposal procedures, disposal method, and testing methods before waste is shipped off site for disposal. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Exoro Energy Inc.	Field Operations/ Well Site Inspections	No tank dike(s) where required.	March 31, 2010	13-22-049-07W5 Brazeau 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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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Hemisphere Energy Corporation	Field Operations/ Gas Facilities	The status of crossing agreements is unsatisfactory.	March 18, 2010	14-02-038-05W5 Clearwater County	Operations suspended. Licensee obtained written crossing agreement. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	Husky Oil Operations Limited	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	March 30, 2010	00/15-09-019-23W4/0 (production string) Vulcan County	Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Iteration Energy Ltd.	Technical Operations/ Production Measurement	Inaccurate vent gas estimation. Inaccurate reporting of vent gas.	March 18, 2010	09-03-062-03W6 M.D. of Greenview	Operations were not suspended, as there was no existing or potential impact/hazard to the environment to the public. Licensee submitted its accounting figures. Licensee provided a plan to address the noncompliance and prevent future occurrences. ERCB group will follow-up to determine if compliance has been achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Meg Energy Corp.	Field Operations/ Well Servicing	Blowout preventers failed to operate from driller's position.	March 31, 2010	10-16-077-05W4 Region Municipality of Wood Buffalo	Operations were not suspended, as the licensee immediately corrected the noncompliance. Licensee repaired the air line to the blowout preventer. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Milestone Exploration Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	March 30, 2010	SO/02-18-013-21W4/0 (production string) Vulcan County	Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Mosaic Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	March 18, 2010	10-19-052-14W5 Yellowhead County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee has submitted and acquired a facility licence. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
19	Norlake Energy Corp.	Field Operations/ Well Site Inspections	Abandonment procedures not in accordance with guidelines.	March 11, 2010	06-19-048-13W5 Yellowhead County	Operations were not suspended, as the well was abandoned. Inspection closed. ERCB has not received a confirmation of corrective action. Norlake Energy Corp. placed on High Risk Enforcement Action 3 as of June 10, 2010.
20	Orion Oil & Gas (North America) Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application. Filing the application before expiry of the 14-calendar-day notification period.	March 2, 2010	08-23-055-21W4 07-31-055-20W4 07-31-055-20W4 07-31-055-20W4 Municipality of Strathcona	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.
21	Penn West Petroleum Ltd.	Field Operations/ Gas Facilities	Underground tank(s) not tested at the required 2 year frequency/operator cannot demonstrate tank integrity.	March 2, 2010	08-27-048-04W5 Brazeau County	Operations suspended. Licensee integrity tested the tank. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	Penn West Petroleum Ltd.	Field Operations/ Pipelines	Discontinued pipeline – Not left in safe condition. Pipeline is operating but is shown as discontinued or abandoned in ERCB records.	March 5, 2010	07-21-016-12W4 County of Newell	Operations suspended. Licensee repaired and pressure tested the pipeline. Licence amendment was submitted and approved. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
23	Petrobank Energy and Resources Ltd.	Field Operations/ Pipelines	Discontinued pipeline – Not left in safe condition. Pipelines were not physically isolated from the operating system.	March 26, 2010	06-25-020-21W4 (five pipelines) County of Vulcan	Operations were not suspended, as the pipeline was already shut in. Licensee addressed the pipeline integrity program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance has not yet been achieved, as licensee has not completed suspension of the pipelines due to wet weather conditions.
24	Sphere Energy Corp.	Environmental Monitoring and Regulation Group/ Oilfield Waste Generator Audits	Oilfield waste generator (licensee/approval holder) not tracking oilfield waste from cradle to grave. Oilfield waste was transferred to an unapproved transfer station.	March 10, 2010	02-22-018-19W4 Vulcan County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2007. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	Suncor Energy Inc.	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	March 12, 2010	08-14-053-15W5 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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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
26	Suncor Energy Inc.	Resources Applications/ Commingling	Commingling without approval.	March 23, 2010	02-19-027-06W5 M.D. of Bighorn	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the well has been shut in and will remain shut in until the requisite approval has been obtained.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
27	Taqa North Ltd.	Field Operations/ Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	March 22, 2010	06-28-054-12W5 Yellowhead County	<p>Operations were not suspended, as at the time of inspection, the two underground tanks were empty and blocked off and the underground flare knockout was emptied the next morning.</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 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
28	Taqa North Ltd.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	March 2, 2010	00/04-05-035-24W4/0 (production string) Red Deer County	<p>Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Surveillance from ERCB suggests that the well resumed production prior to retiring all cumulative overproduction.</p> <p>Discussions between ERCB and licensee suggest potential production reporting issue – awaiting production amendments to assess compliance.</p>
29	Terra Energy Corp.	Field Operations/ Well Site Inspections	Well not suspended, as required by ID 90-4. ¹	March 18, 2010	04-28-038-03W5 Lacombe County	<p>Operations were not suspended, as the well was already suspended at the time of inspection.</p> <p>Licensee set a bridge plug above the open set of perforations to properly suspend the wellbore.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

¹ ID 90-4: *Suspension Guidelines for Inactive Wells* has been rescinded and replaced with *Directive 013: Suspension Requirements for Wells*.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
30	West Energy Ltd.	Field Operations/ Gas Facilities	H ₂ S emissions off lease.	March 26, 2010	08-07-049-05W5 Brazeau County	<p>Operations were not suspended, as licensee immediately repaired the valve and eliminated the H₂S odours.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
31	Zargon Oil & Gas Ltd.	Field Operations/ Gas Facilities	Noncompliant with other ERCB requirement. (<i>Directive 056</i> – Failure to meet the spacing requirements in the facility design.)	March 25, 2010	15-32-047-10W5 Brazeau County	<p>Operations suspended.</p> <p>Licensee submitted an application for reduced spacing.</p> <p>Licensee converted the permanent compressor to a temporary one to meet compliance.</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 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
	None					

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

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Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Benjaka Exploration Inc.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 25, 2010	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2010-8. 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. Benjaka Exploration Inc. submitted full payment of its security deposit and provided a written explanation to the ERCB. Compliance achieved.
2	Kensho Developments Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 3, 2010	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2010-7. 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. Kensho Developments Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB. Compliance achieved.
3	Padriv Development Ltd.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 19, 2010	07-05-033-15W4 Special Area 2 16-33-038-24W4 Lacombe County	This is an escalation of a previous enforcement action reported on March 3, 2010.

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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
					<p>07-18-033-16W4 Starland County</p> <p>07-28-034-17W4 County of Stettler</p> <p>01-14-045-01W4 08-14-045-01W4 County of Vermilion River</p> <p>08-18-035-11W5 Clearwater County</p>	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2010-5.</p> <p>Issuance of Closure Order No. C 1196.</p> <p>Suspension and closure of well licences.</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>Padriv Development Ltd. failed to comply. Abandonment Order No. AD 2010-32 and Closure/ Abandonment Order No. AD 2010-33 were subsequently issued.</p> <p>Padriv Development Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
4	Radius Resources Corp.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 11, 2010	<p>10-23-014-18W4 13-24-013-13W4 M.D. of Taber</p> <p>01-15-024-11W4 Special Area 2 (near Pollickville)</p> <p>06-08-065-16W5 02-02-065-25W5 03-08-064-24W5</p>	<p>This is an escalation from a previous enforcement action reported on February 25, 2010.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1194.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to pay security</p>

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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
					16-03-066-25W5 M.D. of Greenview	<p>deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Radius Resources Corp. failed to comply. Abandonment Orders No. AD 2010-24 and AD 2010-25 and Closure/Abandonment Order No. AD 2010-26 were subsequently issued.</p> <p>Radius Resources Corp. 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 ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	SynCo Exploration Inc.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that SynCo Exploration Inc. has a valid entitlement to the right to produce the well.	March 12, 2010	11-24-045-19W4 County of Camrose	<p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2010-17</p> <p>Suspension and abandonment of the well licence.</p> <p>Licensee required to abandon the 11-24-045-19W4 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 respond and detailing steps to prevent future occurrences, and meet with the ERCB to review its noncompliance history and action plan.</p> <p>SynCo Exploration Inc. failed to comply with the abandonment order.</p> <p>SynCo Exploration Inc. was subsequently deemed a defaulting working interest participant and its licences were designated orphan for the purposes of abandonment.</p>

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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.