



# ERCB Monthly Enforcement Action Summary

November 2011

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, November 2011**

March 2012

Published by

Energy Resources Conservation Board  
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High Risk Compliance Category Statistics				
ERCB	Compliance Category	November 2011		
		Initial Audits/ Inspections <sup>a</sup>	Number of High Risk Noncompliances <sup>b</sup>	Compliance Rate with High Risk Noncompliance
<b>Applications Branch</b>				
Facilities Applications Group Audit Section	Participant Involvement	31	3	90%
	Facilities Technical	16	0	100%
	Pipelines/Pipeline Installations Technical	3	0	100%
	Wells Technical	22	7	68%
Resources Applications Group Enforcement & Surveillance Section	Groundwater Protection	n/a	1	n/a
<b>Subtotal</b>		<b>72</b>	<b>11</b>	<b>85%</b>
<b>Field Surveillance and Operations Branch</b>				
Field Operations Group	Drilling Operations	26	3	88%
	Well Servicing	18	3	83%
	Oil Facilities	167	3	98%
	Gas Facilities	109	3	97%
	Pipelines	110	8	93%
	Drilling Waste	8	1	88%
	Well Site Inspections	201	5	98%
	Waste Management	5	0	100%
Technical Operations Group Production Operations Section	Sulphur Recovery Guidelines	n/a	3	n/a
<b>Subtotal</b>		<b>644</b>	<b>29</b>	<b>95%</b>
<b>Geology, Environmental Science, and Economics Branch</b>				
Reserves and Pore-Space Management Group Oil Reserves and Allowables Section	Oil Overproduction	497	4	99.2%
<b>Subtotal</b>		<b>497</b>	<b>4</b>	<b>99.2%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1213</b>	<b>44</b>	<b>96%</b>

<sup>a</sup> Number of audits or inspections initiated in November 2011.

<sup>b</sup> Number of high risk noncompliances identified in November 2011.

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Anglo Canadian Oil Corp.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation. No agreement with Department of Energy (DOE).	November 24, 2011	03-04-067-26W5  M.D. of Greenview	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Beatton Energy Inc.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	November 15, 2011	09-18-082-07W6  Saddle Hills County	Operations suspended.  Licensee installed a liner in the pipeline.  Licensee created and implemented a Pipeline Integrity Management and Operating Program.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
3	Birchwood Resources Inc.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	November 9, 2011	01-03-064-04W4 06-02-064-04W4 03-02-064-04W4  M.D. of Bonnyville	Licences were not suspended as the noncompliance has been appropriately addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
4	Canadian Natural Resources Limited	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	November 2, 2011	07-02-074-04W6  County of Grande Prairie	In accordance with <i>Interim Directive (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.  Compliance achieved.
5	Cenovus Energy Inc.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	November 10, 2011	14-02-015-13W4  County of Newell	Operations were not suspended as the operations were suspended at the time of inspection.  Licensee treated all pipelines with a corrosion inhibitor.  Licensee implemented a pipeline treating schedule.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
6	Crescent Point Energy Corp.	Field Operations/ Well Servicing	Noncompliant with other ERCB requirement. (Failure to effectively control any oil, gas, or water encountered during drilling, testing, completion, or reconditioning operations at the well.)	November 18, 2011	07-05-019-23W4  Vulcan County	Operations were not suspended as the incident was over and the well was successfully shut-in.  Licensee will include detailed procedures for installing a blowout preventer (BOP) and well kill procedures into all completions programs.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
7	Crew Energy Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	November 30, 2011	02/16-34-018-11W4/2 (production string)  County of Newell	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.
8	Daylight Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation. No agreement with Department of Energy (DOE).	November 29, 2011	13-16-048-05W5  Brazeau County	Licences were not suspended as the noncompliance has been appropriately addressed.  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
9	Direct Energy Marketing Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	November 22, 2011	02-24-041-21W4  Camrose County	<p>Operations were not suspended in accordance with <i>Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection</i>.</p> <p>Licensee determined the source and composition of the produced water and provided a water analysis.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
10	Edge Resources Inc.	Facilities Applications/ Participant Involvement	No attempt at public and/or industry personal consultation and notification prior to filing the application.	November 24, 2011	13-20-042-04W5  Ponoka County	<p>Licence cancelled.</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) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
11	Guide Exploration Ltd.	Field Operations/ Pipelines	Substance is different from that stated on licence and the line is operating.  No operations and maintenance procedures manual, or not followed.  Internal corrosion control. No monitoring and mitigation in corrosive environment.	November 22, 2011	12-03-078-21W5  M.D. of Smoky River	Operations were not suspended as the pipeline was already suspended at the time of inspection.  Licensee updated their Risk Assessment Program.  Licensee abandoned the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
12	Keyera Energy Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	November 2, 2011	09-06-063-25W5  M.D. of Greenview	In accordance with <i>Interim Directive (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.  Compliance achieved.
13	Koch Oil Sands Operating ULC	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	November 19, 2011	08-33-059-03W4 16-33-059-03W4  M.D. of Bonnyville	Licence at surface location 08-33 was cancelled. Licence at surface location 16-33 was amended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
14	Murphy Oil Company Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation. No agreement with Department of Energy (DOE).	November 30, 2011	13-03-083-15W5  Northern Sunrise County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
15	Palliser Oil & Gas Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	November 15, 2011	04-04-052-01W4  County of Vermilion River	Licence was not suspended as the noncompliance has been appropriately addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
16	Penn West Petroleum Ltd.	Technical Operations/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	November 2, 2011	04-12-034-26W4  Kneehill County	In accordance with <i>Interim Directive (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.  Compliance achieved.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
17	Polar Star Canadian Oil And Gas, Inc.	Field Operations/ Oil Facilities	No hydrocarbon liquid delivery point measurement.	November 22, 2011	13-18-082-03W6  M.D. of Fairview	Operations were not suspended as the operations were suspended at the time of inspection.  Licensee developed criteria for third-party delivery and processing of oil/emulsion production to its facility.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
18	RON Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation. No agreement with Department of Energy (DOE).	November 4, 2011	07-06-040-03W4  M.D. of Provost	Licence was not suspended as the noncompliance has been appropriately addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
19	Second Wave Petroleum Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	November 30, 2011	00/02-13-063-10W5/0 02/04-14-063-10W5/0 (production string)  Woodlands County	Operations suspended.  Licensee confirmed in writing that the wells have 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.

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High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
20	Shell Canada Limited	Field Operations/ Drilling Operations	BOP pressure rating and/or stack arrangement (including spools) does not meet minimum requirements for the well classification.	November 18, 2011	03-32-084-17W5  M.D. of East Peace	Operations suspended.  Licensee installed surface casing and a Class II BOP system.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Sydco Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation. No agreement with Department of Energy (DOE).	November 18, 2011	13-19-087-05W6  Clear Hills County	Licence suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
22	Taqa North Ltd.	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or company is not following program.	November 23, 2011	06-11-038-06W5  Clearwater County	Operations were not suspended as the pipeline was already suspended at the time of inspection.  Licensee implemented a corrosion inhibition and monitoring program.  Licensee provided a plan to address the noncompliance and prevent future occurrence.  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	TriOil Resources Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	November 15, 2011	13-06-027-03W5  M.D. of Rocky View	Licence was not suspended as the noncompliance has been appropriately addressed.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
24	Wolf Coulee Resources Inc.	Reserves and Pore Space Management/ Oil Overproduction	Failure to retire oil overproduction.	November 30, 2011	02/03-24-013-19W4/2 (production string)  M.D. of Taber	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.

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High Risk Enforcement Action (Persistent Noncompliance) <sup>2</sup>						
#	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) <sup>3</sup>						
#	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)<sup>4</sup>

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Drake Energy Ltd.	Field Operations/ Well Site Inspections	24-hour emergency number not clearly posted at all entrances.  Improper suspension for well type.	November 11, 2011	05-25-013-17W4  M.D. of Taber	Operations were not suspended as operations were suspended at the time of inspection.  Required to provide a plan to address the noncompliance and prevent future occurrences.  Issuance of Closure Order No. C 2012-15 and C2012-16.  Suspension and closure of well licence.  Compliance not achieved.

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	935821 Alberta Ltd.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-79.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>985821 Alberta Ltd. submitted full payment of its administration fee but did not provide a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
2	Band Energy Resources Ltd.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-80.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Amended Miscellaneous Order No. 2011-80 was subsequently issued, giving the licensee until March 12, 2012, to comply.</p>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
3	Canada West Resources Inc.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-81.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Amended Miscellaneous Order No. 2011-81 was subsequently issued, giving the licensee until March 12, 2012, to comply.</p>
4	Canadian Rockies Petroleum Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 23, 2011	N/A – Against licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2011-90.</p> <p>Licensee required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Canadian Rockies Petroleum Corp. failed to comply. Closure Order No. C 1276 was subsequently issued.</p> <p>Canadian Rockies Petroleum Corp. failed to comply. Abandonment Orders No. AD</p>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						2012-5, AD 2012-6, AD 2012-7, AD 2012-8, and AD 2012-9 and Closure/Abandonment Order No. AD 2012-10 were subsequently issued, giving the licensee until April 1, 2012, to comply.
5	Concerto Resources Ltd.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-82.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Amended Miscellaneous Order No. 2011-82 was subsequently issued, giving the licensee until March 12, 2012, to comply.
6	Golden Spike Energy Inc.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-83.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Golden Spike Energy Inc. submitted full payment of its administration fee but did not provide a written explanation to the ERCB.  Compliance achieved.
7	Jaycor Resources Inc.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-84.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Amended Miscellaneous Order No. 2011-84 was subsequently issued, giving the licensee until March 12, 2012, to comply.
8	Onstad Energy Corp.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-85.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Amended Miscellaneous Order No. 2011-85 was subsequently issued, giving the licensee until March 12, 2012, to comply.
9	Revolution Resources Ltd.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-86.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Revolution Resources Ltd. submitted full payment of its administration fee but did not provide a written explanation to the ERCB.  Compliance achieved.
10	Revolution Resources Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 23, 2011	Well licences:  11-21-048-08W5 Brazeau County  07-17-087-04W6 07-31-086-04W6 05-12-087-05W6 09-06-086-05W6 05-05-086-05W6 12-05-086-05W6 09-18-086-05W6 M.D. of Clear Hills	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-91.  Licensee required to <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul>

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					Facility licence: 12-05-086-05W6 M.D. of Clear Hills	Revolution Resources Ltd. failed to comply. Closure Orders No. C 2012-7, C 2012-7A, and C 2012-8 were subsequently issued, giving the licensee until March 8, 2012, to comply.
11	Sandbox Energy Corp.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-88.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Amended Miscellaneous Order No. 2011-81 was subsequently issued, giving the licensee until March 12, 2012, to comply.
12	SGG Resources Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	November 23, 2011	N/A – Against licensee	Issuance of Miscellaneous Order No. MISC 2011-92.  Licensee required to <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> SGG Resources Inc. submitted full payment of its security deposit and provided a written explanation to

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Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						the ERCB.  Compliance achieved.
13	Shamrock Oil & Gas Ltd.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-89.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Shamrock Oil & Gas Ltd. submitted full payment of its administration fee but did not provide a written explanation to the ERCB.  Compliance achieved.
14	XGEN Ventures Inc.	Liability Management/ Noncompliance with the Administration Fee	Failure to pay 2011 Administration Fee, plus 20 per cent penalty.	November 3, 2011	N/A – Against licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2011-87.  Licensee required to <ul style="list-style-type: none"> <li>• pay the administration fee plus a 20 per cent penalty, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Amended Miscellaneous Order No.

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](mailto:Inquiries@ercb.ca).



Low Risk Enforcement Action – (Global Refer) <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						2011-87 was subsequently issued, giving the licensee until March 12, 2012, to comply.

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Legislative/Regulatory Enforcement Action <sup>6</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Goldenrod Resources Inc.	Liability Management/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Goldenrod Energy Inc. has a valid entitlement to produce the well.	November 3, 2011	14-21-041-25W4  Lacombe County	Global Refer status.  Issuance of Closure/Abandonment Order No. AD 2011-77.  Abandonment of well licence.  Licensee required to <ul style="list-style-type: none"> <li>• abandon the subject well, and</li> <li>• provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> Goldenrod Resources Inc. failed to comply. The ERCB is evaluating further actions.

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](mailto:Inquiries@ercb.ca).

## Endnotes

### <sup>1</sup> **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.

### <sup>2</sup> **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.

### <sup>3</sup> **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.

### <sup>4</sup> **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.

<sup>5</sup> **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).

<sup>6</sup> **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](mailto:compliancecoordination@ercb.ca).

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