



ERCBC Monthly Enforcement Action Summary

May 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 May 2012.

ERCB Monthly Enforcement Action Summary*				
	Compliance Category	May 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
	Wells Technical	2	0	0
Resources Applications Group	Control Wells	12	0	0
	Groundwater Protection	1	0	0
	Injection/Disposal	1	0	0
	Spacing	1	0	0
Subtotal		21	0	0
Field Surveillance and Operations Branch				
Emergency Management	Technical ERP Requirements	3	0	0
Field Operations Group	Gas Facilities	1	0	0
	Oil Facilities	5	0	0
	Pipelines	3	0	0
Liability Management Group	Noncompliance with Liability Management Program Requirements	0	6	0
	Noncompliance with Administration Fees	0	0	1
	Petroleum and Natural Gas Mineral Rights Expiry	0	0	1
	Well Abandonment	0	0	2
Technical Operations Group	Glycol Dehydrator Benzene Emissions	3	0	0
Subtotal		15	6	4
Geology, Environmental Science, and Economics Branch				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	5	0	0
Subtotal		5	0	0
Total Enforcement Actions issued		41	6	4

*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	Alta Energy Partners Canada Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 24, 2012	06-18-062-19W5 M.D. of Greenview	Licence or Operation not suspended as there was no existing or potential impact/hazard to the public safety, environmental protection, resource conservation, and/or stakeholder confidence. Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Apache Canada Ltd.	Field Operations/ Oil Facilities	Gas is being vented, not burned, where it could support stable combustion.	May 11, 2012	12-14-014-26 W4 M.D. of Willow Creek	Operations suspended. Licensee installed a flare stack at the single well battery. 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	Bellatrix Exploration Ltd.	Resources Applications/ Injection/Disposal	Failure to meet conditions of approval (disposal).	May 17, 2012	12-11-012-01W4 Cypress County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until 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. As a result, injection commenced.</p> <p>Compliance achieved.</p>
4	Bellatrix Exploration Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2012	00/13-26-045-11W5/0 Brazeau 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 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	Bonavista Energy Corporation	Resources Applications/ Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	09-09-044-02W5 16-01-042-04W5 Ponoka County 03-01-045-02W5 County of Wetaskiwin	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.
6	Bonterra Energy Corp.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	May 15, 2012	06-16-048-09W5 Brazeau County	Operations suspended. Licensee abandoned the pipeline segment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	May 1, 2012	09-26-010-16W4 M.D. of Taber	Operations suspended. Licensee is evaluating its decision to perform an in-line pipeline inspection to determine the integrity of the pipeline or abandon the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet 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
8	Canadian Natural Resources Limited	Resources Applications/ Control Wells	Violation of Conditions of Control Well Designation.	May 11, 2012	07-27-031-18W4 Starland County	<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>
9	Canadian Natural Resources Limited	Resources Applications/ Spacing	Producing wells contravene approved interwell and/or buffer zone limitations.	May 14, 2012	01-15-063-20W5 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 the requisite approval has been obtained.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Canuck North Resources Ltd.	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	May 31, 2012	01-06-035-04W4 Special Area 4	<p>Operations not suspended as the applicable ERCB requirements state a suspension is not appropriate for this failure.</p> <p>Applicant/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
11	City of Medicine Hat	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2012	00/15-19-004-04W4/0 Cypress 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>
12	Coral Hill Energy Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2012	00/12-20-064-13W5/0 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>
13	Cutpick Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Department of Energy.	May 14, 2012	02-22-040-13W4 04-22-040-13W4 Flagstaff County	<p>Licences cancelled.</p> <p>Applicant/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	Desmarais Energy Corporation	Field Operations/ Gas Facilities	No notification of a reportable spill or release to ERCB.	May 14, 2012	07-06-059-04W5 County of Barrhead	Operations not suspended as the incident occurred in the past. Licensee cleaned up the spill. Licensee updated the <i>Company's Emergency Response Plan Manual</i> and notified all field personnel. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Direct Energy Marketing Limited	Resources Applications/ Control Wells	Violation of Conditions of Control Well Designation.	May 3, 2012	03-20-047-22W4 04-04-046-22W4 13-11-045-23W4 County of Wetaskiwin	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.
16	Direct Energy Marketing Limited	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	May 18, 2012	01-02-045-23W4 County of Wetaskiwin	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
17	Ember Resources Inc.	Resources Applications/ Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	13-17-040-20W4 County of Stettler	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.
18	Ember Resources Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	May 24, 2012	16-06-029-26W4 Kneehill County	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> . Licensee conducted a 24 hour in- line production test at the wellhead and amended the water volume. Compliance achieved.
19	EnCana Corporation	Resources Applications/ Control Wells	Violation of Conditions of Control Well Designation.	May 24, 2012	11-10-047-19W4 County of Camrose 13-25-035-22W4 Red Deer County	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
20	Exoro Energy Inc.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2012	00/09-28-042-26W4/0 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>
21	Fairborne Energy Ltd.	Field Operations/ Oil Facilities	Facility closer than 100 metres to the normal high water mark of a body of water or permanent stream with out appropriate protection measures.	May 18, 2012	12-02-039-24W4 Lacombe County	<p>Operations not suspended as facility was shut in at the time of inspection.</p> <p>Licensee constructed a berm on the south side of the lease and restored a berm around the tank.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
22	Gryphon Petroleum Corp.	Resources Applications / Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	13-12-032-29W4 Mountain View County	<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
23	Hunt Oil Company Of Canada Inc.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	May 22, 2012	13-06-021-18W4 County of Newell	<p>Suspension of operations at this time was not deemed appropriate as the audit was a review of 2010 data.</p> <p>Licensee verified current operation compliance. Noncompliance event had reportedly been corrected and emissions are reported within the required limit.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
24	Muirfield Resources Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	May 1, 2012	00/13-13-042-15W4/0 Flagstaff 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
25	Murphy Oil Company Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 15, 2012	08-03-003-21W4 Special Area 2	Licence or Operation not suspended as there was no existing or potential impact/hazard to the public safety, environmental protection, resources conservation and/or stakeholder confidence. Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
26	NEO Exploration Inc.	Field Operations/ Oil Facilities	Flared/vented gas not reported to the Petroleum Registry of Alberta (PRA). Fuel gas not reported to the PRA. No resident notification and/or consultation.	May 3, 2012	03-26-029-29W4 Mountain View County	Operations suspended. Licensee produced the well for a two week test period to evaluate how production gas volumes were being determined. Licensee re-calculated flare and tank volumes. Licensee committed to notify the surrounding residents of the flare/venting operations. 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
27	Nexen Inc.	Resources Applications / Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	07-22-045-23W4 County of Wetaskiwin 16-26-062-09W5 Woodlands County	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.
28	Pembina Pipeline Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 24, 2012	02-04-063-25W5 M.D. of Greenview	Licence or Operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement. Applicant/Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
29	Pengrowth Energy Corporation	Resources Applications / Control Wells	Producing wells without the requisite control wells in place.	May 18, 2012	02-24-032-29W4 06-24-032-29W4 Mountain View County 08-24-036-20W4 County of Stettler 16-22-032-23W4 Kneehill 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
30	Perpetual Energy Inc.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 24, 2012	16-32-051-15W5 Yellowhead County	<p>Licence or Operation 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 has acquired the appropriate facility licence.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
31	Petrobakken Energy Ltd.	Field Operations/ Oil Facilities	Release criteria of collected surface water not met prior to release to adjacent lands.	May 22, 2012	16-10-046-12W5 Yellowhead County	<p>Operations not suspended as the discharge of the collected surface water occurred in the past and the licensee immediately corrected the noncompliant event.</p> <p>Licensee completed a site assessment and repaired the berm. Licensee educated personnel involved in surface water testing and release requirements.</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
32	Quicksilver Resources Canada Inc.	Resources Applications / Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	03-28-045-22W4 County of Camrose 05-34-037-26W4 Red Deer County	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.
33	Sinopec Daylight Energy Ltd.	Field Operations/ Pipelines	Overpressure failure - Inappropriate construction or design, or documented operating procedures not followed.	May 3, 2012	08-34-081-10W6 Saddle Hills County	Operations suspended. Licensee discontinued the line segment. Licensee updated training manuals and procedures and provided overpressure control requirements to personnel. 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
34	Tallgrass Energy Corp.	Field Operations/ Oil Facilities	Spill or release not contained/cleaned up.	May 17, 2012	08-35-035-07W4 Special Area 4	<p>Operations not suspended as the high risk deficiency was not a result of recent operational issues. The spill existed from the previous licensee where the licence was transferred in that state.</p> <p>Licensee cleaned up the spill and re-trimmed the berm.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
35	TAQA North Ltd.	Resources Applications / Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	05-14-053-18W4 Lamont County	<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
36	Tourmaline Oil Corp.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	May 30, 2012	06-29-051-25W5 Yellowhead County	<p>Suspension of operations at this time was not deemed appropriate as the audit was a review of 2011 data. The licensee previously shut in the dehydrator.</p> <p>Licensee is required to submit an action plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee met with the ERCB to discuss the noncompliance event and the licensee's compliance history.</p> <p>Compliance not yet achieved.</p>
37	Trident Exploration (Alberta) Corp.	Resources Applications / Control Wells	Violation of Conditions of Control Well Designation.	May 1, 2012	13-26-061-03W5 County of Barrhead	<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 (Persistent Noncompliance)²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Tourmaline Oil Corp.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	May 31, 2012	16-17-058-26W5 M.D. of Greenview 08-04-050-21W5 06-27-049-21W5 Yellowhead County	Operations were not suspended by the ERCB as two dehydrators were no longer in operation and the licensee shut in the third dehydrator. Licensee is required to: <ul style="list-style-type: none"> • Submit an action plan to address the noncompliance and prevent future occurrences, and • Initiate a corporate wide third-party inspection of dehydrator operations and benzene emission controls. Compliance not yet achieved.

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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
1	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 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>	May 4, 2012	N/A – Against licensee	<p>This is an escalation from a previous enforcement action issued on March 14, 2012.</p> <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 is required to address noncompliance and submit an action 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>The ERCB is evaluating further actions.</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
2	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 fees. 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>	May 4, 2012	N/A – Against licensee	<p>This is an escalation from a previous enforcement action issued on March 14, 2012.</p> <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's payment of the 2011 membership fees or having an approved spill response plan remains outstanding. Licensee paid its 2012 membership fees.</p> <p>Licensee is required to submit an action plan to address the noncompliance and prevent future occurrences.</p> <p>The ERCB is evaluating further actions.</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
3	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 fees. 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>	May 4, 2012	N/A – Against licensee	<p>This is an escalation from a previous enforcement action issued on March 14, 2012.</p> <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>In addition, licensee has been issued ERCB Board Orders directing suspension and abandonment for assets due to unrelated noncompliances.</p> <p>Licensee is required to address noncompliance and submit an action 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>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
1	Aspen Endeavour Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 25, 2012	Well licences: 07-34-009-17W4 M.D. of Taber 16-16-051-23W4 Leduc County 15-04-070-23W5 14-03-070-23W5 M.D. of Greenview Pipeline licence: 07-34-009-17W4 M.D. of Taber	This is an escalation from a previous enforcement action issued on April 18, 2012. Global Refer status. Issuance of Abandonment Order No. AD 2012-23 and Closure/Abandonment Order No. AD 2012-24. Abandonment of the well and pipeline licences. Licensee is required to <ul style="list-style-type: none"> • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Licensee has entered receivership. Enforcement actions have been suspended at this time to allow the Receiver to transfer the properties.

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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	Beau Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 23, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-08.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. Closure Order No. C 2012-24 and Abandonment Order No. AD 2012-27 were subsequently issued.</p> <p>Licensee 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	Enerhance Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 11, 2012	16-05-013-02W4 Cypress County	<p>This is an escalation from a previous enforcement action issued on April 17, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2012-23.</p> <p>Suspension and closure of the well licence.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. Abandonment Order No. AD 2012-26 was subsequently issued.</p> <p>Licensee 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
4	Sandbox Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 23, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-06.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. Closure Order No. C 2012-25, Abandonment Orders No. AD 2012-30 and AD 2012-31 and Closure/Abandonment Order No. AD 2012-32 were subsequently issued.</p> <p>Licensee has until September 16, 2012, to abandon its 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
5	Sutton Energy Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 23, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-07.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</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	*Water Solutionz Enterprises Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 18, 2012	01-04-033-025W4 Kneehill County	<p>This is an escalation of a previous enforcement action issued on April 10, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2012-19 and AD 2012-20.</p> <p>Abandonment of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • abandon the well and facility licences, • pay the security deposit, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. The ERCB is evaluating further actions.</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	Advance Oil Company Limited	Liability Management/ Well Abandonment	Licensee has a non- active status with the Alberta Corporate Registry System where it is unable to provide care and custody to the well. Failure to properly abandon the well.	May 11, 2012	16-19-019-02W5 M.D. of Foothills	Global Refer status. Issuance of Abandonment Order No. AD 2012-21. Licensee is required to <ul style="list-style-type: none"> • repair and re-abandon the well, and • submit all applicable documentation confirming completion of abandonment operations. Licensee failed to comply. The ERCB has orphaned its licence and sent the file on its well to the Orphan Well Association to be abandoned.

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	Canada West Resources Inc.	Liability Management/ Noncompliance with Administration Fees	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	May 29, 2012	02-14-038-22W4 Red Deer County 01-27-031-18W4 05-21-031-18W4 Starland County	<p>This is an escalation from a previous enforcement action issued on March 2, 2012, and March 30, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2012-25.</p> <p>Abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the 2011 Administration Fee plus 20 per cent penalty, and • provide written explanation acceptable to the ERCB addressing failure to respond and detailing steps to prevent future occurrences. <p>Licensee failed to comply. The ERCB has orphaned its licences and sent the file on its wells to the Orphan Well Association to be abandoned.</p>

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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
3	Drumlin Energy Corp.	Liability Management/ Petroleum and Natural Gas Mineral Rights Expiry	Failure to prove to the satisfaction of the ERCB that Drumlin Energy Corp. has a valid entitlement to produce the well.	May 25, 2012	11-36-008-08W4 County of Forty Mile	<p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2012-18A.</p> <p>Abandonment of well licence.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • abandon the well and submit the Digital Data Submission, and • provide written explanation acceptable to the ERCB addressing the failure to respond and the root causes of noncompliance. <p>Amended Abandonment Order No. AD 2012-18A was subsequently issued, giving the licensee until June 25, 2012, to comply.</p> <p>Licensee abandoned the well located at 11-36-008-08W4 and provided an action plan.</p> <p>Compliance achieved.</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
4	Inter-City Gas Corporation	Liability Management/ Well Abandonment	Licensee has a non-active status with the Alberta Corporate Registry System where it is unable to provide care and custody to the well. Failure to properly abandon the well.	May 23, 2012	06-11-026-12W4 Special Area 2	Global Refer status. Issuance of Abandonment Order No. AD 2012-22. Licensee is required to <ul style="list-style-type: none"> • repair and re-abandon the well, and • submit all applicable documentation confirming completion of abandonment operations. Licensee failed to comply. The ERCB has orphaned its licence and sent the file on its well to the Orphan Well Association to be abandoned.

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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