



ERCB Monthly Enforcement Action Summary

September 2010

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	September 2010		
		Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	24	0	100%
	Facilities Technical	15	2	87%
	Pipelines/Pipeline Installations Technical	1	0	100%
	Wells Technical	24	3	88%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Control Wells	n/a	1	n/a
	Commingling	n/a	1	n/a
Subtotal		64	7	89%
Field Surveillance and Operations Branch				
Field Operations Group	Drilling Operations	24	1	95.8%
	Well Servicing	14	0	100%
	Oil Facilities	234	1	99.6%
	Gas Facilities	163	1	99.4%
	Pipelines	95	4	97%
	Drilling Waste	4	0	100%
	Well Site Inspections	298	5	98%
	Waste Management	4	0	100%
Subtotal		836	12	98.6%
Geology, Environmental Science and Economics Branch				
Reserves and Pore Space Management Group Oil Reserves Section	Oil Overproduction	376	2	99.5%
Subtotal		376	2	99.5%
Total Audit/Inspections High Risk		1276	21	98.4%

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	981384 Alberta Ltd.	Resources Applications/ Control wells	Producing wells without the requisite control wells in place.	September 20, 2010	14-23-033-21W4 Starland County	<p>Licensee confirmed in writing that it had addressed the noncompliance and that the well had been shut in and will remain shut in.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Apache Canada Ltd.	Field Operations/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	September 3, 2010	10-23-036-05W4 Special Area 4	<p>Operations suspended.</p> <p>Licensee removed the section of the affected pipeline and implemented a monitoring program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Apache Canada Ltd.	Field Operations/ Well Site Inspections	Spill on/off lease not adequately controlled/cleaned up.	September 30, 2010	10-25-012-02W4 Mackenzie County	<p>Operations weren't suspended as the licensee immediately cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Black Sea Oil & Gas Ltd.	Facilities Applications/ Facilities Technical	Failure to complete an acceptable noise impact assessment prior to filing an application.	September 9, 2010	01-23-087-06W6 Clear Hills 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.
5	BP Canada Energy Company	Field Operations/ Pipelines	Discontinued pipeline – not left in safe condition.	September 15, 2010	10-11-033-04W5 Mountain View County	Pipeline operations were already in a suspended state at the time of the inspection. Licensee abandoned the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
6	Canadian Natural Resources Limited	Field Operations/ Drilling Waste Inspection	Well Control, Crew Training and Tripping – STICK diagram does not contain all the required information.	September 9, 2010	09-12-075-12W6 Saddle Hills County	Operations weren't suspended as the licensee had already completed the well control event and abandoned the wellbore. Licensee updated internal procedures. 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
7	Canadian Natural Resources Limited	Field Operations/ Well Site Inspections	<p>Noncompliant with other ERCB requirement – abandonment procedures not in accordance with guidelines as per <i>Directive 020: Well Abandonment</i> (well not cut and capped as required).</p> <p>Noncompliant with other ERCB requirement – Failure to perform surface case vent flow/gas migration tests as required.</p>	September 9, 2010	16-16-062-04W4 M.D. of Bonnyville	<p>Well operations were in a suspended state at the time of the inspection. Downhole abandonment procedures were completed March 16, 2001.</p> <p>Licensee updated internal procedures to adhere to the requirements in <i>Directive 020</i>.</p> <p>Licensee performed the surface case vent flow/gas test.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
8	Canflame Energy Ltd.	Facilities Applications/ Wells Technical	<p>Failure to acquire the necessary well licence prior to commencing site preparation, construction and/or operation.</p> <p>Failure to submit a well licence application as “Wells-Technical nonroutine” when required.</p>	September 9, 2010	13-20-49-26W4 County of Leduc	<p>Licence(s) suspended under Kasten Energy Inc. (the new licensee).</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
9	Cenovus Energy Inc.	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	September 30, 2010	00/04-29-019-13W4/0 (production string) County of Newell	Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired. ERCB directed licensee to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Compton Petroleum Corporation	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	September 30, 2010	02/16-32-050-08W5/0 (production string) Brazeau County	Licensee confirmed in writing that the well was shut in and will remain shut in until all overproduction is retired. ERCB directed licensee to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Crew Energy Inc.	Facilities Applications/ Facilities Technical	Failure to submit a facility licence application as "Facilities-technical nonroutine" when required.	September 28, 2010	15-17-028-03W4 Special Area No. 3	Licence not suspended or cancelled as mitigative measures are in place. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
12	Enquest Energy Service Corp.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Failure to post a 24-hour emergency number by way of a conspicuous sign erected at the primary entrance to a well.)	September 20, 2010	08-19-036-01W5 Red Deer County	Operations were already suspended at the time of inspection. ERCB directed licensee to provide a plan to address the noncompliance and prevent future occurrences. Licensee failed to comply. ERCB took further action on December 17, 2010.
13	Enquest Energy Service Corp.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement. (Failure to post a 24-hour emergency number by way of a conspicuous sign erected at the primary entrance to a well.)	September 20, 2010	14-29-032-27W4 Mountain View County	Operations were already suspended at the time of inspection. ERCB directed licensee to provide a plan to address the noncompliance and prevent future occurrences. Licensee failed to comply. ERCB took further action on December 17, 2010.
14	EOG Resources Canada Inc.	Resources Applications/ Commingling	Commingling without approval.	September 10, 2010	10-09-051-04W5 Parkland County	Licensee confirmed in writing that it had addressed the noncompliance and that the well had been shut in and will remain shut in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
15	Ferrybank Resources Ltd.	Field Operations/ Well Site Inspections	Spill on/off lease not adequately controlled/cleaned up.	September 24, 2010	04-07-038-04W5 Clearwater County	Operations suspended. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Fort Calgary Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the necessary well licence prior to commencing site preparation, construction, and/or operation.	September 10, 2010	04-31-038-09W4 County of Paintearth	Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Midway Energy Ltd.	Field Operations/ Well Site Inspections	No tank dike(s) where required.	September 27, 2010	02-13-035-04W5 Red Deer County	Operations weren't suspended as the licensee immediately emptied the tanks. Licensee installed a tank dike. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Sammis Oil & Gas Ltd.	Field Operations/ Well Site Inspections	Noncompliant with other ERCB requirement – licensee must ensure that a call to its 24 hour emergency telephone number initiates immediate action.	September 30, 2010	10-25-012-02W4 Cypress County	Well site was shut in at the time of inspection. Require a plan to address the noncompliance and prevent future occurrences. Licensee failed to comply. ERCB took further action on November 5, 2010.
19	Talisman Energy Inc.	Field Operations/ Pipelines	Joining/Inspection and testing – joining/radiograph is unsatisfactory.	September 23, 2010	13-01-043-02W4 M.D. of Wainwright	Operations suspended. Licensee updated internal procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	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
1	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	1451637 Alberta Ltd.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 9, 2010	09-06-090-09W5 08-30-089-09W5 04-12-090-10W5 Northern Sunrise County	<p>This is an escalation of a previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1225.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>1451637 Alberta Ltd. failed to comply. Abandonment Order No. AD 2010-67 was subsequently issued.</p> <p>1451637 Alberta Ltd. failed to comply. ERCB is evaluating further actions.</p>
2	Arbour Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 9, 2010	06-32-028-03W5 M.D. of Rocky View	<p>This is an escalation of a previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1226.</p> <p>Suspension and closure of well licences.</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
						<p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Arbour Energy Inc. failed to comply. Abandonment Order No. AD 2010-82 was subsequently issued.</p> <p>Arbour Energy Inc. failed to comply. ERCB is evaluating further actions.</p>
3	Enerhance Resources Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 9, 2010	<p>06-07-013-01W4 10-31-012-01W4 06-02-013-02W4 14-11-013-02W4 06-15-012-03W4</p> <p>Cypress County</p>	<p>This is an escalation of a previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1227.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Enerhance Resources Inc. failed to comply. Abandonment Order No.</p>

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Low Risk Enforcement Action – Global REFER Summary⁴

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						AD 2010-70 was subsequently issued. Enerhance Resources Inc. failed to comply. ERCB is evaluating further actions.
4	Enquest Environmental Services Corp.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 9, 2010	07-28-058-10W5 Woodlands County 05-35-083-14W5 Northern Sunrise County 08-19-036-01W5 Red Deer County 14-29-032-27W4 Mountain View County	This is an escalation of a previous enforcement action issued on August 18, 2010. Global Refer status. Issuance of Closure Order No. C 1228. Suspension and closure of well licences. Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty. Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Enquest Environmental Services Corp. failed to comply. Abandonment Order No. AD 2010-71 was subsequently issued. Enquest Environmental Services Corp. failed to comply. ERCB is evaluating further actions.
5	Graybeard Energy Ltd.	Corporate Enforcement/ Orphan Levy	Failure to pay the 2010 Orphan Fund Levy's 20 per cent penalty.	September 9, 2010	08-06-046-24W4 09-18-046-24W4 16-29-046-24W4 06-21-046-24W4 08-06-046-24W4	This is an escalation of previous enforcement action issued on August 18, 2010. Global Refer status.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					08-06-047-24W4 County of Wetaskiwin 01-10-048-24W4 Leduc County	<p>Issuance of Closure Order No. C 1229.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Graybeard Energy Inc. failed to comply. Abandonment Orders No. AD 2010-72, AD 2010-73, AD 2010-74, AD 2010-75, and AD 2010-76 and Closure/Abandonment Order No. AD 2010-77 were subsequently issued.</p> <p>Graybeard Energy Ltd. submitted full payment of its 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Graybeard Energy Ltd failed to submit an action plan and meet with the ERCB. As a result, the Global Refer status remains in place.</p> <p>Compliance not yet achieved.</p>
6	Greenhorns Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 9, 2010	10-12-064-26W4 Westlock County	<p>This is an escalation of previous enforcement actions issued on August 18, 2010.</p> <p>Global Refer status.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Issuance of Closure Order No. C 1215.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Greenhorns Energy Inc. failed to comply. Abandonment Order No. AD 2010-65 was subsequently issued.</p> <p>Greenhorns Energy Inc. failed to comply. The ERCB is acting on the breached abandonment order. Once complete, it will then pursue the cost recovery from Greenhorns Energy Inc.</p>
7	Jordan Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	<p>Wells: 16-35-066-03W4 09-23-061-02W4</p> <p>Pipeline: 09-23-061-02W4 M.D. of Bonnyville</p>	<p>This is an escalation of previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Closure/Abandonment Orders No. AD 2010-46 and AD 2010-47 issued.</p> <p>Abandonment of well and pipeline licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</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
						<p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Jordan Energy Inc. failed to comply. The ERCB is acting on the breached abandonment order. Once complete, it will then pursue the cost recovery from Jordan Energy Inc.</p>
8	PetroReal Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	<p>16-21-044-04W5 16-17-044-04W5 14-17-044-04W5 06-21-044-04W5 11-12-043-04W5 Ponoka County</p> <p>09-20-014-27W4 16-26-014-28W4 M.D. of Willowcreek</p> <p>05-22-016-23W4 Vulcan County</p> <p>10-07-062-25W4 Westlock County</p>	<p>This is an escalation of previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Closure Order No. C 1216 issued.</p> <p>Suspension and closure of well licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>PetroReal Energy Inc. submitted full payment of its 2010 Orphan Fund Levy, plus the 20 per cent penalty, and provided an explanation to the ERCB.</p> <p>Compliance achieved.</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
9	Redeye Energy Limited	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	08-02-011-15W4 M.D. of Taber	<p>This is an escalation of previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Closure Order No. C 1219 issued.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Redeye Energy Limited failed to comply. Abandonment Order No. AD 2010-64 was subsequently issued.</p> <p>Redeye Energy Limited submitted full payment of its 2010 Orphan Fund Levy, plus the 20 per cent penalty and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>
10	Reid Resources Ltd.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	16-32-018-10W4 Cypress County 11-14-041-20W4 County of Stettler 16-04-063-26W5 M.D. of Greenview	<p>This is an escalation of previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Closure Order No. C 1217 issued.</p> <p>Suspension and closure of well licences.</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
						<p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Reid Resources Ltd. submitted full payment of its 2010 Orphan Fund Levy, plus a 20 per cent penalty and provided the explanation to the ERCB.</p> <p>Compliance achieved.</p>
11	Sandbox Energy Corp.	Corporate Enforcement/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	September 1, 2010	<p>Wells: 01-22-049-27W4 03-22-049-27W4 04-21-049-27W4 03-08-050-27W4 08-34-049-27W4 12-22-049-26W4</p> <p>Pipelines: 03-08-050-27W4 08-17-050-27W4 12-22-049-26W4</p> <p>Leduc County</p>	<p>This is an escalation from previous enforcement actions issued on June 3, 2010 and July 29, 2010.</p> <p>Global Refer status.</p> <p>Abandonment Orders No. AD 2010-48, AD 2010-49 and AD 2010-51 issued.</p> <p>Closure/Abandonment Order No. AD 2010-50 issued.</p> <p>Abandonment of the well and pipeline licences.</p> <p>Licensee required to pay the security deposit and provide a written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Sandbox Energy Corp. submitted full payment of its security deposit and provided a written explanation</p>

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						to the ERCB. Compliance achieved.
12	Sarg Oils Ltd.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 17, 2010	Wells: 04-04-001-16W4 10-09-001-17W4 04-04-001-16W4 03-04-001-16W4 12-09-001-17W4 05-05-001-16W4 04-16-001-17W4 03-04-001-16W4 Facilities: 00/03-04-001-16W4 County of Warner	This is an escalation of previous enforcement action issued on August 18, 2010. Global Refer status. Closure/Abandonment Orders No. AD 2010-59, AD 2010-60 and AD 2010-61 issued. Abandonment of the well and facility licences. Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty. Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Sarg Oils Ltd. failed to comply. ERCB is evaluating further actions.
13	Savant Energy Ltd.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	Wells: 14-07-052-06W4 14-06-052-06W4 06-08-052-06W4 Pipelines: 06-24-052-06W4 15-06-052-06W4 03-15-052-06W4 14-07-052-06W4 14-06-052-06W4 County of Vermilion River	This is an escalation of previous enforcement action issued on August 18, 2010. Global Refer status. Closure/Abandonment Orders No. AD 2010-52 and AD 2010-53 issued. Abandonment of the well and pipeline licences.

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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>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Savant Energy Ltd. failed to comply. The ERCB is acting on the breached abandonment orders. Once complete, it will then pursue the cost recovery from Savant Energy Ltd.</p>
14	Slate Energy Inc.	Corporate Enforcement/ Orphan Levy	Failure to pay 2010 Orphan Fund Levy, plus 20 per cent penalty.	September 14, 2010	<p>Wells: 06-34-055-24W4 03-34-055-24W4 03-34-055-24W4 11-34-055-24W4</p> <p>Facilities: 00/06-34-055-24W4</p> <p>Sturgeon County</p>	<p>This is an escalation of previous enforcement action issued on August 18, 2010.</p> <p>Global Refer status.</p> <p>Closure/Abandonment Orders No. AD 2010-54, AD 2010-55 and AD 2010-56 issued.</p> <p>Abandonment of the well and facility licences.</p> <p>Licensee required to pay the 2010 Orphan Fund Levy, plus a 20 per cent penalty.</p> <p>Licensee also required to provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Slate Energy Inc. failed to comply. ERCB is evaluating further actions.</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	Padriv Development Ltd.	Corporate Enforcement/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Padriv Development Ltd. has a valid entitlement to the right to produce the well.	September 14, 2010	16-33-038-24W4 Lacombe County	<p>This is an escalation of previous enforcement action issued on August 10, 2010.</p> <p>Global Refer status.</p> <p>Abandonment Order No. AD 2010-57 issued.</p> <p>Abandonment/Closure Order No. AD 2010-58 issued.</p> <p>Abandonment of well licence.</p> <p>Licensee was required to:</p> <ul style="list-style-type: none"> • abandon the 16-33-038-24W4 well; • complete the Digital Data Submission, indicating both downhole and surface abandonment; and • provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>Padriv Development Ltd. successfully abandoned the subject wells, completed the Digital Data Submission, and provided the written explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	PetroReal Energy Inc.	Corporate Enforcement/ Right to Hold Audit	Failure to prove to the satisfaction of the ERCB that PetroReal Energy Inc. has the right to produce the	September 27, 2010	09-20-014-27W4 M.D. of Willow Creek	<p>This is an escalation of previous enforcement actions issued on July 27, 2010, and August 17, 2010.</p> <p>Global Refer status.</p>

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

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
			well.			<p>Abandonment Order No. AD 2010-62 issued.</p> <p>Abandonment of well licence.</p> <p>Licensee was required to:</p> <ul style="list-style-type: none"> • abandon the 09-20-014-27W4 well; • complete the Digital Data Submission, indicating both downhole and surface abandonment; and • provide an acceptable written explanation to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>PetroReal Energy Inc. successfully abandoned the subject well, completed the Digital Data Submission, and provided the written explanation to the ERCB.</p> <p>Compliance achieved.</p>

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

Endnotes

¹ **Directive 019 – High Risk Enforcement Action 1 Summary**

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

² **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

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

³ **Directive 019 – High Risk Enforcement Action 3 Summary**

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

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

⁴ **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

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

⁵ **Legislative/Regulatory Enforcement Action Summary**

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