

# **ST108: Monthly Enforcement Action Summary**

**June 2013**

Effective June 17, 2013, the Alberta Energy Regulator (AER) succeeded the Energy Resources Conservation Board (ERCB).

For questions, contact AER Inquiries at 1-855-297-8311 or [inquiries@aer.ca](mailto:inquiries@aer.ca).

**Alberta Energy Regulator**  
**ST108: Monthly Enforcement Action Summary, June 2013**

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Alberta Energy Regulator  
Suite 1000, 250 – 5 Street SW  
Calgary, Alberta  
T2P 0R4

Telephone: 403-297-8311  
Toll free: 1-855-297-8311  
E-mail: [infoservices@aer.ca](mailto:infoservices@aer.ca)  
Website: [www.aer.ca](http://www.aer.ca)

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## Introduction

This report summarizes information on any High Risk Enforcement Action, High Risk Enforcement Action (Persistent Noncompliance), High Risk Enforcement Action (Demonstrated Disregard), High Risk Enforcement Action (Failure to Comply), Low Risk Enforcement Action (Global Refer or AER Order), or Legislative/Regulatory Enforcement issued against a licensee monthly and is published four months after the enforcement actions are issued.

The table below summarizes the enforcement actions issued in June 2013.

### Enforcement Action Summary—June 2013

Monthly Enforcement Action Summary					
Compliance Category	High Risk Enforcement Actions	High Risk Enforcement Actions (Persistent Noncompliance)	High Risk Enforcement Actions (Demonstrated Disregard)	High Risk Enforcement Actions (Failure to Comply)	Low Risk Enforcement Actions (Global Refer or AER Order)
Participant Involvement	2	0	0	0	0
Noncompliance with Liability Management Program Requirements	0	0	0	0	5
Oil Facilities Field Inspections/Investigations	3	0	0	0	0
Well Site Inspections Field Inspections/Investigations	2	0	0	0	1
Pipelines Field Inspections/Investigations	6	2	0	0	0

Legislative/Regulatory Enforcement Actions	
Subtotal Enforcement Actions	<b>0</b>

Total Enforcement Actions Issued	
High Risk Enforcement Actions	<b>13</b>
High Risk Enforcement Actions (Persistent Noncompliance)	<b>2</b>
High Risk Enforcement Actions (Demonstrated Disregard)	<b>0</b>
High Risk Enforcement Actions (Failure to Comply)	<b>0</b>
Low Risk Enforcement Actions (Global Refer or AER Order)	<b>6</b>
Legislative/Regulatory Enforcement Actions	<b>0</b>
Total Enforcement Actions Issued	<b>21</b>

[Compliance Categories](#) with no published enforcement actions issued during June 2013 have not been listed here.

If you require further information, contact the AER Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to [Inquiries@ aer.ca](mailto:Inquiries@ aer.ca).

## High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Angle Energy Inc.	Field Operations / Oil Facilities	Noncompliant with other AER requirement— inaccurate reporting of vent gas.	June 27, 2013	01-22-038-08W5	<p>Operations were not suspended because the licensee immediately corrected the noncompliance.</p> <p>Licensee reviewed and revised processes for flare and vent estimations.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
2	Apache Canada Ltd.	Field Operations / Pipelines	<p>Discontinued pipeline— not left in a safe condition.</p> <p>Internal corrosion control—no monitoring and mitigation in corrosive environment.</p> <p>External corrosion control/cathodic surveys—no records of survey results.</p>	June 27, 2013	02-29-039-10W4 02-10-039-10W4	<p>Operations were partially suspended.</p> <p>Licensee discontinued pipeline segment (Line 5) for the 02-10-039-10W4 pipeline.</p> <p>Licensee provided the corrosion batch runs and pigging records.</p> <p>Licensee completed the 2013 cathodic survey.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
3	ARC Resources Ltd.	Field Operations / Oil Facilities	Knockout drum or flare separator controls, equipment, or design does not meet requirements.	June 11, 2013	06-05-048-10W5	<p>Operations were not suspended because the licensee voluntarily suspended the facility because of a wildfire in the area.</p> <p>Licensee installed a new flare knockout system at the location.</p> <p>Licensee conducted a review of its policies and procedures regarding construction practices.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
4	ATCO Gas and Pipeline Ltd. (SOUTH)	Field Operations / Pipelines	Damage by others—proper procedures were not followed.	June 28, 2013	16-35-071-06W6	<p>Operations were suspended.</p> <p>Licensee reviewed and reaffirmed requirements and procedures for pipelines and ground disturbance with staff.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
5	Bellatrix Exploration Ltd.	Field Operations / Oil Facilities	Venting practices not conducted in accordance with the requirements.	June 26, 2013	16-02-048-11W5	<p>Operations were not suspended because the licensee immediately addressed the noncompliance.</p> <p>Licensee shut in the well to stop the venting.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
6	Canadian Natural Resources Limited	Facilities Applications / Participant Involvement	Failure to disclose to the AER any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	June 7, 2013	06-22-065-07W4	<p>Licence/operation suspended.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Applicant/licensee has completed the AER-directed corrective action.</p> <p>Compliance achieved.</p>

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## High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
7	Forge Petroleum Corporation	Field Operations / Pipelines	<p>Discontinued pipeline— not left in a safe condition.</p> <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>	June 21, 2013	02-28-042-11W4 (2 pipeline licences)	<p>Operations were partially suspended.</p> <p>Licensee has filed the required amendments; this involved a line split to change the substance. Pipeline segments 2 and 3 are to be discontinued in October when the crop is off. The cathodic protection system is in place.</p> <p>Licensee provided a plan to address the noncompliances and prevent future occurrence.</p> <p>Compliance not yet achieved.</p>
8	Imperial Oil Resources Limited	Field Operations / Pipelines	Operator does not take steps to contain spill as soon as possible and prevent spill from spreading (e.g., by using berms or dikes, or booms if on water).	June 24, 2013	15-06-050-11W5	<p>Operations were not suspended because the licensee had already suspended the pipeline due to a pipeline failure.</p> <p>Licensee met with the AER to review and discuss the containment and cleanup plans for the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
9	Muirfield Resources Ltd.	Field Operations / Pipelines	<p>External corrosion control/cathodic surveys —no records of survey results.</p> <p>Internal corrosion control—no monitoring and mitigation in corrosive environment.</p>	June 24, 2013	04-21-042-14W4 (3 pipeline licences)	<p>Operations were not suspended because the cathodic protection survey had been completed in June 2013, the pipeline(s) are externally coated, and the remedial work required to bring the pipeline(s) into compliance was being implemented. Pipeline licence P54712 was not suspended because the internal corrosion monitoring and mitigation program had been developed and will be implemented or the internally bare steel line will be removed from service pending development and new pipeline construction to reroute flow by the end of the 3rd quarter of 2013.</p> <p>Licensee installed internal corrosion monitoring on all of its operating steel pipelines.</p> <p>Licensee updated its pipeline operations manual.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
10	Surge Energy Inc.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place or company is not following program.	June 25, 2013	06-13-040-04W4	Operations were suspended.  Licensee will abandon the failed pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrence.  Compliance achieved.
11	Trident Exploration (Alberta) Corp.	Facilities Applications / Participant Involvement	Failure to disclose to the AER any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.  Incomplete public and/or industry personal consultation and notification prior to filing the application.	June 18, 2013	13-34-033-22W4	Licence not suspended because a licence was not issued.  Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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### High Risk Enforcement Action (HREA)<sup>1</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
12	Velvet Energy Ltd.	Field Operations / Well Site Inspections	Noncompliant with other AER requirements—failure to meet the permissible sound levels at the nearest or most impacted dwelling.	June 27, 2013	16-12-054-16W5	<p>Operations were not suspended because the investigation was ongoing from the time of the complaint until the comprehensive sound survey (CSS) was completed and submitted. The enforcement action was issued upon verification of exceedance based upon the review of the CSS.</p> <p>Licensee contracted third-party noise consultants and installed equipment to monitor the sound levels at the residence.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>
13	Wolf Coulee Resources Inc.	Field Operations / Well Site Inspections	<p>No resident notification or consultation.</p> <p>Comment: Licensee submitted a voluntary self disclosure (VSD) for noncompliance with the flaring notification requirements. Because the flaring notification was mandatory, the VSD was not accepted.</p>	June 27, 2013	09-21-013-18W4	<p>Operations were not suspended because the noncompliance occurred in the past.</p> <p>Licensee implemented an updated protocol to notify its vice president of operations of all flaring activity.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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## High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Canadian Natural Resources Limited	Field Operations / Pipelines	Cathodic protection not installed within one year of service/operation.	June 12, 2013	13-25-081-23W4	<p>Licensee continues to be on Persistent Noncompliance.</p> <p>Operations were not suspended because the licensee voluntarily suspended operations. AER approval is required before resuming operations on this pipeline.</p> <p>Licensee ensured that all metallic risers attached to non-metallic pipelines have visible surface cathodic gauge cable connected to either buried anodes or cathodic-protected metallic pipelines.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance not yet achieved. The AER is currently discussing the corporate action plan with the licensee to address the Persistent Noncompliance status.</p>

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### High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
2	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place or company is not following program.	June 26, 2013	13-06-048-07W4	<p>Licensee continues to be on Persistent Noncompliance.</p> <p>Operations were suspended.</p> <p>Licensee is required to correct all noncompliances.</p> <p>Licensee is required to provide a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance not yet achieved. The AER is currently discussing the corporate action plan with the licensee to address the Persistent Noncompliance status.</p>

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### High Risk Enforcement Action (Demonstrated Disregard)<sup>3</sup>

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
	None					

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**High Risk Enforcement Action (Failure to Comply)<sup>4</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
	None					

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
1	Benjaka Exploration Inc.	Liability Management / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 6, 2013	N/A—Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-43.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee submitted full payment of its security deposit and provided a written explanation to the AER.</p> <p>Compliance achieved.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
2	Fairwest Energy Corporation	Liability Management / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 6, 2013	N/A—Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-32.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee has entered <i>Companies' Creditors Arrangement Act</i>. No further enforcement action is anticipated at this time; future enforcement consequences may result pending the decision from the <i>Companies' Creditors Arrangement Act</i>.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
3	Gateway Petroleum Inc.	Liability Management / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 6, 2013	N/A—Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-33.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Order No. C 2013-31 was subsequently issued.</p> <p>Licensee failed to comply. Abandonment Orders No. AD 2013-92, AD 2013-93, AD 2013-94, and AD 2013-95 were subsequently issued giving the licensee until November 1, 2013, to comply.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
4	Marksmen Energy Inc.	Liability Management / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 6, 2013	N/A—Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-34.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Orders No. C 2013-33 and C 2013-34 were re-issued giving the licensee until November 1, 2013 to comply.</p>

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**Low Risk Enforcement Action – (Global Refer or AER Order)<sup>5</sup>**

#	Licensee	AER Group / Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
5	Quattro Exploration and Production Ltd.	Liability Management / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	June 6, 2013	N/A—Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-44.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Orders No. C 2013-35 and C 2013-36 were subsequently issued.</p> <p>Licensee failed to comply. Abandonment Order No. AD 2013-91 was subsequently issued giving the licensee until November 1, 2013 to comply.</p>
6	Solara Exploration Ltd.  FTI Consulting Canada Inc. (Receiver-manager)	Field Operations / Well Site Inspections	<p>Failure to report to the AER DDS System as required.</p> <p>Comment: Licensee has not updated the well status to “suspension” in DDS and PETRINEX.</p>	June 7, 2013	13-16-053-04W4	<p>Global Refer status.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• update the suspension of the well as per the Inspection Detail Report and</li> <li>• update the suspension of the well on PETRINEX</li> </ul> <p>Licensee is currently in receivership. No further enforcement action is anticipated at this time; future enforcement consequences may result pending the receiver-manager’s actions.</p>

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**Legislative/Regulatory Enforcement Action<sup>6</sup>**

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
	None					

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## Endnotes

### <sup>1</sup> **Directive 019—High Risk Enforcement Action (HREA)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER; 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 AER group (a licensee may also be required to submit the written action plan and meet with the AER group to discuss both the action plan and the licensee's compliance history); and notify the AER group that it has corrected and addressed the high risk noncompliance. The AER 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/addresses the noncompliance); suspension and/or cancellation of the permit, licence, or approval.

### <sup>2</sup> **Directive 019—High Risk Enforcement Action (HREA) (Persistent Noncompliance)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER; 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 AER 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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 AER) in the same compliance category before achieving overall compliance.

### <sup>3</sup> **Directive 019—High Risk Enforcement Action (HREA) (Demonstrated Disregard)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues 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 AER 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 AER; 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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 AER) in the same compliance category before achieving overall compliance.

### <sup>4</sup> **Directive 019—High Risk Enforcement Action (HREA) (Failure to Comply)**

In accordance with *Directive 019: Compliance Assurance*, the AER issues an HREA (Failure to Comply) against a licensee if it failed to comply with the direction of the AER in an AER 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 AER; 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 AER group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the AER group that it has corrected and addressed the high risk noncompliance(s). The AER 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, 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 AER) in the same compliance category before achieving overall compliance.

If you require further information, contact the AER Customer Contact Centre by telephone at 1-855-297-8311 (toll free) or by e-mail to [Inquiries@ aer.ca](mailto:Inquiries@ aer.ca).

<sup>5</sup> **Directive 019—Low Risk Enforcement Action (LREA) (Global Refer or AER Order)** In accordance with *Directive 019: Compliance Assurance*, the AER issues an LREA (Global Refer) against a licensee who failed to comply with the direction of the AER 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 AER; notify the AER 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 AER group; and meet with the AER group to discuss the low risk noncompliant event(s), the licensee's compliance history, or the written action plan. The AER 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).

<sup>6</sup> **Legislative/Regulatory Enforcement Action**

The AER issues a Legislative/Regulatory Enforcement Action for noncompliance with AER requirements that fall outside the administration of *Directive 019: Compliance Assurance*. The AER 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 AER 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 AER 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 AER Enforcement Actions, see *Directive 019: Compliance Assurance* or contact the AER Compliance Assurance Section at [compliancecoordination@aer.ca](mailto:compliancecoordination@aer.ca).

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