



ERCB Monthly Enforcement Action Summary

March 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 March 2012.

ERCB Monthly Enforcement Action Summary*				
	Compliance Category	March 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	3	0	0
	Pipelines/ Pipeline Installation	1	0	0
	Wells Technical	2	0	0
Resources Applications Group	Control Wells	1	0	0
	Gas Allowables	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	Technical ERP Requirements	4	0	0
Field Operations Group	Gas Facilities	1	0	0
	Oil Facilities	1	0	0
	Pipelines	7	0	0
	Well Site Inspections	1	0	0
Liability Management Group	Orphan Levy	0	3	0
	Noncompliance with Liability Management Program Requirements	0	3	0
	Corporate Status	0	0	1
	Petroleum and Natural Gas Rights Expiry	0	0	1
Technical Operations Group	Production Measurement and Reporting	1	0	0
Subtotal		15	6	2
Geology, Environmental Science, and Economics Branch				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	3	0	0
Subtotal		3	0	0
Total Enforcement Actions issued		30	6	2

*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	Apache Canada Ltd.	Resources Applications/ Injection/Disposal	Injection or disposal without approval.	March 5, 2012	07-15-034-09W4 Special Area 4	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until requirements have been met in accordance with <i>Directive 051 Injection and Disposal Wells – Well Classifications, Completions, Logging and Testing Requirements</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Athabasca Oil Corporation	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	March 29, 2012	00/13-14-063-20W5/0 M.D. of Greenview	<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
3	Barrick Energy Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	March 2, 2012	00/04-10-072-26W5/0 M.D. of Greenview	<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>
4	Benjaka Exploration Inc.	Emergency Management/ Technical ERP Requirements	<p><i>Note: As a member of the Western Canadian Spill Services Ltd. (WCSS), the licensee failed to pay its annual membership fees. As a result, the following requirements expected of a nonmembers were requested to be verified:</i></p> <p>Failure of a nonmember of an oil spill cooperative to have an ERCB approved plan in place to address a release of any liquid product onto land or water.</p> <p>Failure of a nonmember of an oil spill cooperative to meet spill response equipment requirements.</p>	March 14, 2012	N/A – Against licensee	<p>Operations were not suspended as failure to pay annual membership fees is treated as an administrative action item because the noncompliance can be remedied immediately if payment occurred, as well, there was no immediate impact to public safety and/or the environment as there was no incident occurring.</p> <p>The ERCB is evaluating further actions.</p> <p>Licensee is required to address noncompliance and to submit a plan to address the noncompliance and prevent future occurrences or alternatively pay oil spill membership fees and be reinstated as a member in good standing.</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
5	Brixton Energy Corp.	Emergency Management/ Technical ERP Requirements	<p><i>Note: As a member of the Western Canadian Spill Services Ltd. (WCSS), the licensee failed to pay its annual membership fee. As a result, the following requirements expected of a nonmember were requested to be verified:</i></p> <p>Failure of a nonmember of an oil spill cooperative to have an ERCB approved plan in place to address a release of any liquid product onto land or water.</p> <p>Failure of a nonmember of an oil spill cooperative to meet spill response equipment requirements.</p>	March 14, 2012	N/A – Against licensee	<p>Operations were not suspended as failure to pay annual membership fees is treated as an administrative action item because the noncompliance can be remedied immediately if payment occurred, as well, there was no immediate impact to public safety and/or the environment as there was no incident occurring.</p> <p>Licensee addressed the noncompliance event.</p> <p>Licensee is required to submit a plan to prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
6	Celtic Exploration Ltd.	Field Operations/ Well Site Inspections	Failure to report a known surface casing vent flow/gas migration (SCVF/GM).	March 13, 2012	10-27-033-23W4 Kneehill County	<p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee has reviewed procedures for completing DDS submissions to the ERCB with the appropriate departments.</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	Cenovus Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	March 21, 2012	15-17-027-19W4 Wheatland County	<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 amended the water volume.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
8	Compton Petroleum Corporation	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	March 15, 2012	08-01-017-29W4 10-02-018-26W4 M.D. of Foothills and Vulcan County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in.</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
9	Connacher Oil and Gas Limited	Field Operations/ Gas Facilities	Single-wall underground tank not tested in last 3 years.	March 8, 2012	05-01-036-28W4 Red Deer County	<p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee was able to schedule integrity testing on the same day.</p> <p>All underground tanks successfully passed the integrity test.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Connacher Oil and Gas Limited	Technical Operations/ Production Measurement and Reporting	No approval when required.	March 30, 2012	14-18-082-11W4 Regional Municipality of Wood Buffalo	<p>Operations were not suspended as the operation was completed at the time of the audit.</p> <p>Licensee educated their staff on the Measurement, Accounting, and Reporting Plan Requirement (MARP) and its procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
11	Crescent Point Energy Corp.	Field Operations/ Pipelines	<p>Pipeline sign missing or defaced on both sides of a crossing.</p> <p>Environment code is different from that stated on licence.</p> <p>Discontinued pipeline – not left in safe condition.</p>	March 9, 2012	<p>13-03-001-17W4 06-03-001-17W4 10-08-001-17W4 13-03-001-17W4</p> <p>County of Warner</p>	<p>Operations suspended.</p> <p>Licensee installed signage on all pipelines.</p> <p>Licensee amended pipeline licence.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved as licensee recently acquired pipeline licences.</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
12	Frontier Energy Inc.	Emergency Management/ Technical ERP Requirements	<p><i>Note: As a member of the Western Canadian Spill Services Ltd. (WCSS), the licensee failed to pay its annual membership fee. As a result, the following requirements expected of a nonmember were requested to be verified:</i></p> <p>Failure of a nonmember of an oil spill cooperative to have an ERCB approved plan in place to address a release of any liquid product onto land or water.</p> <p>Failure of a nonmember of an oil spill cooperative to meet spill response equipment requirements.</p>	March 14, 2012	N/A – Against licensee	<p>Operations were not suspended as failure to pay annual membership fees is treated as a administrative action item because the noncompliance can be remedied immediately if payment occurred, as well, there was no immediate impact to public safety and/or the environment as there was no incident occurring.</p> <p>Licensee has been issued ERCB Board Orders directing suspension and abandonment for assets due to unrelated noncompliances.</p> <p>Required to address noncompliance and to submit a plan to address the noncompliance and prevent future occurrences or alternatively pay oil spill membership fees and be reinstated as a member in good standing.</p> <p>Compliance not yet achieved.</p>
13	Harvest Operations Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with Department of Energy (DOE).	March 7, 2012	<p>11-06-049-02W4 There are four (4) licenses in this surface location.</p> <p>Camrose County</p>	<p>Licences cancelled.</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
14	Husky Oil Operations Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/ or company is not following program.	March 5, 2012	06-16-047-04W4 Vermilion River	<p>Operations were not suspended as the pipeline was already suspended at the time of the inspection.</p> <p>Licensee abandoned the pipeline and replaced it with a Flexsteel pipeline which will have continuous internal coating.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Inter Pipeline (Corridor) Inc.	Facilities Applications/ Participant Involvement	<p>Incomplete public and/or industry personal consultation and notification prior to filing the application.</p> <p>Filing the application before expiry of the 14-calendar-day notification period.</p>	March 13, 2012	08-05-086-09W4 Regional Municipality of Wood Buffalo	<p>Licence or Operation was not suspended as this failure does not directly relate to mitigation of risk to public safety, environmental protection, or resource conservation. The ERCB is not aware of any concerns or objections. The ERCB has reviewed the activity and the company's subsequent actions. It is satisfied that enforcement without suspension is appropriate in this instance.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	Longview Oil Corp.	Field Operations/ Oil Facilities	H ₂ S emissions at any facility that receives gas containing more than 10 mol/kmol of H ₂ S.	March 7, 2012	12-29-045-02W5 County of Wetaskiwin	<p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee reset the thief hatch on the tank.</p> <p>Licensee scheduled monthly inspections of the thief hatches on sour product tanks.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
17	NEP Canada ULC	Field Operations/ Pipelines	<p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p>	March 21, 2012	10-06-050-26W4 Leduc County	<p>Operations were not suspended as the pipeline was already suspended at the time of the inspection.</p> <p>Licensee conducted a training and review session with operations staff on the <i>Pipeline Operating and Maintenance Manual</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Pace Oil & Gas Ltd.	Field Operations/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	March 30, 2012	12-15-012-18W4 M.D. of Taber	<p>Operations were not suspended as the pipeline was already suspended at the time of the inspection.</p> <p>Licensee implemented a process of having a written approval before ground disturbance procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
19	Pembina Pipeline Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 15, 2012	04-11-053-18W5 Yellowhead County	<p>Licence or Operation was not suspended as this failure does not directly relate to mitigation of risk to public safety, environmental protection, or resource conservation. The ERCB is not aware of any concerns or objections. The ERCB has reviewed the activity and the company's subsequent actions. It is satisfied that enforcement without suspension is appropriate in this instance.</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	Penn West Petroleum Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with Department of Energy (DOE).	March 12, 2012	04-27-087-08W5 M.D. of Opportunity	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Penn West Petroleum Ltd.	Field Operations/ Pipelines	No operations and maintenance procedures manual, or not followed. There is no documented monitoring or mitigation program in place and/or company is not following program.	March 16, 2012	10-35-052-13W5 Yellowhead County	Operations were not suspended as the pipeline was already suspended at the time of the inspection. Licensee implemented a corrosion mitigation program. 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
22	Petromin Resources Ltd.	Emergency Management/ Technical ERP Requirements	<p><i>Note: As a member of the Western Canadian Spill Services Ltd. (WCSS), the licensee failed to pay its annual membership fee. As a result, the following requirements expected of a nonmember were requested to be verified:</i></p> <p>Failure of a nonmember of an oil spill cooperative to have an ERCB approved plan in place to address a release of any liquid product onto land or water.</p> <p>Failure of a nonmember of an oil spill cooperative to meet spill response equipment requirements.</p>	March 14, 2012	N/A – Against licensee	<p>Operations were not suspended as there was no immediate impact to public safety and/or the environment.</p> <p>Licensee paid its Western Canadian Spill Services Ltd. membership fees.</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
23	Second Wave Petroleum	Facilities Applications/ Participant Involvement	No attempt at public and/ or industry personal consultation and notification prior to filing the application.	March 1, 2012	13-13-063-10W5 Woodlands County	<p>Licence or Operation was not suspended as this failure does not directly relate to mitigation of risk to public safety, environmental protection, or resource conservation. The ERCB is not aware of any concerns or objections. The ERCB has reviewed the activity and the company's subsequent actions. It is satisfied that enforcement without suspension is appropriate in this instance.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
24	Second Wave Petroleum Inc.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	March 13, 2012	01-26-063-10W5 Woodlands County	<p>Licence or Operation was not suspended as this failure does not directly relate to mitigation of risk to public safety, environmental protection, or resource conservation. The ERCB is not aware of any concerns or objections. The ERCB has reviewed the activity and the company's subsequent actions. It is satisfied that enforcement without suspension is appropriate in this instance.</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
25	Second Wave Petroleum Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	March 2, 2012	00/01-03-064-09W5/0 M.D. of Big Lakes	<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>
26	Sinopec Daylight Energy Ltd.	Facilities Applications/ Pipelines/Pipeline Installations	Failure to acquire the necessary pipeline/ pipeline installation licence prior to commencing right-of- way or site preparation, construction and/or operation.	March 16, 2012	16-08-048-03W5 Brazeau County	<p>Operations suspended by field inspector due to internal corrosion failure.</p> <p>Licensee abandoned the pipeline.</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
27	Success Resources Ltd.	Field Operations/ Pipelines	External corrosion control/ cathodic surveys – no records of survey results.	March 29, 2012	06-31-025-11W4 Special Area 2	<p>Operations were not suspended as the pipeline system is already on a reduced production and it would be detrimental to the wells to shut them in. This is a sweet, shallow, dry gas system.</p> <p>Licensee completed the cathodic protection surveys on the pipelines and the survey will be conducted on an annual basis.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
28	Talisman Energy Inc.	Resources Applications/ Gas Allowables	Production prior to the assignment of a yearly allowable.	March 1, 2012	13-18-061-20W5 M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until all overproduction has been retired and a gas allowable has been assigned.</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
29	Vermilion Resources Ltd.	Resources Applications/ Spacing	Production of too many wells per pool per Drilling Spacing Unit (DSU) without approval.	March 14, 2012	Section 02-51-12W5 Yellowhead County	Operator shut in the well. 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 (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
1	Strategic Oil & Gas Ltd.	Field Operations/ Pipelines	Noncompliant with other ERCB requirement—Cathodic protection not adequate.	March 20, 2012	08-04-006-15W4 County of Warner	<p>Operations suspended.</p> <p>Licensee resumed operation prior to receiving ERCB approval.</p> <p>Licensee educated field operators on corporate process and procedures related to this noncompliance event.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved as the licensee is waiting for results of fluid analysis.</p>

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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	Aspen Endeavour Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 15, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of a Miscellaneous Order No. MISC 2012-4.</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>Aspen Endeavour Resources Inc. failed to comply. Closure Order No. C 2012-22 and Abandonment Orders No. AD 2012-23 and AD 2012-24 were subsequently issued.</p> <p>Aspen Endeavour Resources Inc. has entered receivership. Enforcement actions have been suspended at this time to allow the Receiver to transfer the properties.</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	Canada West Resources Inc.	Liability Management/ Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	March 30, 2012	N/A – Against licensee	<p>This is a continuation of a previous enforcement action taken on November 3, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-81A.</p> <p>Issuance of Closure Order No. C 2012-18.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the Orphan Fund Levy, plus 20 per cent penalty and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>Canada West Resources Inc. failed to comply. Abandonment Order No. AD 2012-25 was subsequently issued.</p> <p>Canada West Resources Inc. failed to comply. The ERCB is evaluating further actions.</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
3	Canadian Rockies Petroleum Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 1, 2012	15 well licences. 8 pipeline licences. Clear Hill County M.D. of Big Lakes	Global Refer status Issuance of an Abandonment Orders No. AD 2012-5, 2012-6, 2012-7, 2012-8, 2012-9 and 2012-10. 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. Canadian Rockies Petroleum Corp. failed to comply. The ERCB is evaluating further actions.

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.

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
4	Sandbox Energy Corp.	Liability Management/ Orphan Levy	Failure to pay 2011 Orphan Fund Levy, plus 20 per cent penalty.	March 2, 2012	N/A – Against licensee	<p>This is a continuation of a previous enforcement action taken on November 3, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-88A.</p> <p>Issuance of Closure Order No. C 2012-19.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the Administration Fee, plus 20 per cent penalty and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>Sandbox Energy Corp. submitted full payment of its 2011 Administration Fee, plus the 20 per cent penalty, but did not provide an explanation to the ERCB.</p>

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.

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
5	Water Solutionz Enterprises Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	March 15, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of a Miscellaneous Order No. MISC 2012-3.</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>Water Solutions Enterprises Inc. failed to comply. Closure Orders No. C 2012-20 and C 2012-21 and Abandonment Orders No. AD 2012-19 and AD 2012-20 were subsequently issued.</p> <p>Water Solutions Enterprises Inc. failed to comply. The ERCB is evaluating further actions.</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
6	XGEN Ventures Inc.	Liability Management/ Orphan Levy	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	March 2, 2012	N/A – Against licensee	<p>This is a continuation of a previous enforcement action taken on November 3, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-87A.</p> <p>Issuance of Closure/Abandonment Orders No. AD 2012-15, AD 2012-16, and AD 2012-17.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the 2011 Orphan Fund Levy, plus 20 per cent penalty and • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. <p>XGEN Ventures Inc. submitted full payment of its 2011 Administration Fee, plus the 20 per cent penalty, but did not provide an explanation to the ERCB.</p>

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.

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	Drumlin Energy Corp.	Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Drumlin Energy Corp. has a valid entitlement to produce the well	March 8, 2012	11-36-008-08W4 County of Forty Mile	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2012-17.</p> <p>Suspension and closure of well licence.</p> <p>Licensee must submit documentation confirming one of the following</p> <ul style="list-style-type: none"> • mineral rights have been reacquired or reinstated, • the well has been approved by the Department of Energy (DOE) and the ERCB for water disposal or injection, • the well licence has been transferred to a viable licensee and the wellbore is linked to an active mineral agreement, or • the well has been abandoned. <p>Drumlin Energy Corp. failed to comply. Abandonment Order No. AD 2012-18 subsequently issued.</p> <p>Amended Abandonment Order No. AD 2012-18A subsequently issued giving the licensee additional time to complete the abandonment work.</p>

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.

Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
2	*Greenhorns Energy Inc.	Liability Management/ Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	March 22, 2012	10-12-064-26W4 Westlock County	Global Refer status. Issuance of Closure/Abandonment Order No. AD 2012-11. Abandonment of well licence. Licensee is required to <ul style="list-style-type: none"> • abandon the subject well and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. The ERCB has abandoned the licensee's well and will invoice for abandonment costs.

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.

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.

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