



ERCB Monthly Enforcement Action Summary

June 2012

September 27, 2012. The ERCB is conducting a survey to gain a better understanding of the readership of *ST108: ERCB Monthly Enforcement Action Summary* and to gain insight into how the information is being used. The survey also asks questions about publishing the ERCB enforcement advisor's written decisions as part of the *Directive 019: Compliance Assurance* appeal process on the ERCB website.

Please use the link below to start the survey.

<https://www.surveymonkey.com/s/ST108>

ENERGY RESOURCES CONSERVATION BOARD
ST108: ERCB Monthly Enforcement Action Summary, June 2012

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Introduction

This report provides information on all licensees that have had a High Risk Enforcement Action¹, 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 June 2012.

ERCB Monthly Enforcement Action Summary*				
	Compliance Category	June 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
	Wells Technical	1	0	0
Resources Applications Group	Commingling	1	0	0
	Injection/Disposal	1	0	0
Subtotal		4	0	0
Field Surveillance and Operations Branch				
Field Operations Group	Oil Facilities	2	0	0
	Pipelines	9	0	0
	Well Site Inspection	1	0	0
Liability Management Group	Noncompliance with Liability Management Program Requirements	0	6	0
Subtotal		12	6	0
Geology, Environmental Science, and Economics Branch				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	1	0	0
Subtotal		1	0	0
Total Enforcement Actions issued		17	6	0

*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	AltaGas Ltd.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	June 13, 2012	06-11-079-05W5 M.D. of Opportunity	Operations suspended. Licensee performed a pipeline integrity assessment. 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
2	Black Shire Energy Inc.	Field Operations/ Pipelines	<p>Substance is different from that stated on licence and the line is operating.</p> <p>Cathodic protection system—not operational or not installed.</p> <p>Pipeline sign missing or defaced on both sides of a crossing.</p> <p>Pressure control devices or pressure relief device installations unsatisfactory.</p> <p>Pipeline is operating but is shown as discontinued or abandoned in ERCB records.</p> <p>Discontinued pipeline not left in safe condition.</p> <p>Internal corrosion control-no monitoring and mitigation in corrosive environment.</p>	June 20, 2012	<p>08-09-040-03W4 (3 pipelines: Licences no. P21604, P25110, P51822)</p> <p>M.D. of Provost</p>	<p>Operations suspended.</p> <p>Licensee applied for a licence amendment to change the substance code in licence no P21604.</p> <p>Licensee conducted cathodic protection surveys and repairs for licence no. P21604 and P51822. Licensee abandoned two line segments in licence no. P25110.</p> <p>Licensee installed pipeline warning signs at water crossings for licence no. P21604 and P25110.</p> <p>Licensee applied for a licence amendment to lower the MOP for licence no. P21604 and P51822.</p> <p>Licensee applied for a licence amendment to change the status to operating for licence no. P25110.</p> <p>Licensee is required to locate the line and perform hydrovac work to safely expose and clean/purge licence no. P51822.</p> <p>Licensee will submit one line for corrosion analysis testing. Discontinuation of some pipelines is scheduled to be completed by the end of October.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
3	Canadian Natural Resources Limited	Field Operations/ Pipelines	Inappropriate construction or design, or documented operating procedures not followed.	June 1, 2012	05-18-012-13W4 M.D. of Taber	Operations suspended. Licensee repaired and tested the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
4	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	June 28, 2012	01-03-066-24W5 M.D. of Greenview	Operations suspended. Licensee repaired the pipeline and cleaned up and remediated the contaminated soil. Licensee provided pipeline integrity training for personnel. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Chinook Energy Inc.	Resources Applications/ Injection/Disposal	Failure to meet conditions of approval (disposal).	June 11, 2012	09-16-011-13W4 M.D. of Taber	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.

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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
6	City of Medicine Hat	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	June 1, 2012	00/10-19-004-04W4/0 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>
7	ConocoPhillips Canada Operations Ltd.	Field Operations/ Pipelines	<p>No operations and maintenance procedures manual, or not followed.</p> <p>There is no documented monitoring or mitigation program in place and/or company is not following program.</p>	June 13, 2012	12-27-046-09W5 Brazeau County	<p>Operations were not suspended as the pipeline was already suspended at the time of inspection.</p> <p>Licensee provided awareness training to pipeline operations personnel.</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
8	ConocoPhillips Canada Resources Ltd.	Field Operations/ Well Site Inspections-	Improper suspension for given well type.	June 27, 2012	03-30-083-06W4 Regional Municipality of Wood Buffalo	<p>Operations were not suspended as the well is inactive.</p> <p>Licensee scheduled an inspection to complete the downhole suspension.</p> <p>Licensee must complete the corrective action by December 30, 2012, as the well is located in a winter access only area.</p> <p>Licensee is directed to provide a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
9	Enerplus Corporation	Facilities Applications/ Facilities Technical	Failure to file a licence amendment application when required that results in a higher category/type.	June 27, 2012	01-34-053-20W5 Yellowhead County	<p>Licence or Operation not suspended. The licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</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
10	Ish Energy Ltd.	Field Operations/ Pipelines	<p>No operations and maintenance procedures manual, or not followed.</p> <p>There is no documented monitoring or mitigation program in place and/or company is not following program.</p> <p>Contaminated material stored directly on the ground.</p>	June 11, 2012	<p>07-35-056-16W5</p> <p>Yellowhead County</p>	<p>Operations suspended.</p> <p>Licensee updated its Operations and Maintenance Manual.</p> <p>Licensee conducted sampling for corrosion and installed pigging facilities and monitoring coupons.</p> <p>Licensee remediated and tested the soil at the spill site.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
11	Penn West Petroleum Ltd.	Field Operations/ Oil Facilities	Spill or release not contained/cleaned up	June 27, 2012	<p>09-11-043-16W4</p> <p>Flagstaff County</p>	<p>Operations were not suspended as the site is in the process of being abandoned.</p> <p>Licensee cleaned up the contaminated area. Licensee implemented a new practice to its process and shared it with production personnel.</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
12	Perpetual Energy Operating Corp.	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	June 22, 2012	05-11-050-10W4 County of Minburn	<p>Operation not suspended as the noncompliant operation occurred in the past. The well is in a safe condition and there is no ongoing risk due to this failure.</p> <p>Applicant/Licensee provided a preventative action plan to address the noncompliance and prevent future occurrences.</p> <p>ERCB has directed corrective action measures to the Applicant/Licensee.</p> <p>Applicant/Licensee is required to submit a corrective action plan to address this and other related noncompliances.</p> <p>Compliance not yet achieved.</p>
13	Sinopec Daylight Energy Ltd.	Field Operations/ Pipelines	Operating and maintenance procedures manual not followed.	June 12, 2012	06-19-059-20W5 M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee prepared and maintained a pipeline operations and maintenance manual and communicated it to the applicable personnel.</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	Surge Energy Inc.	Field Operations/ Pipelines	Failure/Hit. Damage by Others. Proper procedures were not followed.	June 28, 2012	09-23-040-04W4 M.D. of Provost	Operations suspended. Licensee communicated with all inspectors and construction staff to follow the appropriate ground disturbance procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	TAQA North Ltd.	Resources Applications/ Commingling	Commingling without approval.	June 5, 2012	13-17-060-18W5 M.D. of Greenview	Operation related to noncompliance is suspended. Applicant/Licensee has met the corrective actions specified with the ERCB accepted action plan. Applicant/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
16	Trilogy Resources Ltd.	Field Operations/ Pipelines	Corrosion Internal – There is no documented monitoring or mitigation program in place and/or company is not following program.	June 27, 2012	04-10-064-18W5 M.D. of Greenview	<p>Operations were not suspended as the pipeline was already suspended at the time of inspection.</p> <p>Licensee removed the deadleg riser from the pipeline. Licensee updated its <i>Well Site Inspection</i> program to identify deadlegs and notified its field staff.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
17	Wolf Coulee Resources Inc.	Field Operations/ Oil Facilities	No notification of a reportable spill or release to ERCB.	June 22, 2012	16-21-013-18W4 M.D. of Taber	<p>Operations were not suspended as the operations that resulted in the impact/hazard occurred in the past.</p> <p>Licensee cleaned up the spill and replaced the gravel. Licensee updated its Corporate and ERP Manual and provided it to its operations personnel.</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
	None					

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

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High Risk Enforcement Action (Failure to Comply) ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
	None					

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Beau Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 8, 2012	10-21-030-06W4 Special Area 3	<p>This is an escalation from a previous enforcement action issued on May 23, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2012-24.</p> <p>Suspension and closure of the well licence.</p> <p>Licensee required to</p> <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. <p>Licensee failed to comply. Abandonment Order No. AD 2012-27 was subsequently issued.</p> <p>Licensee failed to comply. The ERCB has sent its well to the Orphan Well Association to be abandoned.</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	Copper Creek Petroleum Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 12, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-11.</p> <p>Licensee 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 Orders No. C 2012-29 and C 2012-30, and Abandonment Orders No. AD 2012-34 and AD 2012-35 were subsequently issued. Licensee has until October 13, 2012, to comply with the Abandonment Orders.</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.	June 15, 2012	16-05-013-02W4 Cypress County	<p>This is an escalation from a previous enforcement action issued on May 11, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2012-26.</p> <p>Abandonment of the well licence.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • abandon the well, • 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>

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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	Gpi Oil & Gas Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 7, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-10.</p> <p>Licensee required to</p> <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. <p>Licensee failed to comply. Closure Order No. C 2012-26 and Abandonment Order No. AD 2012-29 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
5	Marksmen Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 8, 2012	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-09.</p> <p>Licensee 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 Orders No. C 2012-27 and C 2012-28 were subsequently issued.</p> <p>Licensee submitted full payment of its security deposit, but did not provide a written explanation to the ERCB.</p>

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
6	Sandbox Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 12, 2012	Well licences: 01-22-049-27W4 03-22-049-27W4 04-21-049-27W4 03-08-050-27W4 08-34-049-27W4 12-22-049-26W4 Pipeline licences: 03-08-050-27W4 08-17-050-27W4 12-22-049-26W4 Leduc County	This is an escalation from a previous enforcement action issued on May 23, 2012. Global Refer status. Issuance of Closure Order No. C 2012-25. Suspension and closure of the well and pipeline licences. Licensee 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 failed to comply. Abandonment Orders No. AD 2012-30 and AD 2012-31 and Closure/Abandonment Order No. AD 2012-32 were subsequently issued. Licensee failed to comply. The ERCB is evaluating further actions.

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Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
	None					

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Endnotes

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

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

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

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

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

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

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

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

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

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

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

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

⁶ **Legislative/Regulatory Enforcement Action**

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

Refer Status—Focused or Global

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

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

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