



# ERCB Monthly Enforcement Action Summary

August 2012

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, August 2012**

December 2012

Published by

Energy Resources Conservation Board  
Suite 1000, 250 – 5 Street SW  
Calgary, Alberta  
T2P 0R4

Telephone: 403-297-8311  
Toll free: 1-855-297-8311  
E-mail: [infoservices@ercb.ca](mailto:infoservices@ercb.ca)  
Website: [www.ercb.ca](http://www.ercb.ca)

Contents

Introduction ..... 1

ERCB Monthly Enforcement Action Summary\* ..... 1

High Risk Enforcement Action (HREA)<sup>1</sup> ..... 2

High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup> ..... 13

High Risk Enforcement Action (Demonstrated Disregard)<sup>3</sup> ..... 14

High Risk Enforcement Action (Failure to Comply)<sup>4</sup> ..... 15

Low Risk Enforcement Action – (Global Refer) ..... 16

Legislative/Regulatory Enforcement Action ..... 23

Endnotes ..... 24



## Introduction

This report provides information on all licensees that have had a High Risk Enforcement Action<sup>1</sup>, Low Risk Enforcement Action (Global Refer), or Legislative/Regulatory Enforcement issued against them and is published in the fourth month after the enforcement actions are issued.

The table below summarizes the enforcement actions issued by each ERCB group in August 2012.

ERCB Monthly Enforcement Action Summary*				
	Compliance Category	August 2012		
		Number of High Risk Enforcement <sup>1</sup> Actions	Number of Low Risk Enforcement Actions (Global Refer)	Number of Legislative/Regulatory Enforcement Actions
<b>Applications Branch</b>				
Resources Applications Group	Gas Storage	1	0	0
	Injection/Disposal	1	0	0
	Production Without Common Ownership	1	0	0
	Spacing	1	0	0
<b>Subtotal</b>		<b>4</b>	<b>0</b>	<b>0</b>
<b>Field Surveillance and Operations Branch</b>				
Emergency Management	Technical ERP Requirements	1	0	0
Field Operations Group	Drilling Operations	1	0	0
	Drilling Waste Inspections	1	0	0
	Gas Facilities	2	0	0
	Pipelines	10	0	0
	Well Site Inspections	4	0	0
Liability Management Group	Noncompliance with Liability Management Program Requirements	0	8	0
<b>Subtotal</b>		<b>19</b>	<b>8</b>	<b>0</b>
<b>Geology, Environmental Science, and Economics Branch</b>				
Regulatory Outcomes and Delivery Group Regulatory Delivery Section	Oil Overproduction	1	0	0
<b>Subtotal</b>		<b>1</b>	<b>0</b>	<b>0</b>
<b>Oil Sands and Coal Branch</b>				
Oil Sands and Coal Mining Group	Mineable Oil Sands	1	0	0
<b>Subtotal</b>		<b>1</b>	<b>0</b>	<b>0</b>
<b>Total Enforcement Actions issued</b>		<b>25</b>	<b>8</b>	<b>0</b>

\*This table only summarizes the compliance categories for which there were monthly enforcement actions issued.

<sup>1</sup> For high risk noncompliances, the ERCB may issue any of the following enforcement actions: High Risk Enforcement Action, High Risk Enforcement Action (Persistent Noncompliance), High Risk Enforcement Action (Failure to Comply), or High Risk Enforcement Action (Demonstrated Disregard).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
1	Anterra Energy Inc.	Field Operations/ Pipelines	<p>External corrosion control/cathodic surveys-no records of survey results.</p> <p>Discontinued pipeline-not left in safe condition.</p> <p>Cathodic protection system-not operational or not installed.</p> <p>Internal corrosion control-no monitoring and mitigation in corrosive environment.</p> <p>Pipeline sign missing or defaced on both sides of a crossing.</p> <p>Valves, fittings, or flanges do not meet the requirements of the licence for the pipeline.</p> <p>Maximum operating pressure (MOP) is greater than that stated on licence and exceeds the manufacturer's rating of the pipe, valves, flanges, or fittings and connecting pipelines.</p>	August 1, 2012	<p>3 pipelines</p> <p>16-01-016-12W4 County of Newell</p> <p>05-07-015-09W4 Cypress County</p>	<p>Operations suspended.</p> <p>Licensee installed cathodic protection system in the pipeline.</p> <p>Licensee isolated, pigged, and purged the pipeline.</p> <p>Licensee removed the line segment and replaced it with a composite pipeline where cathodic protection and internal corrosion control is no longer applicable.</p> <p>Licensee re-installed pipeline crossing signs.</p> <p>Licensee replaced the steel components with components that have a greater MOP.</p> <p>Licensee reduced the injection rate of the well to stay below the MOP of the pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee required to submit additional data.</p> <p>Compliance not yet achieved.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
2	Apache Canada Ltd.	Field Operations/ Gas Facilities	Single-walled underground storage tank not tested within past three years.	August 16, 2012	11-30-035-08W5  Clearwater County	<p>Operations not suspended because the licensee took immediate action.</p> <p>Licensee took the tank out of service and all lines were isolated. Licensee provided a regulatory alert detailing the noncompliance and a summary of the integrity testing and monthly monitoring to its field locations.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
3	Arcan Resources Ltd.	Field Operations/ Pipelines	<p>Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p> <p>Failure to notify appropriate ERCB field centre.</p>	August 3, 2012	05-34-067-08W5  M.D. of Big Lakes	<p>Operations were not suspended because the newly constructed pipeline has not been put into service.</p> <p>Licensee reviewed and updated its <i>Ground Disturbance Procedure</i> and presented it to the licensee's field operations personnel.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
4	Bonavista Energy Corporation	Emergency Management/ Technical ERP Requirements	Failure to have an ERP approved by the ERCB before commencement of operations.	August 15, 2012	09-11-034-05W5  Clearwater County	<p>Operations suspended.</p> <p>Licensee conducted a review of its internal notification process with regards to emergency response planning. Licensee held a meeting to remind personnel of the importance of following the procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee submitted a pipeline ERP supplement; the ERCB reviewed and approved it.</p> <p>Compliance achieved.</p>
5	Canrock Energy Corp.	Resources Applications/ Injection/Disposal	Failure to meet conditions of approval (disposal)—High (the maximum wellhead injection pressure exceeded approval conditions).	August 22, 2012	D0/04-29-038-03W4/2 B0/05-29-038-03W4/0 D0/06-29-038-03W4/0  M.D. of Provost	<p>Licence or operation not suspended because suspension may result in further impacts or increased risk.</p> <p>The licensee, Canrock Energy Corp., amalgamated into Alston Energy Inc. on August 21, 2012.</p> <p>The new licensee addressed the noncompliance within 90 days.</p> <p>The new licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved by the new licensee.</p>

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).



High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
6	Copper Creek Petroleum Inc.	Field Operations/ Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 10, 2012	3 well licences 01-23-001-20W4  Cardston County	<p>Operations were not suspended as the wells were already suspended.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• ensure that a call to its 24-hour emergency telephone number initiates immediate action, and</li> <li>• submit an action plan to address the noncompliance and prevent future occurrences.</li> </ul> <p>Compliance not yet achieved.</p> <p>Licensee escalated to High Risk Enforcement Action Failure to Comply.</p> <p>Licensee failed to comply. The ERCB is evaluating further actions.</p>
7	Copper Creek Petroleum Inc.	Field Operations/ Well Site Inspections	Failure to ensure that a call to the licensee 24-hour emergency telephone number initiates immediate action.	August 13, 2012	11-14-041-20W4  County of Stettler	<p>Operations were not suspended as the well was already suspended.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• ensure that a call to its 24-hour emergency telephone number initiates immediate action, and</li> <li>• submit an action plan to address the noncompliance and prevent future occurrences.</li> </ul> <p>Compliance not yet achieved.</p> <p>Licensee escalated to High Risk Enforcement Action Failure to Comply.</p> <p>Licensee failed to comply. The ERCB is evaluating further actions.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
8	Crescent Point Energy Corp.	Field Operations/ Pipelines	Manufacturer's techniques and specifications not followed.	August 15, 2012	14-02-088-10W6  Clear Hills County	Operations suspended.  Licensee will abandon the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
9	Devon Canada Corporation	Field Operations/ Pipelines	Depth of cover is unsatisfactory.	August 9, 2012	3 pipeline licences 01-08-021-03W5  M.D. of Foothills	Operations were not suspended because all three pipelines were not operating at the time of inspection.  Licensee abandoned two of the pipelines and discontinued the third pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
10	Devon Canada Corporation	Field Operations/ Gas Facilities	Single-walled underground storage tank not tested within past three years.	August 16, 2012	15-36-036-16W4  County of Stettler	Operations were not suspended because the licensee took corrective action immediately.  Licensee tested the flare knockout tank.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
11	Direct Energy Marketing Limited	Field Operations/ Drilling Operations	Failure to contact area office & discuss remedial action (the licensee did not obtain cement returns and proceeded with a remedial cement operation without contacting the appropriate ERCB field centre for approval).	August 2, 2012	04-22-05015W5  Yellowhead County	<p>Operations were partially suspended. Licensee was allowed to proceed drilling the intermediate hole to total depth.</p> <p>Licensee completed remedial work on the well and conducted a cement bond log.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
12	Husky Oil Operations Limited	Field Operations/ Pipelines	Pressure design does not meet CSA Standard Z662, Clause 4.3.3, or <i>Pipeline Regulation</i> , Section 13.	August 1, 2012	12-28-040-01W4  M.D. of Provost	<p>Operations suspended.</p> <p>Licensee isolated the pipeline and amended the pipeline licence. Licensee will abandon the pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
13	Kerrisdale Resources Ltd.	Field Operations/ Pipelines	<p>Pressure control devices or pressure relief device installations unsatisfactory.</p> <p>Cathodic protection system—not operational or not installed.</p> <p>Noncompliant with other ERCB requirement—not a member of Alberta One-Call.</p>	August 23, 2012	<p>5 pipeline licences</p> <p>Cypress County</p>	<p>Operations were not suspended because suspension may result in further impacts or increased risk.</p> <p>Licensee increased the MOP in its pipelines to match the MOP in the other pipelines that it is tying into.</p> <p>Licensee installed an anode on the two steel risers.</p> <p>Licensee registered with the Alberta One-Call service.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
14	Niska Gas Storage Canada ULC	Resources Applications/ Gas Storage	Failure to meet conditions of approval—High (the maximum wellhead injection pressure exceeded approval conditions).	August 24, 2012	<p>00/12-18-019-08W4/0 02/06-19-019-08W4/0 02/14-19-019-08W4/0 03/14-19-019-08W4/0</p> <p>County of Newell</p>	<p>Operation related to noncompliance is suspended.</p> <p>Applicant/licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
15	Pace Oil & Gas Ltd.	Regulatory Outcomes and Delivery/ Oil Overproduction	Failure to retire oil overproduction.	August 28, 2012	<p>00/15-03-013-17W4/0</p> <p>M.D. of Taber</p>	<p>Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction is retired.</p> <p>Licensee directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
16	Perpetual Energy Operating Corp.	Resources Applications/ Production Without Common Ownership	Production without common ownership throughout a Drilling Spacing Unit.	August 15, 2012	00/03-27-054-13W4/2  County of Two Hills	Operation related to noncompliance suspended (well was shut-in).  Applicant/Licensee provided a plan to address noncompliance and prevent future occurrences.  Compliance achieved.
17	Petrobakken Energy Ltd.	Field Operations/ Well Site Inspections	Release criteria of collected surface water not met prior to release to adjacent lands.	August 20, 2012	12-17-048-04W5  Brazeau County	Operations were not suspended because the noncompliance occurred in the past. Licensee was able to immediately correct the noncompliance.  Licensee committed to educate personnel of the regulatory requirements and company policies. Licensee will test standing water on leases and monitor the berm integrity.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
18	Plains Midstream Canada ULC	Field Operations/ Pipelines	Depth of cover unsatisfactory.	August 15, 2012	01-32-045-04W5 (Pipeline Licence P7570)  Westaskiwin County	<p>Operations were not suspended because the licensee took steps to ensure that the safety of the pipeline was maintained. The ERCB granted approval for the licensee to continue operating the pipeline at a reduced pressure.</p> <p>Licensee erected sandbags and fencing as temporary mitigative measures until depth of cover is restored by the end of 2012.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>
19	Plains Midstream Canada ULC	Field Operations/ Pipelines	Depth of cover unsatisfactory.	August 16, 2012	01-32-045-04W5 (Pipeline Licence P8295)  Westaskiwin County	<p>Operations were not suspended because the licensee took steps to ensure that the safety of the pipeline was maintained. The ERCB granted approval for the licensee to continue operating the pipeline at a reduced pressure.</p> <p>Licensee erected sandbags and fencing as temporary mitigative measures until depth of cover is restored by the end of 2012.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance not yet achieved.</p>

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
20	Ravenwood Energy Corp.	Field Operations/ Well Site Inspections	No resident notification and/or consultation (in relation to flaring operations that occurred at the location).	August 24, 2012	03-26-049-01W5  Leduc County	Operations suspended.  Licensee discussed <i>Directive 060</i> requirements with wellsite supervisor.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Shell Canada Limited	Oil Sands and Coal Mining/ Mineable Oil Sands	Failure to meet bitumen recovery requirements as stated.	August 13, 2012	Muskeg River Mine and Jackpine Mine	All currently approved expansion plans that relate to, or are intended to achieve, increased bitumen production capacity at Muskeg River Mine and Jackpine Mine are suspended.  The operator has to demonstrate that both Muskeg River Mine and Jackpine Mine are consistently achieving the <i>ID 2001-7</i> bitumen recovery requirements.  The approval holder is not required to submit an action plan.  Compliance not yet achieved.

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).

High Risk Enforcement Action (HREA) <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
22	Talisman Energy Inc.	Field Operations/ Pipelines	Failure/Hit—Damage by Others—Proper procedures were not followed.	August 8, 2012	01-12-043-02W4  M.D. of Wainwright	Operations suspended.  Licensee circulated an internal safety alert and conducted safety stand-down meetings.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
23	Whitecap Resources Inc.	Resources Applications/ Spacing	Production of too many wells per pool per DSU/Holding/Unit/Block/Project/GTO/IW without approval.	August 16, 2012	00/13-16-047-05W5/0 00/04-21-047-05W5/0 00/05-21-047-05W5/0  County of Wetaskiwin	Operation related to noncompliance is suspended.  Applicant/licensee has completed the ERCB directed corrective action.  Compliance achieved.
24	Wrangler West Energy Corp.	Field Operations/ Drilling Waste	Disposal practices resulted in pooling, clumping, or erosion.	August 23, 2012	05-08-060-03W5  County of Barrhead	Operations were not suspended because the licensee took immediate action.  Licensee cleaned up the clumps of drilling waste and contacted the landowner.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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).



<b>High Risk Enforcement Action (Persistent Noncompliance)<sup>2</sup></b>						
<b>#</b>	<b>Licensee</b>	<b>ERCB Group/ Compliance Category</b>	<b>Noncompliance Event</b>	<b>Date of Enforcement</b>	<b>Location</b>	<b>ERCB Action(s) and Licensee Response</b>
1	Canadian Natural Resources Limited	Field Operations/ Pipelines	There is no documented monitoring or mitigation program in place and/or the company is not following the program.	August 28, 2012	11-14-037-26W4  Red Deer County	<p>Operations were not suspended because operations were suspended at the time of the pipeline failure, and the licensee was implementing mitigation procedures that address the cause of failure.</p> <p>Licensee completed a pipeline assessment to determine the appropriate corrosion mitigation plan.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences. The ERCB accepted the action plan, and to achieve full compliance, the licensee must complete the 60-day compliance period without an additional High Risk noncompliance event in this compliance category.</p> <p>During the 60-day compliance period, the licensee was issued an additional High Risk noncompliance event in this compliance category. Licensee remains in Persistent Noncompliance.</p> <p>Compliance not yet achieved.</p>

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).

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

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).

High Risk Enforcement Action (Failure to Comply) <sup>4</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Response
	None					

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	Location	ERCB Action(s) and Licensee Follow-up
1	Blue Horizon Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 15, 2012	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-18.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Order No. C 2012-35 was subsequently issued.</p> <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
2	Copper Creek Petroleum Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 3, 2012	6 well licences, 1 facility licence  County of Stettler M.D. of Greenview Cardston County	<p>This is an escalation from a previous enforcement action issued on June 12, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 2012-29 and 2012-30.</p> <p>Suspension and closure of well and facility licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Abandonment Orders No. AD 2012-34 and AD 2012-35 were subsequently issued.</p> <p>Licensee failed to comply. The ERCB is evaluating further actions.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
3	Curlew Lake Resources Inc.  O'Byrne Resource Management Ltd. (Agent)	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 16, 2012	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-16.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. Closure Order No. C 2012-34 and Abandonment Order No. AD 2012-40 were subsequently issued.</p> <p>Licensee failed to comply with the Abandonment Order. The ERCB is evaluating further actions.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
4	Gpi Oil & Gas Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 3, 2012	07-12-049-06W4 05-12-049-06W4  County of Vermilion River	<p>This is an escalation from previous enforcement actions issued on June 7, 2012, and June 28, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2012-29.</p> <p>Abandonment of the well licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• abandon the well licences,</li> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. The ERCB is evaluating further actions.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
5	Inland Development Company Ltd.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 16, 2012	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-17.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
6	Sandbox Energy Corp.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 16, 2012	6 well licences, 2 pipeline licences  Leduc County	<p>This is an escalation from a previous enforcement action issued on June 12, 2012.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2012-30 and AD 2012-31 and Closure/Abandonment Order AD 2012-32.</p> <p>Abandonment of the well and pipeline licences.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• abandon the well and pipeline licences,</li> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee failed to comply. The ERCB is evaluating further actions.</p>

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	Location	ERCB Action(s) and Licensee Follow-up
7	Seistech Energy Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 14, 2012	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-14.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
8	Transaction Oil & Gas Ventures Inc.	Liability Management/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 30, 2012	N/A – Against the licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2012-19.</p> <p>Licensee is required to</p> <ul style="list-style-type: none"> <li>• pay the security deposit, and</li> <li>• provide written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</li> </ul> <p>Licensee paid its security deposit in full and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>

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).

Legislative/Regulatory Enforcement Action <sup>6</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location	ERCB Action(s) and Licensee Follow up
	None					

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/addresses 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).