



ERCB Monthly Enforcement Action Summary

February 2012

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ENERGY RESOURCES CONSERVATION BOARD
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Introduction

This report provides information on all licensees that have had a High Risk Enforcement Action,¹ Low Risk Enforcement Action (Global Refer), or Legislative/Regulatory Enforcement issued against them and is published in the fourth month after the enforcement actions are issued.

The table below summarizes the enforcement actions issued by each ERCB group in February 2012.

ERCB Monthly Enforcement Action Summary*				
ERCB	Compliance Category	February 2012		
		Number of High Risk Enforcement ¹ Actions	Number of Low Risk Enforcement Actions (Global Refer)	Number of Legislative/Regulatory Enforcement Actions
Applications Branch				
Facilities Applications Group Audit Section	Facilities Technical	1	0	0
	Participant Involvement	1	0	0
	Wells Technical	5	0	0
Resources Applications Group	Concurrent Production	1	0	0
	Control Wells	1	0	0
	Groundwater Protection	1	0	0
	Injection/Disposal	1	0	0
	Spacing	1	0	0
Subtotal		12	0	0
Field Surveillance and Operations Branch				
Emergency Management Group	General ERP Requirements	1	0	0
Field Operations Group	Drilling Operations	1	0	0
	Gas Facilities	6	0	0
	Pipelines	8	0	0
	Well Site Inspections	1	0	0
Liability Management Group	Noncompliance with Liability Management Program Requirements	0	2	0
	Corporate Status	0	0	1
Subtotal		17	2	1
Geology, Environmental Science, and Economics Branch				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	4	0	0
Subtotal		4	0	0
Total Enforcement Actions issued		33	2	1

*This table only summarizes the compliance categories for which there were monthly enforcement actions issued.

¹ For high risk noncompliances, the ERCB may issue any of the following enforcement actions: High Risk Enforcement Action, High Risk Enforcement Action (Persistent Noncompliance), High Risk Enforcement Action (Failure to Comply), or High Risk Enforcement Action (Demonstrated Disregard).

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	1354465 Alberta Ltd.	Facilities Applications/ Wells Technical	Incomplete Drilling Spacing Unit (DSU) for the intended formation(s).	February 9, 2012	13-05-041-17W4 County of Stettler	Licence and operations suspended. Licensee has not yet obtained the mineral rights for the entire DSU. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
2	Apache Canada Ltd.	Field Operations/ Pipelines	Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	February 2, 2012	16-17-064-26W5 M.D. of Greenview	Operations suspended. Licensee reviewed ground disturbance practices and procedures with staff. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
3	ARC Resources Ltd.	Field Operations/ Gas Facilities	Exceeds permissible sound level at nearest dwelling.	February 23, 2012	06-30-079-11W6 Saddle Hills County	<p>Operations were not suspended as there was no impact to public health and safety, the environment, resource conservation, or stakeholder confidence.</p> <p>Licensee installed a low noise cooler fan.</p> <p>Licensee will convert the temporary noise barrier to a permanent noise barrier.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
4	Avalon Exploration Ltd.	Field Operations/ Drilling Operations	Driller does not possess a valid First-Line Supervisor's Blowout Prevention Certificate.	February 14, 2012	09-11-051-01W4 County of Vermilion River	<p>Operations suspended.</p> <p>Licensee implemented a process to ensure all valid certificates are on-hand at drilling operations.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Canadian Natural Resources Limited	Field Operations/ Gas Facilities	Exceeds permissible sound level at nearest dwelling.	February 23, 2012	11-19-079-11W6 Saddle Hills County	<p>Operations were not suspended as there was no impact to public health and safety, the environment, resource conservation, or stakeholder confidence.</p> <p>Licensee installed noise control equipment</p> <p>Licensee will replace the compressor unit.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
6	Cenovus Exploration Ltd.	Field Operations/ Well Site Inspections	Contaminated materials or materials possessing the potential to leach stored directly on the ground.	February 15, 2012	01-26-019-15W4 County of Newell	<p>Operations were not suspended as suspension will not remove the existing impact.</p> <p>Licensee cleaned up the site and disposed of it in an appropriate facility.</p> <p>Licensee will instruct all involved personnel to place contaminated soil on a polyliner.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Coral Hill Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy (DOE).	February 15, 2012	09-20-064-13W5 M.D. of Big Lakes	Licence or operations were not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Crew Energy Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	February 1, 2012	03/06-11-019-12W4/0 (production string) County of Newell	Licensee confirmed in writing that the well has been 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.
9	Crew Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy (DOE).	February 6, 2012	2-30-018-10W4 Cypress County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Crew Energy Ltd.	Resources Applications/ Spacing	Production of too many wells per pool per DSU without approval.	February 2, 2012	SW13-019-12W4 County of Newell	Operator shut in well. 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.
11	Cutpick Energy Inc.	Field Operations/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory. Damage by others – Proper procedures were not followed.	February 22, 2012	01-20-038-12W4 County of Paintearth	Operations suspended. Licensee reiterated to staff that no markers are to be removed until job is completed. Licensee updated their ground disturbance procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
12	Dewpoint Resources Ltd.	Field Operations/ Gas Facilities	Noncompliant with other High Risk ERCB requirements – Venting must not result in H ₂ S odours outside the lease boundary.	February 9, 2012	15-35-053-09W5 Yellowhead County	Operations suspended. Licensee replaced several parts on the tank. Licensee met with the ERCB. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Dewpoint Resources Ltd.	Field Operations/ Gas Facilities	Any H ₂ S off-lease odours – Venting must not result in H ₂ S odours outside the lease boundary.	February 23, 2012	15-35-053-09W5 Yellowhead County	Operations suspended. Licensee installed a new scrubber on the tank. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
14	Enerplus Corporation	Field Operations/ Pipelines	There is no approval to construct.	February 23, 2012	10-14-039-03W4 M.D. of Provost	<p>Operations suspended.</p> <p>Licensee trained and educated staff on the types of ERCB applications required for different pipeline activities.</p> <p>Licensee implemented process to verify that required applications or permits are in place before construction.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Equal Energy Ltd.	Resources Applications/ Concurrent Production	Concurrent production without approval.	February 28, 2012	13-19-073-05W6 County of Grande Prairie	<p>Operations suspended.</p> <p>Licensee submitted a technically supported application for concurrent production.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Harvest Operations Corp.	Field Operations/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	February 28, 2012	10-05-041-12W4 Flagstaff County	Operations suspended. Licensee completed a failure analysis. Licensee will complete an engineering assessment to identify all hazards when changes are made to a pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Harvest Operations Corp.	Resources Applications/ Injection/Disposal	Disposing without approval.	February 22, 2012	15-07-055-20W4 Strathcona County	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 until requirements have been met in accordance with <i>Directive 051: Injection and Disposal Wells – Well Classifications, Completions, Logging, and Testing Requirements</i> . Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Insignia Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy (DOE).	February 22, 2012	16-20-048-05W5 Brazeau County	<p>Licence or operations were not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
19	International Frontier Resources Corporation	Field Operations/ Pipelines	<p>Discontinued pipeline – not left in safe condition.</p> <p>Pipeline sign missing or defaced on both side of a crossing.</p> <p>No operations and maintenance procedures manual, or not followed.</p> <p>Internal corrosion control – no monitoring and mitigation in corrosive environment.</p> <p>External corrosion control/cathodic surveys – no records of survey results.</p> <p>Cathodic protection system – not operational or not installed.</p> <p>Noncompliant with other ERCB requirement (At the time of inspection, it was noted that the licensee was not a member of Alberta One-Call).</p>	February 28, 2012	<p>08-27-016-11W4 (two licences at this location)</p> <p>10-27-016-11W4</p> <p>County of Newell</p>	<p>Operations suspended.</p> <p>Licensee abandoned two pipeline segments at the 8-27 location.</p> <p>Licensee discontinued two pipeline segments in the 8-27 location and one pipeline segment in the 10-27 location.</p> <p>Licensee installed pipeline signs.</p> <p>Licensee developed a <i>Pipeline Integrity Manual</i>.</p> <p>Licensee installed cathodic protection in the pipelines.</p> <p>Licensee submitted an application to become a member with Alberta One-Call.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
20	Marquee Energy Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	February 15, 2012	07-36-045-09W5 Clearwater County	<p>Licence or operations were not suspended as there was no existing or potential impact/hazard to the public safety, environmental protection, resource conservation, and/or stakeholder confidence</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
21	Persta Resources Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction	February 1, 2012	00/16-22-080-17W5/3 (production string) Northern Sunrise 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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
22	Petrobakken Energy Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	February 16, 2012	04-23-026-04W5 M.D. of Rocky View	<p>Licence and operations suspended.</p> <p>Licensee has not completed the Participant Involvement requirement.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
23	Plains Midstream Canada ULC	Emergency Management/ General ERP Requirements	Failure to test the sour operation, HVP, pipeline, or cavern storage facility ERP through tabletop and major exercises.	February 17, 2012	01-01-086-13W5M Northern Sunrise County	Operations were not suspended as operations were already suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Quicksilver Resources Canada Inc.	Resources Applications/ Control Well	Producing wells without the requisite control wells in place.	February 1, 2012	16-24-045-22W4 Camrose County 16-15-042-25W4 06-24-042-25W4 Ponoka County	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. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
25	Spectra Energy Midstream Corporation	Field Operations/ Gas Facilities	Exceeds permissible sound level at nearest dwelling.	February 23, 2012	11-19-079-11W6 Saddle Hills County	<p>Operations were not suspended as there was no impact to public health and safety, the environment, resource conservation, or stakeholder confidence.</p> <p>Licensee installed noise control equipment.</p> <p>Licensee will remove temporary barriers once permanent noise barriers arrive on site.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
26	Surge Energy Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	February 1, 2012	00/13-19-074-08W/6/0 (production string) County of Grande Prairie	<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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
27	Sword Energy Inc.	Field Operations/ Gas Facilities	Noncompliant with other High Risk ERCB requirements (Pre-96 facility single-walled underground storage tank is not integrity verified every three years).	February 21, 2012	09-06-041-24W4 Lacombe County	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee removed any liquids and isolated the tank from use. Licensee integrity verified the tank. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Tallgrass Energy Corp.	Field Operations/ Pipelines	External corrosion control/cathodic surveys – no records of survey results. Internal corrosion – no monitoring and mitigation in corrosive environment. Discontinued pipeline – not left in safe condition. Cathodic protection system – not operational or not installed.	February 27, 2012	08-27-040-12W4 (four licences at this location) Flagstaff County	Operations suspended. Licensee restored cathodic protection in the pipelines. Licensee abandoned the pipelines. Licensee cleaned and purged the pipelines. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
29	Taqa North Ltd.	Field Operations/ Pipelines	Internal corrosion – no monitoring and mitigation in corrosive environment.	February 16, 2012	04-35-042-03W5 Ponoka County	<p>Operations were not suspended as the pipeline was suspended at the time of inspection.</p> <p>Licensee set up a system to monitor all inactive wells and associated pipelines.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
30	Taqa North Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	February 1, 2012	02/08-36-042-05W5/0 (production string) Ponoka 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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
31	Trident Exploration (Alberta) Corp.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	February 22, 2012	01-16-036-21W4 County of Stettler	<p>Operations were not suspended in accordance with <i>Directive 044: Requirements for Surveillance, Sampling and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection (BGWP)</i>.</p> <p>Licensee conducted a 24-hour in-line production test at the wellhead and has amended the water volume.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
32	Trilogy Resources Ltd.	Field Operations/ Pipelines	<p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Hand excavation: Mechanical excavation takes place within 5m of existing pipeline prior to hand exposure.</p>	February 6, 2012	07-22-064-19W5 M.D. of Greenview	<p>Operations were not suspended as pipeline was shut in at the time of inspection.</p> <p>Licensee reviewed ground disturbance policy and practices with field staff.</p> <p>Licensee developed and implemented a checklist to audit procedural knowledge of field staff.</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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
33	Vero Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy (DOE).	February 21, 2012	01-28-052-13W5 Yellowhead County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (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 (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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High Risk Enforcement Action (Failure to Comply) ⁴						
#	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) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Bredal Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 24, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of a Miscellaneous Order MISC No. 2012-2.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>Bredal Energy Corp. submitted full payment of its security deposit, but did not provide a written explanation to the ERCB.</p>

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Low Risk Enforcement Action – (Global Refer)⁵

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
2	Jaycor Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	February 9, 2012	Well licences: 01-02-052-23W4 06-34-051-23W4 06-34-051-23W4 Strathcona County 12-18-049-25W4 13-18-049-25W4 Leduc County Facility licence: 06-34-051-23W4 Stathcona County Pipeline licences: 10-26-051-23W4 07-35-051-23W4 08-35-051-23W4 01-02-052-23W4 Strathcona County	This is an escalation of previous enforcement actions taken on December 11, 2011, and January 6, 2012. Global Refer status. Issuance of Abandonment Orders No. AD 2012-2 and AD 2012-3 and Closure/Abandonment Order No. AD 2012-4. Abandonment of well, facility, and pipeline licences. Licensee is required to <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Jaycor Resources Inc. failed to comply. The ERCB is evaluating further actions.

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Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	*Amco Energy Ltd.	Liability Management/ Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	February 9, 2012	10-12-049-06W4 County of Vermilion River	Global Refer status. Issuance of Closure Order No. C 2012-24. Suspension and closure of well licence. Licensee is required to complete one of the following <ul style="list-style-type: none"> • transfer the subject well, • abandon the subject well, or • provide confirmation to the ERCB that the Licensee continues to be registered with, and have an Active status, on the Alberta Corporate Registries System. Licensee transferred its well licence, but did not provide a written explanation to the ERCB.

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Endnotes

¹ **Directive 019—High Risk Enforcement Action (HREA)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA against a licensee if it identifies a high risk noncompliant event(s). To address an HREA, the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 calendar days or in the time specified by the ERCB group (a licensee may also be required to submit the written action plan and meet with the ERCB group to discuss both the action plan and the licensee's compliance history); and notify the ERCB group that it has corrected and addressed the high risk noncompliance. The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects/addressed the noncompliance); suspension and/or cancellation of the permit, licence, or approval.

² **Directive 019—High Risk Enforcement Action (HREA) (Persistent Noncompliance)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Persistent Noncompliance) against a licensee with an unacceptable rate, ratio, percentage or number of noncompliant events, either in the same or in different compliance categories. To address an HREA (Persistent Noncompliance), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan within 30 calendar days or in the time specified by the ERCB group (the action plan should address the root causes of any previous noncompliance(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval.

A licensee must operate in compliance for a period of 60 calendar days (or in a time specified by the ERCB) in the same compliance category before achieving overall compliance.

³ **Directive 019—High Risk Enforcement Action (HREA) (Demonstrated Disregard)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Demonstrated Disregard) against a licensee if the licensee knows or should know about a high risk noncompliant event(s) but does not act to correct and address the noncompliance(s). The ERCB assesses demonstrated disregard on a case-by-case basis. To address an HREA (Demonstrated Disregard), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact/hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁴ **Directive 019—High Risk Enforcement Action (HREA) (Failure to Comply)**

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA (Failure to Comply) against a licensee if it failed to comply with the direction of the ERCB in an ERCB Notice of High Risk Noncompliance, HREA, HREA (Persistent Noncompliance), HREA (Demonstrated Disregard), or a previous HREA (Failure to Comply). To address an HREA (Failure to Comply), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance(s) (any suspension of operations must not occur if it will increase the impact or risk to the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan (the action plan should address the root cause(s) of the noncompliant event(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance); suspension and/or cancellation of permit, licensee, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

A licensee must operate in compliance for a period of 180 calendar days (or in the time specified by the ERCB) in the same compliance category before achieving overall compliance.

⁵ **Directive 019—Low Risk Enforcement Action (LREA) (Global Refer)** In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an LREA (Global Refer) against a licensee who failed to comply with the direction of the ERCB in a Notice of Low Risk Noncompliance. To address an LREA, the licensee must: immediately correct and address the low risk noncompliant event(s) identified by the ERCB; notify the ERCB group that it has addressed the low risk noncompliant event(s); and develop, implement, and submit written action plan within 30 calendar days or in the time specified by the ERCB group; and meet with the ERCB group to discuss the low risk noncompliant event(s), the licensee's compliance history, or the written action plan. The ERCB may also apply or require one or more of the following: noncompliance fees, 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).

⁶ **Legislative/Regulatory Enforcement Action**

The ERCB initiates a Legislative/Regulatory Enforcement Action for noncompliance with ERCB requirements that fall outside the administration of *Directive 019: Compliance Assurance*. The ERCB relies upon its statutory and regulatory authority to initiate the enforcement action against the licensee by applying a Refer status against the licensee and possibly issuing an Order (Closure, Miscellaneous, and Abandonment). The ERCB generally initiates these enforcement actions because of a mineral or surface lease expiry, an environmental and public safety concern, or a failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and working interest ownership in the property.

Refer Status—Focused or Global

This status indicates a licensee's inability or unwillingness to comply. If applied against a licensee, the ERCB will consider the status when deciding to approve or deny future and pending applications and may apply conditions for continued operation.

For further information on ERCB Enforcement Actions, see *Directive 019: Compliance Assurance* or contact the ERCB Compliance Assurance Section at compliancecoordination@ercb.ca.

If you require further information, contact the ERCB Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to Inquiries@ercb.ca.