

ST108: Monthly Enforcement Action Summary

May 2014

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, May 2014

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Introduction

This report summarizes monthly information for May 2014 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 Action issued against a licensee.

The table below summarizes the enforcement actions issued.

Enforcement Action Summary: May 2014

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)	Legislative/Regulatory Enforcement Actions (Global Refer or AER Order)
Facilities Technical	5	0	0	0	0	0
Participant Involvement	1	0	0	0	0	0
Pipelines/Pipeline Installations Technical	1	0	0	0	0	0
Wells Technical	3	0	0	0	0	0
Oil Overproduction	2	0	0	0	0	0
Injection/Disposal	1	0	0	0	0	0
Packer Testing	4	0	0	0	0	0
Flaring, Incinerating and Venting Audits	2	0	0	0	0	0
Noncompliance with Liability Management Requirements	0	0	0	0	15	0
Orphan Levy	0	0	0	0	0	10
Corporate Status	0	0	0	0	0	3
Drilling Waste	2	0	0	0	0	0
Gas Facilities	4	0	0	0	0	0
Oil Facilities	3	1	0	0	0	0
Well Site Inspections	5	0	0	1	0	0
Pipelines	4	0	0	1	0	0
Total	37	1	0	2	15	13

* [Compliance Categories](#) with no published enforcement actions issued during May 2014 have not been listed here.

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
1	Antelope Land Services Ltd.	Enforcement & Surveillance/ Drilling Waste	Storage systems not physically closed within 18 months of rig release of first well that contributed drilling waste.	May 21, 2014	05-17-031-23W4	<p>Operations were not suspended as there was only a standing well on site.</p> <p>Licensee is required to submit a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
2	Apache Canada Ltd.	Enforcement & Surveillance/ Well Site Inspections	<p>Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.</p> <p>Release criteria of collected surface water not met prior to release to adjacent lands.</p>	May 23, 2014	16-09-070-11W5	<p>Operations were not suspended as licensee immediately corrected the noncompliances.</p> <p>Licensee posted a sign with the 24-hour emergency telephone number.</p> <p>Licensee repaired the berm.</p> <p>Licensee increased the frequency of site inspections after significant weather events.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
3	Bellatrix Exploration Ltd.	Enforcement & Surveillance/ Gas Facilities	No secondary containment as required.	May 22, 2014	13-14-044-10W5	<p>Operations suspended.</p> <p>Licensee emptied and disconnected the tank.</p> <p>Licensee met with field and operations staff to reinforce standards.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
4	Bellatrix Exploration Ltd.	Enforcement & Surveillance/ Drilling Waste	Hydrocarbon-based drilling solids stored directly on the ground.	May 23, 2014	04-11-045-11W5	<p>Operations were not suspended as licensee cleaned up and disposed the drilling waste.</p> <p>Licensee is developing a standard operating procedure manual.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
5	Bellatrix Exploration Ltd.	Enforcement & Surveillance/ Gas Facilities	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	May 29, 2014	13-11-045-09W5	<p>Operations were not suspended as licensee corrected the noncompliance.</p> <p>Licensee replaced the pump and the circulation rate will be optimized.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
6	Blackpearl Resources Inc.	Infrastructure Audit/ Wells Technical	No rights to substance(s) for the intended formation(s).	May 21, 2014	10-35-055-02W4	<p>Licensee 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>
7	Bonterra Energy Corp.	Resource Compliance/ Packer Testing	<p>Failure to complete necessary reporting of required packer testing by September 1 of each year.</p> <p>Failure to perform repairs and report repair results to the AER within 90 days of detection.</p>	May 8, 2014	00/14-01-048-07W5 00/04-30-048-04W5	<p>Licensee or operation not suspended as the licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
8	Broadview Energy Ltd.	Enforcement & Surveillance/ Oil Facilities	Produced gas (plant inlet, total battery/group gas) not metered.	May 30, 2014	15-29-044-05W4	<p>Operations suspended.</p> <p>Licensee will install a gas volume measurement before well startup.</p> <p>Licensee required all their operations staff to review AER's <i>Directive 017</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
9	Canadian Natural Resources Limited	Infrastructure Audit/ Wells Technical	Failure to acquire a mineral lease continuation (no agreement with Department of Energy).	May 1, 2014	16-35-061-02W5 (3 wells)	<p>Licence/operation suspended.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Canadian Natural Resources Limited	Infrastructure Audit/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 26, 2014	12-28-042-01W4	<p>Licence or operation not suspended as noncompliance has been appropriately addressed or corrected prior to issuance of enforcement.</p> <p>Applicant/licensee has met the corrective actions specified with the AER accepted action plan.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
11	Canadian Natural Resources Limited	Rate Applications, Subsurface Authorizations/ Oil Overproduction	Failure to retire all cumulative overproduction in accordance with <i>Directive 007-1: Allowables Handbook</i> .	May 29, 2014	02/07-06-013-15W4/0 00/10-33-010-18W4/3	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
12	Coastal Resources Limited	Enforcement & Surveillance/ Well Site Inspections	Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.	May 5, 2014	09-23-040-24W4 (2 well licences) 03-24-040-24W4	<p>Operations were not suspended as operations were already suspended.</p> <p>Licensee posted a sign with the 24-hour emergency telephone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
13	Coastal Resources Limited	Enforcement & Surveillance/ Pipelines	<p>Pipeline is not discontinued, abandoned, or returned to service after 12 months of no active flowing service.</p> <p>Discontinued or abandoned pipeline is not physically isolated or disconnected from any operating facility or other pipeline.</p> <p>Discontinued or abandoned pipeline is not left in a safe condition.</p> <p>Abandoned pipeline is not purged with uninhibited fresh water, air, or inert gas.</p> <p>Failure to ensure that the licensee 24-hour emergency telephone number is posted by way of a conspicuous sign erected at the entrance to all licensee well and facility operations.</p> <p>Failure to have written AER approval prior to reentering a previously abandoned well.</p>	May 7, 2014	09-23-040-24W4 (2 pipeline licences) 03-24-040-24W4 06-24-040-24W4	<p>Operations were not suspended as the pipeline was already suspended.</p> <p>Licensee abandoned the pipelines.</p> <p>Licensee posted a sign with the 24-hour emergency telephone number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
14	Connacher Oil And Gas Limited	Resource Compliance/ Packer Testing	Failure to complete necessary reporting of required packer testing by September 1 of each year.	May 29, 2014	09-17-082-12W4	<p>Licence or operation not suspended as the licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Encana Corporation	Infrastructure Audit/ Wells Technical	Failure to acquire a mineral lease continuation (no agreement with Department of Energy).	May 7, 2014	01-18-070-08W6	<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>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
16	Fort Calgary Resources Ltd.	Infrastructure Audit/ Facilities Technical	<p>Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.</p> <p>Failure to obtain approval from Alberta Community Development for sites with Historic Resource Value 1, 2, or 3 prior to filing the application.</p>	May 26, 2014	04-31-038-09W4 (unlicensed)	<p>Licence or operation not suspended as the licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Applicant/licensee has met the corrective actions specified with the AER accepted action plan.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
17	Gear Energy Ltd.	Enforcement & Surveillance/ Pipelines	Licensee does not immediately notify the AER of a pipeline leak, a break, a test failure, or contact damage by telephoning the appropriate AER field centre.	May 7, 2014	15-16-062-04W4	<p>Operations were not suspended as the pipeline was discontinued.</p> <p>Licensee reviewed AER reporting requirements with the appropriate staff members.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
18	Harvest Operations Corp.	Rate Applications, Subsurface Authorizations/ Oil Overproduction	Failure to retire all cumulative overproduction in accordance with Directive 007-1: Allowables Handbook.	May 29, 2014	00/07-04-028-28W4/0 00/09-04-083-07W6/0	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved for the 07-04 well.</p>
19	Husky Oil Operations Limited	Resource Compliance/ Flaring, Incinerating and Venting Audits	Economic evaluation results not implemented.	May 5, 2014	07-34-077-25W4	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
20	Husky Oil Operations Limited	Resource Compliance/ Packer Testing	<p>Failure to complete necessary reporting of required packer testing by September 1 of each year.</p> <p>Failure to perform repairs and report repair results to the AER within 90 days of detection.</p>	May 8, 2014	C0/11-30-047-04W4/0	<p>Licence or operation not suspended as he licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Licensee repaired the casing and updated AER's DDS system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
21	Husky Oil Operations Limited	Infrastructure Audit/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 26, 2014	01-25-051-05W4 (unlicensed)	<p>Licence or operation not suspended as there was no existing or potential impact/hazard to the public safety, environmental protection, resource conservation and/or stakeholder confidence.</p> <p>Applicant/licensee has completed the AER directed corrective action.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
22	Husky Oil Operations Limited	Enforcement & Surveillance/ Pipelines	Pressure-control systems are not installed or properly set to prevent a pipeline from exceeding MOP.	May 13, 2014	06-20-047-04W4	<p>Operations suspended.</p> <p>Licensee reviewed its procedures.</p> <p>Licensee will continue to document monthly safety shut down checks and do yearly calibrations.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
23	Lightstream Resources Ltd.	Enforcement & Surveillance/ Oil Facilities	Flared/vented gas not reported to PETRINEX.	May 15, 2014	02-27-035-06W5	<p>Operations were not suspended as licensee shut in the facility.</p> <p>Licensee updated the flared volumes.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
24	Logic Energy Ltd.	Resource Compliance/ Packer Testing	<p>Failure to complete necessary reporting of required packer testing by September 1 of each year.</p> <p>Failure to perform repairs and report repair results to the AER within 90 days of detection.</p>	May 8, 2014	02/05-12-025-22W4/0	<p>Licence or operation not suspended as he licensee took appropriate and prompt action to mitigate and correct this failure. This failure had no impact to public safety, environmental protection, or resource conservation.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
25	Marquee Energy Ltd.	Infrastructure Audit/ 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.	May 15, 2014	12-14-048-01W4	<p>Licence/operation suspended.</p> <p>Applicant/licensee has met the corrective actions specified with the AER accepted action plan.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
26	New North Resources Ltd.	Resource Compliance/ Injection/Disposal	Injection of fluid without approval.	May 1, 2014	00/14-17-047-08W5/0 00/16-17-047-08W5/0	Licence/operation suspended. Applicant/licensee has completed the AER directed corrective action. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Nordic Oil & Gas Ltd.	Enforcement & Surveillance/ Oil Facilities	Spill or release not contained/cleaned up. No notification of a reportable spill or release to AER.	May 13, 2014	16-22-049-01W4	Operations suspended. Licensee will do regular checks on its wells. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Nytis Exploration Company Inc.	Enforcement & Surveillance/ Pipelines	Licensee is not able to demonstrate that procedures in the manuals have been implemented, or it is not operating and maintaining its pipeline systems in accordance with documented procedures. Failure to maintain, and to provide to the AER upon request, records of inspections and evaluation required under sections 53, 54 and 55 of the <i>Pipeline</i>	May 13, 2014	06-04-034-28W4 (4 pipelines) 16-05-034-28W4	Operations suspended. Licensee is required to submit a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
			<p><i>Rules</i> for at least 6 years from the date of the record.</p> <p>Company does not monitor the effectiveness of its internal corrosion control programs.</p> <p>No internal/external corrosion control for steel risers and below-ground couplings connected to non-metallic pipe.</p> <p>Steel risers and connections on nonmetallic pipe are not protected from internal or external corrosion, or there is no engineering assessment (EA) to support not having corrosion protection.</p> <p>Company does not take action to correct deficiencies found in the cathodic protection survey.</p> <p>For nonmetallic pipelines, there is no corrosion barrier, or no cathodic protection has been applied to metallic risers or couplers or no EA has been</p>			

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
			<p>conducted for the alloy materials.</p> <p>Right-of-way is not inspected annually or in accordance with the inspection interval stated in the integrity management plan.</p> <p>Discontinued pipeline is not protected by suitable corrosion control measures.</p> <p>Discontinued or abandoned pipeline is not left in a safe condition.</p> <p>Company does not monitor the effectiveness of its internal corrosion control programs.</p> <p>Company does not have an acceptable leak detection program for all liquid hydrocarbon pipelines.</p> <p>Discontinued or abandoned pipeline is not physically isolated or disconnected from any operating facility or other pipeline.</p> <p>Company does not have</p>			

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#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
			<p>an acceptable leak detection program for all liquid hydrocarbon pipelines.</p> <p>For oilfield water pipelines, the company does not have a leak detection program that includes regular surveys, and a system for early detection of leaks where the environment may be impaired.</p>			
29	Omers Energy Inc.	Enforcement & Surveillance/ Well Site Inspections	Failure to perform surface casing vent flow/gas migration tests as required.	May 13, 2014	16-18-055-14W4	<p>Operations suspended.</p> <p>Licensee will perform site inspections and conduct gas migration (GM) tests if GM is not on file or if there is any GM noted.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
30	Peyto Exploration & Development Corp.	Enforcement & Surveillance/ Gas Facilities	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	May 29, 2014	11-17-055-21W5 12-31-053-19W5 14-17-055-21W5 09-34-053-20W5 06-12-044-13W5	<p>Operations were not suspended as licensee taken steps to reduce the benzene emissions.</p> <p>Licensee installed additional parts to reduce the benzene emissions.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
31	Sitka Exploration Ltd.	Enforcement & Surveillance/ Well Site Inspections	Waste sent to facility not authorized to accept it.	May 9, 2014	16-12-036-06W5	<p>Operations were not suspended as the operation was completed at the time of inspection.</p> <p>Licensee implemented a new procedure for lease clean up.</p> <p>Licensee made mandatory reading for field staff a condensed version of <i>Directive 058</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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32	Spartan Energy Corp.	Enforcement & Surveillance/ Gas Facilities	Dilution gas volumes not metered.	May 28, 2014	03-07-056-26W4	<p>Operations were not suspended as suspension may increase the potential for environmental risk.</p> <p>Licensee will check all newly acquired gas plants if the gas stream is properly metered and recorded.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
33	Spyglass Resources Corp.	Infrastructure Audit/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 29, 2014	04-29-013-17W4 (unlicensed)	<p>Licensee has voluntarily suspended operations at the site until the licensing issue is resolved.</p> <p>AER has directed corrective action measures to the applicant/licensee.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
34	Twin Butte Energy Ltd.	Infrastructure Audit/ Pipelines/Pipeline Installations Technical	Failure to submit a pipeline/pipeline installation licence application as "pipelines/pipeline installations-technical nonroutine" when required.	May 6, 2014	14-25-038-10W4	<p>Operation not suspended as the noncompliant operation occurred in the past.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA)¹

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
35	Twin Butte Energy Ltd.	Enforcement & Surveillance/ Well Site Inspections	Failure to perform surface casing vent flow/gas migration tests (SCVF/GM) as required.	May 21, 2014	16-18-055-14W4	<p>Operations suspended.</p> <p>Licensee tested the SCVF and submitted the test to the AER.</p> <p>Licensee repaired the SCVF.</p> <p>Licensee is required to submit a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
36	Wolf Coulee Resources Inc.	Infrastructure Audit/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 12, 2014	08-17-013-19W4 (unlicensed)	<p>Licence or operation not suspended as there was no existing or potential impact/hazard to the public safety, environmental protection, resource conservation and/or stakeholder confidence.</p> <p>Applicant/licensee has met the corrective actions specified with the AER accepted action plan.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
37	Zargon Oil & Gas Ltd.	Resource Compliance/ Flaring, Incinerating and Venting Audits	Flaring, incinerating, or venting solution gas from an oil/bitumen well with a GOR greater than 3000 m ³ /m ³ .	May 20, 2014	13-06-014-18W4	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (Persistent Noncompliance)²

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
1	ARC Resources Ltd.	Enforcement & Surveillance/ Oil Facilities	Flared/vented gas not reported to PETRINEX.	May 26, 2014	06-16-013-19W4	<p>Operations were not suspended as there was no risk to public safety, environmental protection, or resource conservation.</p> <p>Licensee updated the flared volumes.</p> <p>Licensee updated its production accounting practices.</p> <p>Licensee met with the AER.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences. AER accepted the action plan.</p> <p>Licensee remains at HREA (Persistent Noncompliance) until compliance period has been 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 (Demonstrated Disregard)³

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions 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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Response
1	Canadian Natural Resources Limited	Enforcement & Surveillance/ Pipelines	Discontinued or abandoned pipeline is not physically isolated or discontinued from any operating facility or other pipeline.	May 12, 2014	05-24-010-17W4	<p>Operations suspended.</p> <p>Licensee updated its competency program to include pipeline discontinuation procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences. AER accepted the action plan.</p> <p>Licensee remains at HREA (Failure to Comply) status until compliance period has been achieved.</p>
2	Pacific Potash Corporation	Enforcement & Surveillance/ Well Site Inspections	Failure to repair and re-abandon a leaking well.	May 21, 2014	11-29-037-01W4	<p>Operations were not suspended as the well is abandoned.</p> <p>Licensee is required to submit 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).

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

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
1	Brixton Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	08-25-095-05W4 14-28-012-15W4	<p>This is an escalation of a previous enforcement action issued on April 16, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-31.</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>Licensee failed to comply. Abandonment Order No. AD 2014-57 and Closure/ Abandonment Order No. AD 2014-58 were subsequently issued.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
2	County Line Energy (Canada) Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 30, 2014	10-08-040-04W4	<p>This is an escalation of a previous enforcement action issued on April 23, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2014-49.</p> <p>Abandonment 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>Licensee failed to comply. The AER has sent its well to the Orphan Well Association to be abandoned.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
3	Duel Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 26, 2014	5 well licences 1 facility licence 2 pipeline licences	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-06A.</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 accepted into the Licensee Liability Rating (LLR) Program Management Plan as detailed in <i>AER Bulletin 2014-06</i>.</p> <p>Global Refer status remains.</p>
4	E-T Energy Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	147 well licences 1 facility licence	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-58.</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 failed to comply. Closure Orders No. C 2014-46 and C 2014-48 were subsequently issued.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
5	Hermes Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 28, 2014	17 well licences 4 facility licences 8 pipeline licences	<p>This is an escalation of a previous enforcement action issued on April 17, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2014-37 to AD 2014-44 and Closure/Abandonment Order No. AD2014-45.</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>Due to updated WIP information additional time has been given to licensee to abandon its wells and facilities.</p> <p>Licensee failed to comply. The AER has sent 3 well licences, 1 facility licence and 17 pipeline segments to the Orphan Well Association for abandonment.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
6	Inland Development Company Ltd	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 12, 2014	10-29-061-22W4 07-35-060-24W4 10-29-061-22W4	<p>This is an escalation of a previous enforcement action issued on April 16, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-27.</p> <p>Suspension of 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 failed to comply. Abandonment Order No. AD 2014-82 and Closure/ Abandonment Order No. AD 2014-83 were subsequently issued.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
7	Morumbi Capital Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	04-33-065-22W5 12-33-065-22W5	<p>This is an escalation of a previous enforcement action issued on April 16, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-32.</p> <p>Suspension of 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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
8	Petroglobe Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	48 well licences 1 pipeline licence	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-52.</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 failed to comply. Closure/Abandonment Orders No. AD 2014-86 through to AD 2014-100 were subsequently issued.</p> <p>No further enforcement action as licensee is in receivership.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
9	Petroleo Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 12, 2014	16-26-040-12W4 (2 licences) 08-34-040-12W4	<p>This is an escalation of a previous enforcement action issued on April 17, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-26.</p> <p>Suspension and closure of 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 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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
10	Ranchwest Energy Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	10 well licences 3 facility licences 4 pipeline licences	<p>This is an escalation of a previous enforcement action issued on April 16, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2014-29 and C 2014-30.</p> <p>Suspension and closure of 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 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](mailto:inquiries@ aer.ca).

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

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
11	Regco Petroleums Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	12 well licences 3 facility licences 2 pipeline licences	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-59.</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 accepted into the Licensee Liability Rating (LLR) Program Management Plan as detailed in AER Bulletin 2014-06.</p> <p>Global Refer status remains.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
12	Seistech Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 12, 2014	06-04-053-25W4 02-32-096-10W5 06-04-053-25W4	<p>This is an escalation of a previous enforcement action issued on April 17, 2014.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2014-24 and C 2014-25.</p> <p>Suspension and closure of 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 failed to comply. The AER is evaluating further actions.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
13	Sydco Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 13, 2014	50 well licences 4 facility licences 20 pipeline licences	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-46.</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 accepted into the Licensee Liability Rating (LLR) Program Management Plan as detailed in AER Bulletin 2014-06.</p> <p>Global Refer status remains.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
14	Tallgrass Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 2, 2014	175 well licences 32 facility licences 41 pipeline licences	<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/ Abandonment Orders No. AD 2014-27 through to AD 2014-34.</p> <p>Suspension and closure of 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>Due to updated WIP information Issuance of Closure/ Abandonment Orders No. AD 2014-27A to AD 2014-30A, AD 2014-32A, AD 2014-33A, and AD 2014-85 were subsequently issued.</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	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
15	The Locke Stock & Barrel Company Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 14, 2014	11 well licences 4 pipeline licences	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-60.</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 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](mailto:inquiries@ aer.ca).

Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
1	339157 Alberta Ltd.	Liability Management/ Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	May 14, 2014	05-13-047-08W4 11-22-049-26W4	<p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2014-35 and AD 2014-36.</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>Licensee failed to comply. The AER has sent its wells to the Orphan Well Association to be abandoned.</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	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
2	Calver Resources Inc.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 13, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-54.</p> <p>Licensee 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>Licensee failed to comply. The AER has sent 16 wells and 21 pipeline segments to the Orphan Well Association to be abandoned.</p>
3	Cayman Energy Inc.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 13, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-55.</p> <p>Licensee 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>Licensee failed to comply. No further escalation by AER due to licensee having no active licences.</p> <p>Global Refer status remains.</p>

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Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
4	Concerto Resources Ltd.	Liability Management/ Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	May 2, 2014	16-12-026-03W5	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-21.</p> <p>Suspension 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>Licensee submitted full payment of its AER Administration Fees, plus the 20 per cent penalty, 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.

Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
5	Custom Energy Group Ltd.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 14, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-61.</p> <p>Licensee 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>Licensee submitted full payment of its AER Administration Fees, plus the 20 per cent penalty, 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).

Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
6	Keephills Aggregate Company Ltd.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 12, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-49.</p> <p>Licensee 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>Licensee failed to comply. No further escalation by AER due to licensee having no active licences.</p> <p>Global Refer status remains.</p>
7	Kerrisdale Resources Ltd.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 13, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-53.</p> <p>Licensee 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>Licensee failed to comply. The AER has sent its licences to the Orphan Well Association to be abandoned.</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	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
8	Magnum Energy Inc.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 14, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-57.</p> <p>Licensee 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>Licensee submitted full payment of its AER Administration Fees, plus the 20 per cent penalty, and provided an explanation to the AER.</p> <p>Compliance achieved.</p>
9	Northern Patriot Oil & Gas Ltd.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 13, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-56.</p> <p>Licensee 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>No further enforcement action as licensee is in receivership.</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	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
10	Onstad Energy Corp.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 12, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-48.</p> <p>Licensee 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>Licensee failed to comply. Closure Orders No. C 2014-49 and C 2014-50 were subsequently issued.</p> <p>Licensee submitted full payment of its AER Administration Fees, plus the 20 per cent penalty and provided an 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.

Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
11	Petroglobe Inc.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 12, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-47.</p> <p>Licensee 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>No further enforcement action as licensee is in receivership.</p>
12	United Hunter Oil & Gas Corp.	Liability Management/ Nonpayment of AER Administration Fees	Failure to pay the 2013 administration fees, plus 20 per cent penalty.	May 12, 2014	Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2014-51.</p> <p>Licensee 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>Licensee failed to comply. No further escalation by AER due to licensee having no active licences.</p> <p>Global Refer status remains.</p>

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Legislative/Regulatory Enforcement Action⁶

#	Licensee	AER Group/ Compliance Category	Noncompliance(s)	Date of Enforcement	Location	AER Actions and Licensee Follow-up
13	United Penn Oil & Gas, Ltd.	Liability Management/ Corporate Status	Failure to be registered with an Active status under the <i>Business Corporations Act</i> .	May 2, 2014	03-28-042-25W4	<p>Global Refer status.</p> <p>Issuance of Closure Order No. C 2014-20.</p> <p>Suspension and closure 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>Licensee failed to comply. Abandonment Order No. AD 2014-46 was subsequently issued.</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).

Endnotes

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

In accordance with *Directive 019: Compliance Assurance*, the issues an HREA against a licensee if it identifies a high risk noncompliance. To address an HREA, the licensee must

- immediately correct or address the high risk noncompliance;
- if necessary, either partially or fully suspend operations, when safe to do so, in order to remove the existing or potential impact or hazard associated with 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 (the licensee may also be required to submit the plan and meet with the AER group to discuss both the 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 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 or 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 noncompliances, either in the same or in different compliance categories. To address an HREA (Persistent Noncompliance), the licensee must

- immediately correct or address the high risk noncompliance;
- if necessary, either partially or fully suspend operations, when safe to do so, in order to remove the existing or potential impact or hazard associated with 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 and detail how the licensee will prevent future noncompliances);
- meet with the AER group to discuss the high risk noncompliance, 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.

The AER may also apply or 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 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 noncompliance but does not act to correct or address the noncompliance. The AER assesses demonstrated disregard on a case-by-case basis. To address an HREA (Demonstrated Disregard), the licensee must

- immediately correct or address the high risk noncompliance;
- if necessary, either partially or fully suspend operations, when safe to do so, in order to remove any existing or potential impact or hazard associated with 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 (the action plan should address the root cause of the noncompliance and detail how the licensee will prevent future noncompliances); meet with the AER group to discuss the high risk noncompliance, the licensee's compliance history, and the written action plan; and notify the AER group that it

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has corrected and addressed the high risk noncompliance. The AER may also apply 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 the permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); Refer status (focused or global; see definition on next page).

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 set out 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 or address the high risk noncompliance;
- if necessary, either partially or fully suspend operations ,when safe to do so, in order to remove the existing or potential impact or hazard associated with the noncompliance (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 of the noncompliance and detail how the licensee will prevent future noncompliances);
- meet with the AER group to discuss the high risk noncompliance, the licensee's compliance history, and the written action plan; and
- notify the AER group that it has corrected or addressed the high risk noncompliance.

The AER may also apply 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 or addresses the noncompliance); suspension and/or cancellation of the 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.

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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 against a licensee if it failed to comply with the direction of the AER set out in a Notice of Low Risk Noncompliance. To address an LREA, the licensee must

- immediately correct or address the low risk noncompliance;
- notify the AER group that it has addressed the low risk noncompliance; and
- develop, implement, and submit a written action plan within 30 calendar days or in the time specified by the AER group.

The licensee may also be required to meet with the AER group to discuss the low risk noncompliance, the licensee's compliance history, or the written action plan. The AER may also apply one or more of the following: noncompliance fees; partial or full suspension of operations; suspension and/or cancellation of the permit, licence, or approval; issuance of an Order (Miscellaneous, Closure, or Abandonment); "Refer" status (focused or global).

⁶ **Legislative/Regulatory Enforcement Action**

The AER can issue an enforcement action against a licensee for noncompliance with AER requirements that fall outside the administration of *Directive 019: Compliance Assurance*. In accordance with its regulatory authority, the AER may apply a Refer status against the licensee and/or issue an Order (Closure, Miscellaneous, or Abandonment). The AER generally issues these enforcement actions because of a mineral or surface lease expiry; an environmental or public safety concern; or a failure to demonstrate the right to produce from the well, the right to access the surface, or a 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 Business Process Section at ComplianceCoordination@aer.ca.

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