

ST108: Monthly Enforcement Action Summary

November 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.

Alberta Energy Regulator
ST108: Monthly Enforcement Action Summary, November 2013

March 2014

Published by
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
Website: www.aer.ca

Contents

Introduction 1

High Risk Enforcement Action (HREA) 3

High Risk Enforcement Action (Persistent Noncompliance)10

High Risk Enforcement Action (Demonstrated Disregard).....11

High Risk Enforcement Action (Failure to Comply).....12

Low Risk Enforcement Action (Global Refer or AER Order)13

Legislative/Regulatory Enforcement Action45

Endnotes.....49

Introduction

This report summarizes monthly information for November 2013 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.

The table below summarizes the enforcement actions issued.

Enforcement Action Summary: November 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)	Legislative/Regulatory Enforcement Actions (Global Refer or AER Order)
Participant Involvement	2	0	0	0	0
Wells Technical	3	0	0	0	0
Enhanced Recovery Schemes	1	0	0	0	0
Groundwater Protection	1	0	0	0	0
Noncompliance with Liability Management Program Requirements	0	0	0	0	35
Drilling Waste Inspections/Investigations	1	0	0	0	0
Oil Facilities Field Inspections/Investigations	2	0	0	0	0
Gas Facilities Field Inspections/Investigations	1	0	0	0	0
Pipelines Field Inspections/Investigations	5	0	0	0	0
Coal Mines	0	0	0	1	0

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.

Legislative/Regulatory Enforcement Actions	
Care and Custody	1
Nonpayment of AER Administration Fees	3

Total Enforcement Actions Issued	
High Risk Enforcement Actions	16
High Risk Enforcement Actions (Persistent Noncompliance)	0
High Risk Enforcement Actions (Demonstrated Disregard)	0
High Risk Enforcement Actions (Failure to Comply)	1
Low Risk Enforcement Actions (Global Refer or AER Order)	35
Legislative/Regulatory Enforcement Actions	4
Total Enforcement Actions Issued	56

[Compliance Categories](#) with no published enforcement actions issued during November 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)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Angle Energy Inc.	Facilities Applications / Participant Involvement	<p>Failure to provide all required minimum information details in the project-specific information package prior to filing the application.</p> <p>Incomplete public and/or industry personal consultation and notification prior to filing the application.</p>	November 26, 2013	05-15-031-02W5	<p>Licence or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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.

High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
2	ARC Resources Ltd.	Field Operations/ Pipelines	<p>A person proposing to disturb the ground did not take all precautions reasonably necessary to check for pipelines within 30 m of the perimeter of the ground disturbance area.</p> <p>A person proposing to disturb the ground within the controlled area of a pipeline did not notify the licensee and Alberta One-Call.</p> <p>A notified licensee does not, before beginning to disturb the ground, accurately mark the horizontal position and alignment of the pipeline with distinct warn signs and marker at adequate intervals in accordance with the uniform colour code, and provide documentation of the markings to the person proposing the ground disturbance.</p> <p>Excavation conducted for the purpose of locating a pipeline was not done by hand excavation until the pipeline was sufficiently exposed to enable it to be identified.</p> <p>An existing pipeline within 5m of a proposed ground disturbance was not located by hand excavation, or the hand excavation procedures</p>	November 7, 2013	04-20-048-06W5	<p>Operations were not suspended as licensee immediately suspended operations.</p> <p>Licensee communicated this incident and ground disturbance issues with operations managers and field superintendents.</p> <p>Licensee updated its Ground Disturbance Code of Practice to require a minimum of two sweeps of an area and the Ground Disturbance Checklist has been clarified.</p> <p>Licensee will provide further training for all employees responsible for ground disturbance.</p> <p>Licensee developed a list of questions to heighten awareness of ground disturbance activities.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
4	AER ST108: Monthly	Enforcement Action Summary				<p>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.</p>

High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
3	Canadian Natural Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the AER of water production above the threshold.	November 27, 2013	12-05-035-17W4	<p>Licence or operation not suspended because suspension may result in further impacts or increased risk.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
4	Cardinal Energy Ltd.	Resources Applications/ Enhanced Recovery	Failure to meet conditions of approval.	November 26, 2013	04-30-042-01W4 01-25-042-02W4	<p>Licence or operation suspended.</p> <p>AER has directed corrective action measures to the Licensee.</p> <p>Licensee is required to provide a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
5	Conserve Oil & Gas No. II Corporation	Field Operations/ Gas Facilities	Any H ₂ S off-lease odours.	November 5, 2013	15-17-039-26W4	<p>Operations were not suspended as the well was shut in at the time of the investigation.</p> <p>Licensee implemented flare/ignition procedures that include shutting in the inlet to ensure that no sour gas exits the flare stack.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrence.</p> <p>Compliance achieved.</p>

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)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
6	Dolomite Energy Inc.	Facilities Applications/ Wells Technical	Failure to apply for the correct category/type of well. Failure to design the surface casing to meet all applicable requirements.	November 4, 2013	08-32-087-11W5	Licence cancelled. Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Encana Corporation	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	November 26, 2013	03-21-078-11W6	Licence or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement. Applicant/licensee has completed the AER-directed corrective action. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Husky Oil Operations Limited	Field Operations/ Pipelines	Pipeline is not discontinued, abandoned, or returned to service after 12 months of no active flowing service.	November 8, 2013	04-25-041-16W4	Operations were not suspended as the pipeline had been depressurized and shut in. Licensee abandoned the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
9	Husky Oil Operations Limited	Field Operations/ Pipelines	A person proceeded to disturb the ground within the controlled area before locating and marking of the pipeline.	November 20, 2013	15-33-045-06W4	<p>Operations suspended.</p> <p>Licensee established a sign off policy when there is a discrepancy between the drawings and actual findings.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Legacy Oil + Gas Inc.	Field Operations/ Oil Facilities	<p>Contaminated materials or materials possessing the potential to leach stored directly on the ground.</p> <p>Spill or release not contained/cleaned up.</p> <p>No notification of a reportable spill or release to AER.</p>	November 13, 2013	11-01-080-23W4	<p>Operations not suspended as there was no immediate impact on public safety, the environment, resource conservation, or stakeholder confidence in the regulatory process.</p> <p>Contaminated material scraped off the surface and disposed.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee updated guidelines to incorporate reporting requirements.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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.

High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
11	Natural Gas Co-Op 52 Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	November 20, 2013	16-20-042-08W4	<p>License or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
12	Pembina Marketing Ltd.	Field Operations/ Pipelines	<p>Excavation conducted for the purpose of locating a pipeline was not done by hand excavation until the pipeline was sufficiently exposed to enable it to be identified.</p> <p>Pipeline is not discontinued, abandoned, or returned to service after 12 months of no active flowing service.</p>	November 7, 2013	03-22-053-23W4	<p>Operations were not suspended as operations were already shut in.</p> <p>Licensee updated its ground disturbance policies.</p> <p>Licensee compiled a list of all its pipelines and will review annually.</p> <p>Licensee is required to provide a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
13	Pembina Pipeline Corporation	Field Operations/ Pipelines	Excavation conducted for the purpose of locating a pipeline was not by hand excavation until the pipeline was sufficiently exposed to enable it to be identified.	November 7, 2013	16-16-053-23W4	<p>Operations were not suspended as the pipeline was already shut in.</p> <p>Licensee updated its ground disturbance policies.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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@er.ca.

High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
14	Sinopec Daylight Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	November 26, 2013	05-26-047-11W5	<p>Licence cancelled.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Spyglass Resources Corp.	Field Operations/ Oil Facilities	Decision tree or economic evaluation not completed or results not implemented for new, existing, and temporary flares, incinerators, and vents as required.	November 1, 2013	13-30-038-09W4	<p>Operations suspended.</p> <p>Licensee completed economic evaluation.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
16	TORC Oil & Gas Ltd.	Field Operations/ Drilling Waste	Disposal on a slope greater than 5 per cent during summer operations or greater than 3 per cent during winter operations.	November 29, 2013	10-24-054-16W5	<p>Operations were not suspended as the operation was completed at the time of inspection.</p> <p>Licensee reviewed its internal requirements with its service company.</p> <p>Licensee will conduct site inspection to ensure drilling waste has not migrated.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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 (Persistent Noncompliance)²

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

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@er.ca.

High Risk Enforcement Action (Demonstrated Disregard)³

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

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.

High Risk Enforcement Action (Failure to Comply)⁴

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Response
1	Grande Cache Coal Corporation	Oil Sands and Coal Mining/Coal Mines	Operator materially alters the program of operations on which the holder's permit or licence was granted without AER approval.	November 26, 2013	Grande Cache Coal - 12 South B2 Underground Mine	<p>Focused Refer status.</p> <p>Licensee conducted a root cause analysis and implemented changes to its work procedures.</p> <p>Licensee met with the AER to review the action plan.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
1	935821 Alberta Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	15 well licences 2 facility licences 4 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-57A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-58 and C 2013-59.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
2	ACC International Energy Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 02-22-067-12W6 03-27-067-12W6 Pipeline licence 02-22-067-12W6	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-58A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-60.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
3	Action Energy Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	15-23-085-21W5	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-61.</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 a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
4	Advantage Well Servicing Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 06-21-047-26W4 08-07-053-13W5 Pipeline licences 06-21-047-26W4 08-07-053-13W5	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-60A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-62.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
5	Border Petroleum Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 12, 2013	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-130.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee has taken steps to lower its liabilities but did not provide a written explanation to the AER. Global Refer status is maintained against the licensee.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
6	Calver Resources Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	20 well licences 2 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-63A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-85.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
7	Cowboy Exploration Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	02-01-035-17W4 04-23-019-18W4 13-19-054-16W5	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2013-134.</p> <p>Abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
8	Dreadnought Energy Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 16-30-041-16W4 11-30-034-10W4 13-32-042-16W4 14-23-042-17W4 10-25-042-17W4 Facility licences 05-32-042-16W4 09-25-041-17W4 16-30-041-16W4 03-01-042-17W4 14-23-042-17W4 01-27-042-17W4 Pipeline licences 11-30-034-10W4 16-02-042-17W4 03-01-042-17W4 16-30-041-16W4	This is an escalation of a previous enforcement action issued on September 18, 2013. Global Refer status. Issuance of Abandonment Orders No. AD 2013-131 and AD 2013-132 and Closure/Abandonment Order No. AD 2013-133. Abandonment of the well, facility, and pipeline licences. Licensee is required to <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. Compliance not yet achieved.

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
9	Fairwest Energy Corporation	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 22, 2013	199 well licences 10 facility licences 56 pipeline licences	<p>This is an escalation of a previous enforcement action issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2013-102 through to AD 2013-130.</p> <p>Abandonment of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
10	Foret Management Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 14-14-009-09W4 07-30-009-08W4 (3 well licences) Pipeline licences 14-14-009-09W4 07-30-009-08W4	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-75.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit, and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
11	Golden Spike Energy Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 11-16-019-14W4 07-33-019-14W4 06-04-020-14W4 13-10-019-14W4 16-28-051-01W5 14-34-032-03W5 Pipeline licences 07-33-019-14W4 11-34-051-01W5 11-16-019-14W4	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-72A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-81.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the 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 AER.</p> <p>Compliance achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
12	Goose River Energy Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licence 06-36-066-16W5 Facility licence 06-36-066-16W5	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-88 and C 2013-89.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
13	GP Resources Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 04-12-026-14W4 08-17-027-16W4 Pipeline licences 04-12-026-14W4 (2 pipeline licences)	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-90.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>
14	Hermes Energy Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 13, 2013	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-132.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
15	Kanex Energy Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 15, 2013	11 well licences 2 facility licences 9 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-79A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-72 and C 2013-73.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
16	Kerrisdale Resources Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	Well licences 10-26-020-08W4 06-26-018-01W4 10-08-019-01W4 06-08-019-01W4 14-26-018-01W4 08-08-019-01W4 13-08-019-01W4 16-26-018-01W4 08-26-018-01W4 06-10-047-21W4 Pipeline licences 10-08-019-01W4 06-26-018-01W4 06-08-019-01W4 10-26-020-08W4 16-26-018-01W4	This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-96A issued on October 10, 2013. Global Refer status. Issuance of Closure Order No. C 2013-95. Suspension and closure of the well licences. Licensee is required to <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. Compliance not yet achieved.

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
17	Land Petroleum International Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	21 well licences 1 facility licence 7 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-81A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-91 and C 2013-92.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the 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 AER.</p> <p>Compliance achieved</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
18	Lateral Capital Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 12, 2013	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-134.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>
19	Legend Energy Canada Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	24 well licences 2 facility licences 7 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-82A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-93 and C 2013-94.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
20	Luxor Oil and Gas Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 18, 2013	<p>Well licences 07-15-074-06W6 06-21-074-06W6 11-32-078-07W6 01-35-075-08W6 14-16-076-20W5</p> <p>Facility licence 07-15-074-06W6</p> <p>Pipeline licences 07-15-074-06W6 06-21-074-06W6 11-32-078-07W6</p>	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-110A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-67 and C 2013-68.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
21	Marksman Energy Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	22 well licences 1 facility licence 3 pipeline licences	<p>This is an escalation of a previous enforcement action issued on September 30, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2013-135 through AD 2013-141 and Closure/ Abandonment Order No. AD 2013-142.</p> <p>Abandonment of the well, facility and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
22	Monarch Energy Limited	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 15, 2013	Well licence 07-19-073-18W4 Pipeline licence 07-19-073-18W4	<p>This is an escalation of a previous enforcement action issued on September 13, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-79.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee submitted full payment of its security deposit but did not provide a written explanation to the AER. Global Refer status is maintained against the licensee.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
23	Morumbi Capital Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	Well licences 04-33-065-22W5 12-33-065-22W5 Pipeline licences 04-33-065-22W5	<p>This is an escalation of a previous enforcement action issued on October 17, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-86.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
24	Newcrest Resources Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 19, 2013	13-24-013-13W4	<p>This is an escalation of a previous enforcement action issued on September 17, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-82.</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 a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
25	Nomad Exploration Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 15, 2013	03-22-004-29W4 09-10-004-29W4 09-29-004-29W4 02-11-004-29W4	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-105A issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-74.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee submitted full payment of its security deposit but did not provide a written explanation to the AER. Global Refer status is maintained against the licensee.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
26	Nordic Oil & Gas Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 27, 2013	14 well licences 3 facility licences 4 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-104A issued on October 9, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-77 and C 2013-78.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
27	Onstad Energy Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 18, 2013	72 well licences 3 facility licences 6 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-103A issued on October 9, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-65 and C 2013-66.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the 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 AER.</p> <p>Compliance achieved.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
28	Optimal Resources Inc.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 18, 2013	Well licences 16-18-050-02W4 09-18-050-02W4 15-18-050-02W4 10-18-050-02W4 16-12-050-03W4 08-18-050-02W4 02-18-050-02W4 Facility licence 08-18-050-02W4	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-102A issued on October 9, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-63 and C 2013-64.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee submitted full payment of its security deposit but did not provide an explanation to the AER. Global Refer status is maintained against the licensee.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
29	Petro Energy Corp.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 15, 2013	14-22-012-05W4 08-03-081-24W4 01-04-081-24W4	<p>This is an escalation of a previous enforcement action issued on September 17, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-80.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
30	Reber Exploration Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	16-09-075-09W6 06-03-079-08W6	<p>This is an escalation of a previous enforcement action issued on October 15, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-100.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
31	Redeye Energy Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 14, 2013	08-02-011-15W4	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-76.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee submitted full payment of its security deposit but did not provide a written explanation to the AER. Global Refer status is maintained against the licensee.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
32	Richard J. Churchill Limited	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	Well licence 06-22-054-25W4 Pipeline licences 06-22-054-25W4 11-22-054-25W4	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-96.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
33	Saffron Energy Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	13-21-097-10W5	<p>This is an escalation of a previous enforcement action issued on September 18, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-97.</p> <p>Suspension and closure of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Licensee submitted full payment of its security deposit but did not provide a written explanation to the AER. Global Refer status is maintained against the licensee.</p>

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.

Low Risk Enforcement Action (Global Refer or AER Order)⁵

#	Licensee	AER Group/ Compliance Category	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow-up
34	Sedna Oil and Gas Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 20, 2013	29 well licences 5 facility licences 7 pipeline licences	<p>This is an escalation of a previous enforcement action with amended Miscellaneous Order No. MISC 2013-89 issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2013-98 and C 2013-99.</p> <p>Suspension and closure of the well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>
35	Stormhold Energy Ltd.	Liability Management/ Noncompliance with the Liability Management Program Requirements	Failure to pay security deposit.	November 18, 2013	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2013-133.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the security deposit and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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).

Legislative/Regulatory Enforcement Action⁶

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
1	Calver Resources Inc.	Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	November 28, 2013	20 well licences 2 pipeline licences	<p>This is an escalation of a previous enforcement action issued on October 3, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2013-101.</p> <p>Suspension and closure of the well and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the administration fees, plus 20 per cent penalty, and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Legislative/Regulatory Enforcement Action⁶

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
2	Cowboy Exploration Ltd.	Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	November 26, 2013	02-01-035-17W4 04-23-019-18W4 13-19-054-16W5	<p>This is an escalation of a previous enforcement action issued on October 10, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2013-146.</p> <p>Abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the administration fees, plus 20 per cent penalty, and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Legislative/Regulatory Enforcement Action⁶

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
3	Dreadnought Energy Inc.	Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	November 28, 2013	<p>Well licences 16-30-041-16W4 11-30-034-10W4 13-32-042-16W4 14-23-042-17W4 10-25-042-17W4</p> <p>Facility licences 05-32-042-16W4 09-25-041-17W4 16-30-041-16W4 03-01-042-17W4 14-23-042-17W4 01-27-042-17W4</p> <p>Pipeline licences 11-30-034-10W4 16-02-042-17W4 03-01-042-17W4 16-30-041-16W4</p>	<p>This is an escalation of a previous enforcement action issued on October 3, 2013.</p> <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Orders No. AD 2013-143, AD 2013-144, and AD 2013-145.</p> <p>Abandonment of the well, facility and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> • pay the administration fees, plus 20 per cent penalty, and • provide a written explanation acceptable to the AER addressing the failure to respond and detailing steps to prevent future occurrences. <p>Compliance not yet achieved.</p>

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.

Legislative/Regulatory Enforcement Action⁶

#	Licensee	Noncompliance	Noncompliant Event	Date of Enforcement	Location	AER Action(s) and Licensee Follow up
4	Sierra Production Company	Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	November 27, 2013	12-05-001-11W4	<p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2013-147.</p> <p>Suspension, closure, and abandonment of the pipeline licence.</p> <p>Licensee is required to complete one of the following:</p> <ul style="list-style-type: none"> • transfer the licensed property, • abandon the licensed property, or • provide confirmation to the AER that the licensee is registered with and has an Active status on the Alberta Corporate Registries System. <p>Compliance not yet achieved.</p>

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.

Endnotes

¹ **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 from the noncompliance (any suspension of operations must not occur if it will increase the impact on 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-audits 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.

² **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 from the noncompliance (any suspension of operations must not occur if it will increase the impact on 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-audits 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.

³ **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 from the noncompliance(s) (any suspension of operations must not occur if it will increase impact on 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-audits 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.

⁴ **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 from the noncompliance(s) (any suspension of operations must not occur if it will increase the impact on 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-audits 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 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).

⁵ **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 if the licensee 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 a 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).

⁶ **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, or 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.

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.