



ERCB Monthly Enforcement Action Summary

August 2011

ENERGY RESOURCES CONSERVATION BOARD
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	August 2011		
		Initial Audits/ Inspections	Number of High Risk Noncompliances	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	19	0	100%
	Facilities Technical	14	2	86%
	Pipelines/Pipeline Installations Technical	6	0	100%
	Wells Technical	21	6	71%
Subtotal		60	8	87%
Field Surveillance and Operations Branch				
Field Operations Group	Drilling Operations	39	5	87%
	Well Servicing	17	0	100%
	Oil Facilities	401	7	98%
	Gas Facilities	248	6	98%
	Pipelines	156	17	89%
	Drilling Waste	24	4	83%
	Well Site Inspections	914	10	99%
Technical Operations	Glycol Dehydrator Benzene Emissions	9	4	56%
Subtotal		1808	53	97%
Geology, Environmental Science, and Economics Branch				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	431	4	99.1%
Subtotal		431	4	99.1%
Total Audit/Inspections High Risk		2299	65	97.2%

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	981405 Alberta Ltd.	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	August 12, 2011	01-26-060-06W5 County of Barrhead	Licence(s) was not suspended or cancelled as the well was drilled and cased. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Advantage Oil & Gas Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	August 23, 2011	12-36-037-22W4 Red Deer County	Operations were not suspended as this was a review of 2010 operations. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Apache Canada Ltd.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction	August 31, 2011	00/06-14-038-08W4/0 (production string) M.D. of Provost	Operations suspended. 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.
4	ARC Resources Ltd.	Facilities Applications/ Facilities Technical	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation.	August 24, 2011	11-36-048-07W5 Brazeau 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 (HREA) ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Arcan Resources Ltd.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction	August 31, 2011	02/13-08-096-09W6/0 (production string) Clear Hills County	Operations suspended. 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.
6	Beau Energy Inc.	Field Operations/ Well Site Inspections	24-hour emergency number not clearly posted at all entrances.	August 23, 2011	10-21-030-06W4 Special Area 3	Operations were not suspended as operations were already suspended at the time of inspection. Licensee posted the 24-hour emergency number. Require a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
7	Bellatrix Exploration Ltd.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	August 23, 2011	02-10-045-11W5 Brazeau County	Operations were not suspended as this was a review of 2010 operations. 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
8	Canadian Natural Resources Limited	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with DOE.	August 12, 2011	11-08-063-08W4 M.D. of Bonnyville	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Celtic Exploration Ltd.	Field Operations/ Pipelines	Non compliant with other ERCB requirement – Section 3.3.2(2) and Section 8.2 of <i>Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting</i> and Section 79(1) of <i>Pipeline Regulation</i> .	August 11, 2011	10-29-059-18W5 M.D. of Greenview	Operations suspended. Licensee reviewed flare modeling and venting regulations with operations staff. Licensee allotted more personnel to the area. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Enerplus Corporation	Field Operations/ Pipelines	Internal corrosion control – no monitoring and mitigation in corrosive environment.	August 18, 2011	06-17-020-13W4 County of Newell	Operations were not suspended as operations were already suspended at the time of inspection. Licensee took pipeline segment out of service and is being abandoned. Licensee implemented regular monitoring of their pipelines. 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
11	Exshaw Oil Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with DOE.	August 22, 2011	04-28-077-07W6 Saddle Hills County	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Galleon Energy Inc.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	August 31, 2011	12-29-077-01W6 Birch Hills County	Operations suspended. Licensee repaired the pipeline. Licensee updated its monitoring program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
13	Ignition Energy Ltd.	Field Operations/ Gas Facilities	24 hour emergency number not clearly posted at all entrances.	August 4, 2011	13-29-039-08W5 Clearwater County	Operations were not suspended as the site was already suspended at the time of the inspection. ERCB is unable to contact the licensee. Required a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved. The ERCB is evaluating further actions.

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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
14	Omers Energy Inc.	Field Operations/ Gas Facilities	Single-walled underground tank not tested in last three years.	August 24, 2011	05-32-043-01W5 Ponoka County	Operations were not suspended as licensee emptied the underground tanks. Licensee removed the underground barrels. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Pace Oil & Gas Ltd.	Facilities Applications/ Facilities Technical	Failure to file a licence amendment application when required that results in a higher category type.	August 9, 2011	03-17-016-18W4 Vulcan 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.
16	Pengrowth Energy Corporation	Field Operations/ Pipelines	Cathodic protection is less than nominal -0.85 volts on an operating or discontinued system.	August 26, 2011	11-25-031-05W4 Special Area 3	Operations were not suspended as operations were already suspended at the time of inspection. Licensee abandoned the pipeline and amended the licence. 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
17	Pengrowth Energy Corporation	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	August 23, 2011	03-18-067-10W5 M.D. of Big Lakes	Operations were not suspended as this was a review from 2010 operations. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	Perpetual Energy Operating Corp.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	August 22, 2011	05-11-050-10W4 County of Minburn	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.
19	Petro-Reef Resources Ltd.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction	August 31, 2011	00/06-07-056-26W4/0 (production string) Sturgeon County	Operations suspended. Licensee to confirm 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.
20	Peyto Exploration & Development Corp.	Technical Operations/ Glycol Dehydrator Benzene Emissions	Individual dehydrator(s) or site dehydrator benzene emissions over the limits.	August 19, 2011	11-21-055-20W5 Yellowhead County	Operations were not suspended as this was a review from 2010 operations. 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
21	Skywest Energy Corp.	Field Operations/ Drilling Waste	Wastes have migrated off the intended disposal site. May escalate if migration was known and no steps were taken to prevent it.	August 30, 2011	12-19-045-08W5 Clearwater County	Operations suspended. Licensee removed all contaminated waste and took it to a disposal site. Licensee rebuilt the berm. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	Spur Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	August 26, 2011	13-06-049-07W4 County of Vermilion 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.
23	Taqa North Ltd.	Field Operations/ Well Site Inspections	Failure to report a known SCVF/GM.	August 4, 2011	16-24-070-10W6 County of Grande Prairie	Operations were suspended as suspension of the well would not mitigate the noncompliance. Licensee developed and implemented a Vent Flow/Gas Migration Detection Reporting Practice. 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	The Locke Stock & Barrel Company Ltd.	Field Operations/ Well Site Inspections	Spill or release not contained/cleaned up.	August 25, 2011	06-25-026-03W5 Rocky View County	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee replaced the packing seal. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
25	The Locke Stock & Barrel Company Ltd.	Field Operations/ Well Site Inspections	Spill or release not contained/cleaned up.	August 25, 2011	08-25-026-03W5 Rocky View County	Operations were not suspended as operations were already suspended at the time of inspection. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance not yet achieved.
26	Twin Butte Energy Ltd.	Field Operations/ Drilling Operations	Fluid turns in flare line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	August 26, 2011	12-11-060-03W5 County of Barrhead	Operations suspended. Licensee corrected position of flow-tee in flare line. 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
27	Whitecap Resources Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with DOE.	August 11, 2011	03-09-041-06W5 Clearwater County	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Wolf Coulee Resources Inc.	Field Operations/ Oil Facilities	Single-wall underground tank not tested in the last 3 years.	August 18, 2011	01-25-012-18W4 M.D. of Taber	Operations were not suspended as licensee immediately corrected the noncompliance. Licensee immediately isolated the tank and confirmed the tank was empty. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
29	Wolf Coulee Resources Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction	August 31, 2011	00/13-13-013-19W4/2 (production string) County of Lethbridge	Operations suspended. Licensee to confirm 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.

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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/ Oil Facilities	24-hour emergency number fails to initiate immediate action.	August 19, 2011	08-16-084-19W5 Northern Sunrise County	<p>This is an escalation of a previous enforcement action.</p> <p>Operations were not suspended as licensee immediately corrected the noncompliance.</p> <p>Licensee updated the 24-hour emergency number.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
2	Ignition Energy Ltd.	Field Operations/ Well Site Inspections	<p>24-hour emergency number not clearly posted at all entrances.</p> <p>Other – High Risk – Sump closure must be completed within 12 months of drilling rig release.</p>	August 4, 2011	10-34-041-12W5 Clearwater County	<p>Operations were not suspended as operations were already suspended at the time of inspection.</p> <p>ERCB is unable to contact the licensee.</p> <p>Required 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 (Failure to Comply)⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
3	Ignition Energy Ltd.	Field Operations/ Gas Facilities	24-hour emergency number not clearly posted at all entrances.	August 15, 2011	13-29-039-08W5 Clearwater County	Operations were not suspended as operations were already suspended at the time of inspection. ERCB is unable to contact the licensee. Required a plan to address the noncompliance and prevent future occurrences. Compliance not yet 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	Desoto Resources Limited	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 25, 2011	Well licences: 03-24-038-25W4 03-18-038-24W4 06-20-038-24W4 03-24-038-25W4 16-20-038-24W4 11-13-038-25W4 16-12-038-25W4 05-18-038-24W4 06-24-038-25W4 Lacombe County 01-03-058-07W4 County of St. Paul Facility licences: 16-12-038-25W4 03-24-038-25W4 16-12-038-25W4 Lacombe County	This is an escalation of previous enforcement actions reported on March 2, 2011. Global Refer status Issuance of Closure Orders No. C 1268 & C 1269. Suspension and closure of well and facility licences. Licensee required to <ul style="list-style-type: none"> • 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. Desoto Resources Limited failed to comply. The ERCB is considering further actions.
2	Duel Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 25, 2011	N/A – Against licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2011-69. Licensee required to <ul style="list-style-type: none"> • 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. Duel Energy Inc. submitted full payment of its security deposit, and provided a written explanation to the ERCB.

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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
						Compliance achieved.
3	Success Resources Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 9, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-29.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • 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>Success Resources Ltd. submitted full payment of its security deposit, and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
4	Woodthorpe Petroleum Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 11, 2011	<p>Well licences: 06-14-098-07W6 12-09-098-07W6 11-10-098-07W6 12-11-098-07W6</p> <p>Facility licence: 11-10-098-07W6</p> <p>M.D. of Northern Lights</p>	<p>Global Refer status</p> <p>Issuance of Closure Orders No. C 1263 & C 1267.</p> <p>Suspension and closure of well and facility licences.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> • 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>Woodthorpe Petroleum Ltd. failed to comply. Abandonment Orders No. AD 2011-60, AD 2011-61, 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
						AD 2011-62 were subsequently issued. Amended Abandonment Orders No. AD 2011-60A, AD 2011-61B and AD 2011-62A were subsequently issued giving the licensee until January 1, 2012 to complete abandonment operations.

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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	Acquire Energy Inc.	Liability Management/ Corporate Status	Failure to be registered with an Active status.	August 9, 2011	Well licences: 08-17-050-27W4 Leduc County 04-19-036-08W4 13-19-036-08W4 16-19-036-08W4 Special Area 4	Global Refer status. Issuance of Closure Order No. C 1260. Suspension and closure of well licences. Licensee required to complete one of the following: <ul style="list-style-type: none"> • transfer the subject wells, • abandon the subject wells or • provide confirmation to the ERCB that Acquire continues to be registered with, and have an Active status, on the Alberta Corporate Registries System. Acquire Energy Inc. provided confirmation that it continues to be registered with, and have an Active status, on the Alberta Corporate Registries System and provided a written explanation to the ERCB. Compliance achieved.

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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/addressed 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 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.