



ERCB Monthly Enforcement Action Summary

May 2011

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	May 2011		
		Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	32	3	91%
	Facilities Technical	14	2	86%
	Pipelines/Pipeline Installations Technical	6	0	100%
	Wells Technical	19	1	95%
Resources Applications Group Enforcement & Surveillance Section	Groundwater Protection			
	Injection/Disposal	n/a	1	n/a
Subtotal		71	7	90%
Field Surveillance and Operations Branch				
Emergency Management Group	General ERP Requirements	n/a	1	n/a
Field Operations Group	Drilling Operations	20	3	85%
	Well Servicing	16	0	100%
	Oil Facilities	399	6	98%
	Gas Facilities	251	4	98%
	Pipelines	101	11	89%
	Drilling Waste	10	0	100%
	Well Site Inspections	883	13	99%
	Waste Management	3	1	67%
Subtotal		1683	39	98%
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	386	5	99%
Subtotal		386	5	99%
Total Audit/Inspections High Risk		2140	51	97.6%

High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	AltaGas Ltd.	Field Operations/ Pipelines	Corrosion Internal. There is no documented monitoring or mitigation program in place and/or company is not following program.	May 19, 2011	08-04-033-10W4 Special Area 2	Operations suspended. Licensee pressure tested for short- term integrity. Licensee required to provide a plan to address the noncompliance and prevent future occurrences. ERCB granted an extension for submission of the plan. Compliance not yet achieved.
2	Anderson Energy Limited	Field Operations/ Pipelines	Corrosion Internal. There is no documented monitoring or mitigation program in place and/or company is not following program.	May 6, 2011	08-10-039-02W5 Lacombe County	Operations suspended. Licensee implemented a corrosion monitoring program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	ARC Resources Ltd.	Field Operations/ Pipelines	Hand excavation. Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	May 20, 2011	02-16-058-22W4 County of Thorhild	Operations suspended. Licensee distributed ground disturbance policy and expectations to their staff. Licensee provided 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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Bonavista Energy Corporation	Resources Applications/ Injection/ Disposal	Injection or disposal without approval.	May 20, 2011	13-28-005-05W4 County of Forty Mile	<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 requirements have been met in accordance with <i>Directive 051: Injection and Disposal Wells - Well Classifications, Completions, Logging and Testing Requirements</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
5	Bonterra Energy Corp.	Field Operations/ Oil Facilities	<p>Contaminated materials stored directly on ground.</p> <p>Noncompliant with other High Risk ERCB requirements. Status of crossing agreements is unsatisfactory.</p>	May 10, 2011	08-02-048-06W5 Brazeau County	<p>Operations were not suspended as the licensee immediately corrected noncompliance.</p> <p>Licensee cleaned up the site.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
6	Bonterra Energy Corp.	Field Operations/ Well Site Inspections	Smoking less than 25 metres of source of ignitable vapour.	May 10, 2011	08-02-048-06W5 Brazeau County	<p>Operations were not suspended as the licensee immediately corrected noncompliance.</p> <p>Licensee reviewed regulations with all personnel and contractors.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
7	Canadian Natural Resources Limited	Field Operations/ Pipelines	Corrosion Internal. There is no documented monitoring or mitigation program in place and/or company is not following program.	May 26, 2011	02-04-085-13W6 Clear Hills County	<p>Operations suspended.</p> <p>Licensee implemented a mitigation program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
8	Conserve Oil Corporation	Field Operations/ Well Site Inspections	Release criteria of collected surface water not met.	May 4, 2011	14-19-038-16W4 County of Stettler	<p>Operations were not suspended as there was no water on the lease at the time of the inspection.</p> <p>Licensee removed the pipelines and filled in the holes of the berm.</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
9	Exall Energy Corporation	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2011	02/02-36-074-06W5/2 (production string) M. D. of Lesser Slave River	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Galleon Energy Inc.	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2011	00/05-16-078-21W5/0 (production string) M. D. of Smoky River	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Hanna Oil & Gas Company – Canada ULC	Facilities Applications/ Participant Involvement	Incomplete public and/ or industry personal consultation and notification prior to filing the application.	May 5, 2011	08-03-078-12W6 Saddle Hills County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected. Licensee submitted a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
12	Insignia Energy Ltd.	Field Operations/ Well Site Inspections	Contaminated materials stored directly on ground.	May 30, 2011	05-29-048-05W5 Brazeau County	Operations were not suspended as licensee immediately removed the contaminated soil. Licensee cleaned up the site. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Manitok Energy Inc.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	May 27, 2011	15-02-053-05W4 County of Vermillion River	Licence(s) was not cancelled or suspended as licensee amended the licence(s) Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	NAL Resources Limited	Field Operations/ Well Site Inspections	No resident notification and/or consultation.	May 19, 2011	15-18-034-04W5 Clearwater County	Operations suspended. Licensee will compare survey maps to other sources for any discrepancies. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
15	Nuvista Energy Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 20, 2011	9-36-50-13W5 Yellowhead County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
16	Petro-Reef Resources Ltd.	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2011	00/11-07-056-26W4/0 (production string) Sturgeon County	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
17	Primrose Drilling Ventures Ltd.	Field Operations/ Pipelines	Material used—Pipe material is not as stated on the licences. Test pressure/duration does not conform to requirements. Pipeline sign missing or defaced on both sides of a crossing.	May 12, 2011	07-11-053-09W5 Yellowhead County	Operations suspended. Licensee installed signs. Licensee provided 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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
18	Scollard Energy Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 19, 2011	16-06-042-03W5 Ponoka County	Licence(s) not cancelled or suspended as the noncompliance was promptly corrected. Licensee submitted a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	Solara Exploration Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 6, 2011	11-21-053-04W4 County of Vermilion River	Licence/operations not suspended as there is no evidence of operational noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	Suncor Energy Oil and Gas Partnership	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2011	00/07-22-078-09W6/0 (production string) Saddle Hills County	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. All cumulative oil overproduction retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
21	Surge Energy Inc.	Reserves and Pore-Space Management/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2011	03/04-13-040-04W4/0 (production string) M.D. of Provost	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired. Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	Thoroughbred Energy Ltd.	Field Operations/ Oil Facilities	Facility <100 m to high water not protected.	May 18, 2011	16-17-015-22W5 Vulcan County	Operations were suspended at the time of inspection. Licensee cleaned up the stain around the wellhead. Licensee provided a plan to address the noncompliance and prevent future occurrences. ERCB will inspect the site before compliance is achieved.
23	TriOil Resources Ltd.	Field Operations/ Pipelines	Internal corrosion control. No records in corrosive environment. Cathodic protection system. Not operational or not installed.	May 19, 2011	05-22-035-11W4 Two pipelines at this location County of Paintearth	Operations were not suspended as an evaluation of the system is being conducted. Licensee implemented corrosion monitoring program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
24	Vero Energy Inc.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	May 5, 2011	02-25-053-16W5 Yellowhead County	Licence/operations not suspended as there is no evidence of operational noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action (Persistent Noncompliance) ²						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
	None					

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

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High Risk Enforcement Action (Failure to Comply) ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Baytex Energy Ltd.	Field Operations/ Drilling Waste	Disposal practices result in pooling, clumping, or erosion.	May 9, 2011	16-35-083-19W5 Northern Sunrise County	Operations were not suspended as they were already complete by the time of the inspection. Licensee cleaned up the site. Licensee met with the ERCB. Licensee submitted a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
2	Baytex Energy Ltd.	Field Operations/ Drilling Waste	Wastes containing hydrocarbons are disposed of by landspray while drilling or pump-off.	May 9, 2011	16-35-083-19W5 Northern Sunrise County	Operations were not suspended as they were already complete by the time of the inspection. Licensee cleaned up the site. Licensee met with ERCB. Licensee submitted a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
3	Water Solutionz Enterprises Inc.	Emergency Management/ General ERP Requirements	Failure to have a corporate-level ERP.	May 9, 2011	01-04-033-05W4 Special Area 4	Operations were not suspended as there was no existing or potential impact or hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	385417 Alberta Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 20, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-14.</p> <p>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.</p> <p>385417 Alberta Ltd. submitted its full security deposit and provided the explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	Padriv Development Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 5, 2011	<p>Well Licences: 07-18-033-16W4 07-28-034-17W4 Starland County</p> <p>01-14-045-01W4 08-14-045-01W4 County of Vermilion River</p> <p>Pipeline Licences: 07-28-034-17W4 Starland County</p> <p>01-14-045-01W4 08-14-045-01W4 County of Vermilion River</p>	<p>This is an escalation from previous enforcement actions reported on March 2, 2011, and March 21, 2011.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2011-26 and Closure/Abandonment Order No. AD 2011-27.</p> <p>Abandonment of well and pipeline licences.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • pay the security deposit, • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<ul style="list-style-type: none"> meet with the ERCB to review its noncompliance history and action plan. <p>Padriv Development Ltd. failed to comply. The ERCB is evaluating further actions.</p>
3	Redeye Energy Limited	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 24, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-13.</p> <p>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.</p> <p>Redeye Energy Limited submitted its full security deposit and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>
4	XGEN Ventures Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	May 31, 2011	<p>Well licences: 08-21-085-06W6 08-20-085-06W6 14-28-085-06W6 16-21-085-06W6 06-28-085-06W6 05-21-085-06W6 14-06-085-06W6 11-12-085-06W6</p> <p>Facility licence: 03-21-085-06W6</p>	<p>This is an escalation from previous enforcement actions reported on March 2, 2011, and March 18, 2011.</p> <p>Global Refer Status</p> <p>Issuance of Abandonment Orders No. AD 2011-29, AD 2011-30, and AD 2011-31 and Closure/Abandonment Order No. AD 2011-32.</p> <p>Abandonment of well, facility, and</p>

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Low Risk Enforcement Action – (Global Refer) ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					Pipeline licences: 08-20-085-06W6 08-21-085-06W6 09-21-085-06W6 03-28-085-06W6 14-28-085-06W6 05-21-085-06W6 16-21-085-06W6 Clear Hills County	pipeline licences. Licensee required to <ul style="list-style-type: none"> • pay the security deposit, • provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and • meet with the ERCB to review its noncompliance history and action plan. Licensee and working interest participants given until September 15, 2011, to comply with Abandonment Order Requirements in Abandonment Orders No. AD 2011-29A, AD 2011-30A, and AD 2011-31A and Closure/Abandonment Order No. AD 2011-32A.

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Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Enquest Environmental Services	Liability Management/ Environmental and Public Safety	Failure to have operational 24-hour emergency telephone number.	May 26, 2011	08-19-036-01W5 Red Deer County 14-29-032-27W4 Mountain View County	Global Refer status. Issuance of Closure/Abandonment Order No. AD 2011-28. Suspension and abandonment of well licences. Licensee required to confirm that its 24-hour emergency telephone number is active, monitored at all times, and that a call placed to this number will generate an immediate response. The licensee is also required to submit a confirmation that it has corrected the noncompliance and an action plan to the Red Deer Field Centre. Enquest Environmental Services failed to comply. The ERCB is evaluating further actions.
2	SGG Resources Inc.	Liability Management/ Environmental and Public Safety	Failure to have operational 24-hour emergency telephone number.	May 6, 2011	08-30-072-15W5 M. D. of Big Lakes	Global Refer status. Issuance of Closure Order No. C 1246. Suspension of well licence. Licensee required to confirm that its 24-hour emergency telephone number is active, monitored at all times, and that a call placed to this number will generate an immediate response. It is also required to submit a confirmation that it has corrected the noncompliance and an action plan to the St. Albert Field Centre.

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Legislative/Regulatory Enforcement Action ⁶						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>SGG Resources Inc. implemented the active 24-hour emergency telephone number and provided an explanation to the ERCB.</p> <p>Compliance achieved.</p>

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Endnotes

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

In accordance with *Directive 019: ERCB Compliance Assurance*, the ERCB initiates an HREA against a licensee if it identifies a high risk noncompliant event(s). To address an HREA, the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop and implement a written action plan within 60 calendar days or in the time specified by the ERCB group (a licensee may also be required to submit the written action plan and meet with the ERCB group to discuss both the action plan and the licensee's compliance history); and notify the ERCB group that it has corrected and addressed the high risk noncompliance. The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects/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: ERCB Compliance Assurance*, the ERCB initiates an HREA (Persistent Noncompliance) against a licensee with an unacceptable rate, ratio, percentage or number of noncompliant events, either in the same or in different compliance categories. To address an HREA (Persistent Noncompliance), the licensee must: immediately correct and address the high risk noncompliant event(s) identified by the ERCB; if necessary, suspend operations, either partially or fully and when safe to do so, to remove the existing or potential impact or hazard resulting in the noncompliance (any suspension of operations must not occur if it will increase the impact or risk to either the public or the environment; compliance must be achieved prior to start-up); develop, implement, and submit a written action plan within 30 calendar days or in the time specified by the ERCB group (the action plan should address the root causes of any previous noncompliance(s) and detail how the licensee will prevent future noncompliant events); meet with the ERCB group to discuss the high risk noncompliant event(s), the licensee's compliance history, and the written action plan; and notify the ERCB group that it has corrected and addressed the high risk noncompliance(s). The ERCB may also apply or require one or more of the following: noncompliance fees; self-audit or inspections; increased audits or inspections; partial or full suspension of operations (until the licensee corrects and addresses the noncompliance(s)); suspension and/or cancellation of the permit, licence, or approval.

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

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

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

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

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

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

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

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

⁶ **Legislative/Regulatory Enforcement Action**

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

Refer Status—Focused or Global

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

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

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