



ERCB Monthly Enforcement Action Summary

August 2008

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	August 2008		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	47	4	91%
	Facilities Technical	3	0	100%
	Pipelines/Pipeline Installations Technical	17	2	88%
	Wells Technical	60	5	92%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Commingling	n/a	1	n/a
	Groundwater Protection	n/a	1	n/a
	Production without Common Ownership	n/a	1	n/a
	Spacing	n/a	3	n/a
Subtotal		127	17	92%
Compliance and Operations Branch				
Operations Group Production Operations Section	Sulphur Recovery	n/a	1	n/a
Environment Group Waste and Storage Section	Storage Audits	1	1	0%
Subtotal		1	2	n/a
Public Safety/Field Surveillance Branch				
Field Surveillance Group	Drilling Operations	23	2	91%
	Well Servicing	37	1	97%
	Oil Facilities	434	5	98.8%
	Gas Facilities	190	5	97%
	Pipelines	150	12	92%
	Drilling Waste	9	0	100%
	Well Site Inspections	1540	7	99.5%
	Waste Management	7	0	100%
Public Safety Group	Technical ERP Requirements	2	2	0%
Subtotal		2392	34	98.6%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	480	5	99.0%
Subtotal		480	5	99.0%
Fort McMurray				
	Mineable Oil Sands	n/a	1	n/a
Subtotal		n/a	1	n/a
Total Audit/Inspections High Risk		2999	59	98.0%

Note: Compliance category data are evaluated annually and results presented in *ST99 ERCB Provincial Surveillance and Compliance Summary*.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Albian Sands Energy Inc.	Fort McMurray/ Mineable Oil Sands	Failure to meet condition of approval (solvent loss performance).	August 19, 2008	Approval No. 8512B	<p>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee required to provide the 2008 solvent loss summary as per section 58 of the Oil Sands Conservation Regulations.</p>
2	AltaGas Ltd.	Field Surveillance/ Gas Facilities	Noncompliant with other ERCB requirement – no back flash containment for incinerator or flare stack. as per Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting.	August 27, 2008	12-24-110-08W6 Mackenzie County	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee installed back flash containment controls on the flare stack.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Anderson Energy Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.	August 14, 2008	04-03-052-20W4 Strathcona County	<p>Operations suspended.</p> <p>Licensee installed a new gasket.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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4	Angle Energy Inc.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – Service rig did not have documented practices available at well site, as per Directive 033: Well Servicing and Completions Operations - Interim Requirement Regarding the Potential for Explosive Mixtures and Ignition in Wells.	August 27, 2008	12-26-031-02W5 Mountain View County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Apache Canada Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	August 25, 2008	02-18-032-25W4 04-18-032-25W4 Kneehill County	Operations were not suspended in accordance with Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection. Licensee determined the source and composition of the produced water and provided water analysis, which is currently under review. Require a plan to address the noncompliance and prevent future occurrences.
6	ARC Resources Ltd.	Environment Group/ Material Storage Audits	Pre-96 facility single-walled UST (underground storage tank) is not integrity verified every 3 months.	August 8, 2008	13-09-048-08W5 Brazeau County	Suspension of operations at this time was not deemed appropriate, as the noncompliance occurred in the past. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Arsenal Energy Inc.	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease.	August 13, 2008	03-10-041-15W4 Flagstaff County	Operations were not suspended, as the noncompliance was corrected immediately. Licensee repaired the valve and packing on the chemical pump. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	Arsenal Energy Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 29, 2008	05-33-033-08W4 Special Area 4 (near Veteran)	Operations suspended. Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
9	Artemis Exploration Inc.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – failure to notify residents, are per Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting.	August 28, 2008	07-30-048-23W4 Leduc County	Operations were not suspended, as the incident occurred prior to the inspection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Bowood Energy Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - no agreement with Department of Energy.	August 15, 2008	02-01-013-17W4 M.D. of Taber	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Breaker Energy Ltd.	Field Surveillance/ Oil Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	August 21, 2008	12-28-76-022W5 M.D. of Smoky River	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee verified the tank integrity and implemented a tank integrity testing tracking database. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Canadian Natural Resources Limited	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	August 8, 2008	16-11-088-13W5 Northern Sunrise County	In accordance with <i>ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta</i> , operations were not suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Canadian Natural Resources Limited	Resources Applications/ Production without Common Ownership	Production without common ownership throughout a drilling spacing unit.	August 13, 2008	10-34-057-04W4 County of St. Paul	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite Petroleum & Natural Gas (P&NG) rights are obtained. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	Canadian Natural Resources Limited	Facilities Applications/ Pipeline Technical	Failure to submit a pipeline/pipeline installation licence application as "pipelines/pipeline installations technical nonroutine" when required.	August 14, 2008	15-13-039-21W4 County of Stettler	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	ConocoPhillips Canada	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	August 22, 2008	10-09-045-08W5 Clearwater County	Operations were not suspended, as the licensee emptied the tanks daily until the integrity of the tanks could be verified. Licensee conducted integrity testing on the tanks. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	ConocoPhillips Canada (BRC) Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 12, 2008	07-31-070-12W6 County of Grande Prairie	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Culane Energy Corp.	Resources Applications/ Spacing	Production of too many wells per pool per drilling spacing unit.	August 25, 2008	09-046-12W4 Beaver County	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	EnCana Corporation	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	August 14, 2008	03-19-020-17W4 County of Newell	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	EnCana Oil & Gas Co. Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	August 11, 2008	10-10-102-24W5 M.D. of Northern Lights	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee replaced the signs. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
20	EnCana Oil & Gas Co. Ltd.	Resources Applications/ Commingling	Commingling without approval	August 22, 2008	02-02-100-14W4 Regional Municipality of Wood Buffalo	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and the well has been shut in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.
21	Enermark Inc.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/ cleaned up.	August 14, 2008	02-31-036-17W4 County of Stettler	Operations were not suspended, as the noncompliance was corrected immediately. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	EOG Resources Canada Inc.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	August 20, 2008	13-23-029-24W4 Kneehill County	Operations were not suspended, as the incident occurred prior to the inspection. Licensee implemented procedures to ensure that all residents are notified in the future. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
23	Exoro Energy Inc.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement – failure to notify residents of flaring.	August 26, 2008	14-11-037-21W4 County of Stettler 16-06-037-24W4 Red Deer County 01-06-047-22W4 County of Wetaskiwin	Operations were not suspended, as the incident occurred prior to the inspection. Licensee implemented procedures to ensure that all residents are notified in the future. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Fairborne Energy Ltd.	Field Surveillance/ Drilling Inspection	Fluid turns in diverter line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	August 12, 2008	14-08-039-24W4 Lacombe County	Operations suspended. Licensee installed proper right-angle connections. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	Fairmount Energy Inc.	Environment Group/ Drilling Waste Audits	All appropriate post-disposal sampling, preparation, and testing requirements were not conducted according to requirements.	August 19, 2008	15-02-067-06W6 13-24-066-06W6 M.D. of Greenview	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
26	Glencoe Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 29, 2008	14-05-044-26W4 Ponoka County	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Request for waiver of overproduction denied.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
27	Wolf Coulee Resources Inc..	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 29, 2008	16-14-013-17W4 M.D. of Taber	<p>Operations suspended.</p> <p>Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p>
28	Husky Oil Operations Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.	August 5, 2008	10-21-047-07W5 Brazeau County	<p>Operations were not suspended, as the noncompliance was corrected immediately.</p> <p>Licensee installed bolts/nuts on the flame arrestor.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
29	Husky Oil Operations Limited	Facilities Applications/ Pipeline Technical	Failure to submit a pipeline/pipeline installation licence application as "pipelines/pipeline installations technical nonroutine" when required.	August 12, 2008	02-11-107-09W6 Mackenzie County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	Husky Oil Operations Limited	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	August 13, 2008	09-28-018-23W4 Vulcan County	Operations suspended. Licensee implemented procedures to ensure all residents are notified in the future. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Husky Oil Operations Limited	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/ cleaned up.	August 26, 2008	07-15-110-21W5 Mackenzie County	Operations were not suspended as the noncompliance was corrected immediately. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
32	Iteration Energy Ltd.	Public Safety/ Technical Emergency Response Plan Requirements	Failure to ensure that noncritical sour well site-specific drilling and/or completion emergency response plans meet the requirements in Section 6.4., Directive 071 Emergency Preparedness and Response Requirements for the Petroleum Industry.	August 28, 2008	06-27-073-10W6 County of Grande Prairie	Operations were not suspended, as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	Lockwood Resources Ltd.	Field Surveillance/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	August 5, 2008	04-09-055-24W4 Sturgeon County	Operations suspended. Licensee implemented a corrosion control monitoring program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
34	Mancal Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – no agreement with the Department of Energy.	August 19, 2008	03-11-055-19W5 Yellowhead County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
35	Midnight Oil Exploration Ltd.	Field Surveillance/ Pipelines	Cathodic protection system-not operational or not installed.	August 14, 2008	13-30-087-07W5 M.D. of Opportunity	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee installed a cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
36	Milestone Exploration Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 29, 2008	02-18-013-21W4 Vulcan County	Operations suspended. Licensee confirmed that the well has been shut in and will remain shut in until all overproduction has been retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
37	NEO Exploration Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 7, 2008	16-12-010-15W4 M.D. of Taber	Licence not cancelled, as the noncompliance was corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
38	North East Gas Co-op Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	August 14, 2008	13-14-062-02W4 M.D. of Bonnyville	Operations were not suspended, as the noncompliance was corrected immediately. Licensee installed new signs. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
39	Paramount Energy Operating Corp.	Field Surveillance/ Pipelines	Cathodic protection not installed within one year of service/operation.	August 27, 2008	09-24-049-16W4 Beaver County	Operations suspended. Licensee repaired the pipeline and installed cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
40	Pearl E&P Canada Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	August 26, 2008	06-18-072-07W5 M.D. of Lesser Slave River	Operations suspended. Licensee replaced the gaskets that were missing on the cover plates. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
41	Pengrowth Corporation	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	August 6, 2008	03-31-032-23W4 Kneehill County	Operations suspended. Licensee repaired the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
42	Peyto Exploration & Development Corp.	Facilities Applications/ Participant Involvement	Failure to provide the required project-specific information package prior to filing the application. Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 28, 2008	02-34-055-20W5 Yellowhead County	Licence not cancelled or suspended, as the noncompliance was corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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43	Pipeline Management Inc.	Field Surveillance/ Pipelines	Corrosion External - Cathodic potential is less than -0.85 volts on an operating or discontinued system.	August 27, 2008	05-17-028-11W4 Special Area 2 (near Sunnynook)	Operations suspended. Licensee repaired the pipeline and upgraded its cathodic protection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
44	Progress Energy Ltd.	Resources Applications/ Spacing	Production of too many wells per pool per holding without approval.	August 14, 2008	SW Quarter-17-065-15W5 M.D. of Greenview	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and the well has been shut in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
45	Prosper Petroleum Ltd.	Field Surveillance/ Oil Facilities	No notification of reportable spill to the ERCB.	August 15, 2008	14-22-061-05W4 M.D. of Bonnyville	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
46	Provident Acquisitions Inc.	Field Surveillance/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	August 27, 2008	14-25-038-10W4 County of Paintearth	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
47	Provident Energy Ltd.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Center (pipeline failure).	August 11, 2008	16-15-104-02W6 M.D. of Northern Lights	Operations suspended. Licensee repaired the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
48	Spur Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	August 7, 2008	01-29-049-07W4 13-29-049-07W4 County of Vermilion River	Licences cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
49	Standard Energy Inc.	Field Surveillance/ Drilling Operations	Accumulator pressure dropped below 8400 kPa after function test with the recharge pump off. Flexible hose used in degasser inlet line(s) does not meet minimum pressure rating requirements for class of well.	August 26, 2008	02-36-071-05W6 County of Grande Prairie	Operations suspended. Licensee corrected the accumulator pressure. Licensee replaced the hoses. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
50	Talisman Energy Inc.	Public Safety/ Technical Emergency Response Plan Requirements	Failure to ensure that noncritical sour well site-specific drilling and/or completion emergency response plans meet the requirements in Section 6.4., Directive 071 Emergency Preparedness and Response Requirements for the Petroleum Industry.	August 21, 2008	04-15-079-12W6 Saddle Hills County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
51	Taqa North Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 29, 2008	05-29-036-21W4 County of Stettler	<p>Operations not suspended, as all overproduction was retired by August 31, 2008.</p> <p>Licensee confirmed that all overproduction has been retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
52	True Energy Inc.	Resources Applications/ Spacing	Production of too many wells per pool per drilling spacing unit.	August 1, 2008	17-056-13W4 County of Two Hills	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite approval has been obtained.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
53	True Energy Inc.	Field Surveillance/ Well Site Inspection	Noncompliant with other ERCB requirement (incomplete resident notification and/or consultation).	August 13, 2008	10-26-057-13W4 Smoky Lake County	<p>Operations were not suspended, as the incident occurred prior to the inspection.</p> <p>Licensee implemented procedures to ensure that all residents are notified in the future.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
54	Vero Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Department of Energy.	August 6, 2008	04-18-052-13W5 Yellowhead County	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Devon Canada Corporation	Field Surveillance/ Pipelines	Damage by Others – proper procedures were not followed.	August 28, 2008	10-17-081-04W6 M.D. of Fairview	Operations suspended. Licensee implemented an audit program to be completed on ground disturbance projects. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee met with ERCB. Action plan approved. Compliance achieved.
2	Penn West Petroleum	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre (pressure testing failure).	August 8, 2008	12-03-040-05W5	Operations suspended. Licensee repaired the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee met with ERCB. Action plan approved. Compliance achieved.

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard)³

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	August 5, 2008	13-03-016-13W4 County of Newell	<p>Focused Refer status.</p> <p>Licensee required to complete all of the following:</p> <p>1) Take corrective action immediately to address the High Risk noncompliance item.</p> <p>2) Develop and submit an action plan in writing to the ERCB Corporate Compliance Group, Enforcement Section, including an explanation of</p> <p>a) the root cause(s) of the noncompliance;</p> <p>b) why previous action plans in the Oil Facilities Compliance Category have failed;</p> <p>c) how continuous training of appropriate staff and contractors will ensure that company oil facility policies and procedures are administered and followed; and</p> <p>d) how the licensee will monitor whether internal controls to meet and manage ERCB compliance requirements are working as intended; and</p>

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
						<p>e) whether the licensee has or will consult a third-party to evaluate its oil facility policies and practices to prevent future High Risk noncompliance in the Oil Facilities Compliance Category.</p> <p>3) Attend a documented meeting with the ERCB to review Penn West Petroleum's noncompliant history and action plan.</p> <p>Penn West Petroleum Ltd. corrected the High Risk noncompliance item, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</p>

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Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Goldenrod Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 11, 2008	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2008-10A. Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.
2	Goldenrod Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 25, 2008	Well locations: 09-20-041-26W4 06-22-041-26W4 14-21-041-25W4 08-16-041-26W4 Lacombe County 10-10-065-20W5 13-11-065-20W5 10-02-065-20W5 M.D. of Greenview Facility Location: 00/06-22-041-26W4 Lacombe County	Global Refer status. Issuance of Closure Orders No. C 1122 and C 1124. Suspension of well and facility licences. Licensee required to pay the security deposit, provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences of noncompliance with the ERCB Licensee Liability Rating Program, and attend a documented meeting with the ERCB to review Goldenrod Resources Inc.'s noncompliant history and action plan. Goldenrod Resources Inc. failed to comply. The well and facility licences were subsequently ordered abandoned in Abandonment Orders No. AD 2008-15 and AD 2008-16. In addition, pipeline licences

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Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>associated with the wells and facility were also ordered suspended and abandoned in Closure/Abandonment Order No. AD 2008-17.</p> <p>ERCB notified licensee of its intention to have the properties abandoned as a result of breaching the Abandonment Orders and the Closure/ Abandonment Order.</p> <p>Subsequent to the breaching of the Abandonment Orders, Goldenrod Resources Inc. submitted the full security deposit, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</p>
3	Gusher Oil & Gas Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 28, 2008	05-26-054-22W4 Strathcona County	<p>This is an escalation of two previous enforcement actions reported on July 3 and 24, 2008.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2008-12.</p> <p>Abandonment of well licence.</p> <p>Licensee required to abandon the well or pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p>

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Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Gusher Oil & Gas Ltd. failed to comply. The ERCB notified licensee of its intention to have the property abandoned as a result of breaching the Abandonment Order.

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Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
	None					

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Endnotes

¹ **Directive 019 – High Risk Enforcement Action 1 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB identifies a High Risk noncompliance event. To address High Risk Enforcement Action 1, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 days (or in the time specified by the ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension until the noncompliance is corrected/addressed; suspension and/or cancellation of permit, licence, or approval.

² **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 2 is initiated against a licensee who has an unacceptable rate, ratio, percentage or number of noncompliances, either in the same or in different compliance categories. To address High Risk Enforcement Action 2, the licensee must: immediately correct/address the High Risk noncompliance; develop and implement a written action plan within 30 days (or in the time specified by the ERCB group) addressing the root causes of previous noncompliance events and detailing what the licensee will do to prevent future noncompliance events in this compliance category/categories; if operations were suspended, have the action plan approved by the ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension; suspension and/or cancellation of permit, licence, or approval.

³ **Directive 019 – High Risk Enforcement Action 3 Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 3 is initiated against a licensee who has failed to comply with the requirements of High Risk Enforcement Action 1, 2, or 3, or has demonstrated disregard of ERCB requirements that have been identified as High Risk. To address High Risk Enforcement Action 3, the licensee must: immediately correct/address the High Risk noncompliance; if necessary, suspend operations (partial or full), when safe to do so, to remove the existing or potential impact/hazard (suspension will not occur if it results in an increased impact/hazard to the environment or public); develop and implement a written action plan acceptable to the ERCB group that addresses the root causes of noncompliance events and details what the licensee will do to prevent future noncompliance events in this compliance category; and meet with the ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB will also apply one or more of the following enforcement actions as its authority provides: noncompliance fees; self-audit or inspections; third-party audits or inspections; 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.

High Risk Enforcement Action 3 with global Refer results in formal orders to comply (Closure, Miscellaneous and Abandonment) and the imposition of the global Refer status against the licensee. The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company.

⁴ **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

In accordance with *Directive 019: ERCB Compliance Assurance–Enforcement*, Low Risk Enforcement Action – global Refer is initiated against a licensee who has failed to correct/address a Low Risk noncompliance event in the time specified by the ERCB group. Low Risk Enforcement Action – global Refer enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions of continued operation may be applied to the entire company. To address Low Risk Enforcement Action, the licensee must: immediately correct/address the Low Risk noncompliance within the time specified by the ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB group addressing the failure to respond and detailing steps to prevent future occurrences.

⁵ **Legislative/Regulatory Enforcement Action Summary**

In accordance with certain legislative authorities, Legislative/Regulatory enforcement results in the imposition of the global Refer status against the licensee and may result in formal orders to comply (Closure, Miscellaneous and Abandonment). The global Refer status indicates a licensee’s inability or unwillingness to comply. The status will be considered by the ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. In addition, conditions for continued operation may be applied to the entire company. Enforcement actions that are not administered through *Directive 019*, but rather through existing legislation, and for which enforcement proceeds directly to a formal order and global Refer are: mineral lease expiry, surface lease expiry, environmental and public safety concerns, and failure to demonstrate the right to the purpose of the wellbore, the right to access the surface, and a working interest ownership in the property.