



# EUB Monthly Enforcement Action Summary

January 2007

**ALBERTA ENERGY AND UTILITIES BOARD**  
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High Risk Compliance Category Statistics				
EUB	Compliance Category	January 2007		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
<b>Applications Branch</b>				
Facilities Applications Group Audit Section	Participant Involvement	41	4	90%
	Facilities Technical	6	0	100%
	Pipelines/Pipeline Installations Technical	11	0	100%
	Wells Technical	45	13	71%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 6 months audits	22	6	73%
	Pooling/Trespass	n/a	1	n/a
<b>Subtotal</b>		<b>125</b>	<b>24</b>	<b>81%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Production Measurement & Reporting	n/a	n/a	n/a
Environmental Group Waste and Storage Section	Oilfield Waste Generator	1	1	0%
	Drilling Waste Audits	6	2	67%
Well Operations Section	Well Abandonment	11	1	91%
	Surface Casing Vent Flow/Gas Migration	41	0	100%
	Well Casing Failure	20	0	100%
	Shallow Fracturing Operations	1	0	100%
<b>Subtotal</b>		<b>80</b>	<b>4</b>	<b>95%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	66	5	92%
	Well Servicing	30	1	97%
	Oil Facilities	396	7	98%
	Gas Facilities	353	14	96%
	Pipelines	135	14	90%
	Drilling Waste	16	3	81%
	Well Site Inspections	375	4	99%
<b>Subtotal</b>		<b>1371</b>	<b>48</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	595	9	98%
<b>Subtotal</b>		<b>595</b>	<b>9</b>	<b>98%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1576</b>	<b>85</b>	<b>95%</b>

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

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Apache Canada Ltd.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).  Incomplete drilling spacing unit for the intended formation(s).	January 30, 2007	100/06-05-118-07W6/0 M.D. of Mackenzie	License was not cancelled as licensee has amended the well licence.  Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
2	ARC Resources Ltd.	Field Surveillance/Oil Facilities	Flame-type equipment without workable flame arrester less than 25m from a process vessel.	January 5, 2007	10-28-069-10W5 M.D. of Big Lakes	Operations were not suspended as the noncompliance item was corrected at the time of inspection. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee immediately replaced missing bolts on the flame arrester. Compliance achieved.
3	Artemis Exploration Inc.	Field Surveillance/Drilling Operations	STICK diagram does not contain all the required information.	January 8, 2007	05-03-041-03W4 M.D. of Provost	Operations were not suspended due to ongoing circulation of the production casing in preparation for cementing operations. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Missing information was entered onto a new STICK diagram within one hour. Compliance achieved.
4	Bonavista Petroleum Ltd.	Resources/Waterflood Schemes	Failure to commence injection.	January 9, 2007	00/02-32-005-05W4/0 Manyberries Sunburst OO Pool Approval No. 10038 County of Forty Mile	Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee commenced injection and submitted well status reports and injection volumes. Compliance achieved.

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5	Bonavista Petroleum Ltd.	Field Surveillance/Pipelines	Pipeline material is not as stated on the licence. There is no documented monitoring or mitigation program in place and/or company is not following program.	January 12, 2007	12-25-056-06W5 Lac Ste. Anne County	Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee submitted pipeline amendment to correct noncompliance.  Licensee will use a composite liner and steel corrosion will no longer be a factor.  Compliance achieved.
6	Bonavista Petroleum Ltd.	Facilities Applications/Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	January 16, 2007	11-29-096-09W6 M.D. of Clear Hills	Licence cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
7	Bonavista Petroleum Ltd.	Field Surveillance/Well Service	Blowout preventer(s) not installed on well.	January 22, 2007	11-29-056-05W4 County of St. Paul	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee installed blowout preventer.  Compliance achieved.
8	Bonterra Energy Corp.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	January 9, 2007	16-24-048-08W5 Brazeau County	Licence suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.

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9	BP Canada Energy Company	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 4, 2007	12-10-047-14W5 Beaver County	Operations were not suspended as the noncompliance item was corrected at the time of inspection.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  The flame arrester outlet was immediately capped.  Compliance achieved.
10	BP Canada Energy Company	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 31, 2007	10-30-067-11-06W6 M.D. of Greenview	Operations were not suspended as licensee immediately repaired the flame arrester.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
11	BP Canada Energy Corporation	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	January 26, 2007	11-17-055-21W5 Yellowhead County	Licence was not suspended as the noncompliance was corrected immediately.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
12	Burlington Resources Canada Ltd.	Resources Applications/Pooling/Tres pass	Production without common ownership throughout a drilling spacing unit.	January 9, 2007	00/15-29-052-13W5/0 Yellowhead County	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.

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13	Burlington Resources Canada Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 29, 2007	00/14-17-014-27W4/0 M.D. of Willow Creek	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
14	Burmis Energy Inc.	Field Surveillance/Gas Operations	H <sub>2</sub> S emissions off lease.	January 27, 2007	10-01-048-11W5 Brazeau County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee replaced failed piping. Compliance achieved.
15	Cabot Petroleum Canada Corporation	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	January 23, 2007	100/13-14-062-06W6/0 M.D. of Greenview	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
16	Calver Resources Inc.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	January 17, 2007	06-25-102-23W5 15-26-104-21W5 06-35-104-21W5 M.D. of Northern Lights	Licences cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
17	Canadian Forest Oil Ltd.	Field Surveillance/Pipelines	Damage by others – Proper procedures were not followed.	January 3, 2007	06-09-077-10W6 Saddle Hills County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Pipeline locating procedures have been updated. Compliance achieved.

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18	Canadian Natural Resources Limited	Field Surveillance/Well Operations	Testing sour gas well (>5% H <sub>2</sub> S) or critical sour gas well without required permit.	January 25, 2007	09-22-075-07W6 Saddle Hills County	Operations were not suspended as flaring was completed prior to inspection by EUB.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee met with EUB.  Compliance achieved.
19	Canadian Natural Resources Limited	Facilities Applications/Participant Involvement	Failure to disclose to the EUB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	January 26, 2007	14-28-049-01W4 County of Vermilion River	Licence was not suspended as the noncompliance was corrected immediately.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
20	Canadian Natural Resources Ltd.	Field Surveillance/Pipelines	Proper procedures were not followed. (Proper ground disturbance procedures were not followed.)	January 29, 2007	06-24-042-22W4 County of Camrose	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee met with EUB to discuss ground disturbance procedures.  Compliance achieved.
21	Canetic Resources Inc.	Field Surveillance/Well Operations	H <sub>2</sub> S emissions off lease. Venting practices not in accordance with <i>Directive 060</i> or local field centre agreement.	January 20, 2007	07-02-052-26W4 Parkland County	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee will do spot checks on equipment to ensure it is in proper working order.  Compliance achieved.

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22	Canetic Resources Inc.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 29, 2007	00/02-03-052-08S5/0 Yellowhead County	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
23	Choice Resources Corp.	Field Surveillance/Well Operations	Residents within required radius not notified of flaring or venting.	January 23, 2007	13-09-046-13W4 Beaver County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee will have wellsite survey information on hand before any flaring operations begin to ensure all residents within required radius are notified. Compliance achieved.
24	Compton Petroleum Corporation	Field Surveillance/Drilling Operations	Spill on lease (in excess of 2 m <sup>3</sup> ) and/or any spill off lease not reported to the EUB.	January 24, 2007	05-12-088-09W6 M.D. of Clear Hills	Operations were not suspended as licensee cleaned up the spill before it was reported to EUB. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
25	ConocoPhillips Canada Limited	Resources Applications/Other Enhanced Recovery Schemes	Failure to commence injection.	January 18, 2007	00/06-19-039-02W5/0 Medicine River Pekisko N Pool Approval No. 10528 Lacombe County	Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee commenced injection and submitted well status change and injection volumes. Compliance achieved.

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26	Cordero Energy Inc.	Facilities Applications/Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	January 23, 2007	100/09-06-074-26W5 M.D. of Greenview	License cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
27	Cyries Energy Inc.	Geology and Reserves/Oil Overproduction	Failure to retire all cumulative overproduction in the time provided.	January 11, 2007	00/06-32-069-04W6/2 M.D. of Greenview	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
28	Cyries Energy Inc.	Field Surveillance/Oil Facilities	H <sub>2</sub> S emissions off lease.	January 31, 2007	06-16-111-06W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee repaired the thief hatch. Licensee will conduct daily monitoring for all possible emissions on tanks with sour production. Compliance achieved.
29	Delphi Energy Corp.	Field Surveillance/Oil Facilities	H <sub>2</sub> S emissions off lease.	January 16, 2007	04-32-038-06W4 M.D. of Provost	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee found the source of the emissions and repaired the equipment on the same day. Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
30	Delphi Energy Corp.	Environment/Drilling Waste Audits	All appropriate waste sampling, preparation and testing not conducted according to requirements. All appropriate receiving soil sampling, preparation and testing requirements not conducted.	January 10, 2007	14-18-060-22W5 M.D. of Greenview	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2005. Licensee provided a plan which corrected how drilling waste disposal activities and their subsequent documentation will be handled in the future. Compliance achieved.
31	Devon Canada	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 29, 2007	00/10-23-036-03W5/0 00/11-23-036-03W5/0 Red Deer County	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
32	Devon Canada Corporation	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 3, 2007	06-09-077-10W6 Saddle Hills County	Operations were not suspended as the noncompliance item was corrected at the time of inspection. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
33	E4 Energy Inc.	Field Surveillance/Pipelines	Noncompliant with other EUB requirements. (H <sub>2</sub> S odours were allowed to be vented from a vacuum truck into the atmosphere.)	January 11, 2007	09-28-039-04W4 M.D. of Provost	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee set up a scrubber to remove H <sub>2</sub> S and operations were resumed. Compliance achieved.

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34	EnCana Corporation	Field Surveillance/Well Operations	No notification of spill to EUB	January 12, 2007	14-33-015-13W4 County of Newell	Operations were not suspended as this was a vehicle accident which resulted in the spill.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee reviewed their notification practices and will notify EUB directly.  Licensee cleaned up the spill.  Compliance achieved.
35	EnCana Corporation	Field Surveillance/Drilling Waste	Wastes are not contained by pits or berms and there is potential for off lease migration.	January 23, 2007	16-08-070-03W4 Lakeland County	Operations were not suspended as the waste was immediately put into the shale bin.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
36	EnCana Corporation	Facilities Applications/Wells Technical	Failure to acquire the abandoned wellbore rights.	January 26, 2007	100/06-04-041-11W5/2 Clearwater County	Licence cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
37	Enermark Inc.	Field Surveillance/Oil Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	January 15, 2007	01-22-040-08W4 M.D. of Provost	Operations were not suspended as tank integrity testing will be done as soon as possible.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee immediately conducted tank integrity testing.  Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
38	Enerplus Resources Corporation	Field Surveillance/Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	January 23, 2007	04-31-017-12W4 County of Newell	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
39	Enterra Energy Corp.	Field Surveillance/Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 12, 2007	15-05-038-04W4 M.D. of Provost	Operations were not suspended as the operator was able to mitigate the deficiency immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee immediately replaced the bolts on the flame arrester. Compliance achieved.
40	EOG Resources Canada Inc.	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 16, 2007	13-26-021-23W4 Wheatland County	Operations were not suspended as licensee immediately corrected the deficiency. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee replaced the missing bolts. Compliance achieved.
41	EOG Resources Canada Inc.	Field Surveillance/Pipelines	Failure to follow the requirements for marking of pipelines inside a controlled area. Mechanical excavation takes place within 5 m of an existing pipeline prior to hand exposure. Proper procedures not being followed.	January 22, 2007	06-05-023-07W4 Special Area 2 (near Deer River)	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee will not move onto lease unless the location has been properly surveyed and marked. Compliance achieved.

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42	EOG Resources Canada Inc.	Field Surveillance/Drilling Waste	Failure to obtain landowner approval for off-site drilling waste disposal.	January 23, 2007	06-28-031-26W4 Kneehill County	Operations were not suspended as activity was completed before the EUB received the complaint.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee contacted the landowner to discuss activities and the landowner is satisfied.  Compliance achieved.
43	EOG Resources Canada Inc.	Resources Applications/Waterflood Schemes	Failure to commence injection.	January 25, 2007	00/02-06-032-024W4/0 Twining Rundle A Pool Approval No. 10513 Kneehill County	Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Injection commenced.  Compliance achieved.
44	EOG Resources Canada Inc.	Field Surveillance/Pipelines	Pipeline specification – Environment code is different from that stated on licence. (Environment code does not indicate creek crossing.)	January 30, 2007	11-05-075-09W6 County of Grande Prairie	Operations were not suspended as licensee amended pipeline licence to reflect correct environmental code.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
45	Fort Hills Energy Corporation	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	January 9, 2007	102/13-01-097-10W4/0 102/15-04-097-10W4/0 102/07-07-097-09W4/0 102/01-30-096-09W4/0 Regional Municipality of Wood Buffalo	Licences cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.

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46	Grand Petroleum Inc.	Field Surveillance/Pipelines	Failure to notify appropriate EUB Field Centre. (Failure to notify the EUB of contact damage to a pipeline.) Noncompliant with other EUB requirements. (Grand Petroleum Inc. is not a member of Alberta One Call)	January 10, 2007	06-19-035-06W4 Special Area 4 (near Consort)	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee joined Alberta One Call. Compliance achieved.
47	Grand Petroleum Inc.	Field Surveillance/Pipelines	Abandoned pipeline – Not physically isolated/disconnected.	January 10, 2007	14-23-041-14W4 Flagstaff County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee disconnected pipeline from the in-service pipeline. Compliance achieved.
48	Harvest Operations Corp.	Field Surveillance/Pipelines	Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	January 18, 2007	10-22-048-09W4 County of Minburn	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee will locate and expose the pipeline to repair the damage. Compliance achieved.
49	Harvest Operations Corp.	Field Surveillance/Drilling Waste	Disposal is closer than allowable limits to surface water.	January 18, 2007	11-19-048-01W4 County of Vermilion River	Operations were not suspended as the drilling mud had already been landspread. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee removed all drilling fluids from the site and hauled the drilling fluids to a remote sump for disposal. Compliance achieved.

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50	Harvest Operations Corp.	Facilities Applications/Wells Technical	Failure to acquire the abandoned wellbore rights.	January 24, 2007	100/13-03-087-10W5/2 Northern Sunrise County	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
51	Highpine Energy Ltd.	Field Surveillance/Drilling Operations	Secondary degasser not ready for service and fully connected.	January 8, 2007	09-34-047-11W5 Brazeau County	Operations were not suspended as drilling activity was completed. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee connected the hose after the inspection. Compliance achieved.
52	Highpine Energy Ltd.	Field Surveillance/Drilling Operations	Secondary degasser not ready for service and fully connected.  Accumulator system not equipped with two separate automatic pressure-controlled recharge (primary and secondary) pumps for well classes V and VI and critical sour wells.	January 9, 2007	07-31-046-10W5 Brazeau County	Operations were not suspended as drilling was completed. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee connected the hose after the inspection. Licensee will double check that the accumulator systems are equipped with the dual re-charge pumps. Compliance achieved.
53	Highpine Oil and Gas Limited	Well Operations/Non Routine Well Abandonment	Failure to obtain approval for a nonroutine abandonment operation prior to beginning work.	January 4, 2007	16-19-065-03W6/3 M.D. of Greenview	Operations suspended. Provided a plan to correct the noncompliance and prevent future occurrences. Licensee obtained approval for the proper abandonment. Compliance achieved.

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54	Husky Oil Operations Limited	Field Surveillance/Gas Facilities	No tank dike where required.	January 5, 2007	16-09-022-06W5 Kneehill County	Operations were not suspended as the licensee had already installed a dike by the time the licensee confirmed the contents and structure design of the tank.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
55	Imperial Oil Resources	Environment/Oilfield Waste Generator	The conditions were not followed as per the one-time approval issued for the management of oilfield waste.	January 26, 2007	03-23-046-02W5 County of Wetaskiwin	Suspension at the audited location was not deemed appropriate as operations were completed in 2005.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee committed to providing in depth information on how noncompliance indicated in the Enforcement letter would be addressed for future applications of the technology used in the audited pilot project.  Compliance achieved.
56	Iteration Energy Ltd.	Field Surveillance/Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	January 9, 2007	05-05-070-15W4 Lakeland County	Operations not suspended as the tanks were scheduled for testing on January 22, 2007.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee tested the underground tanks and the tanks passed the integrity test.  Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
57	Luke Energy Ltd.	Resources Applications/Waterflood Schemes	Failure to commence injection. Failure to meet conditions of approval. (commencement of injection prior to meeting <i>Directive 051</i> requirements)	January 2, 2007	02/01-09-031-23W4/2 Twining Lower Mannville B Pool Approval No. 10469A Kneehill County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Directive 051 requirements met, injection commenced. Data integrity issues to be resolved.
58	Milagro Energy Inc.	Environment/Drilling Waste Audits	All appropriate waste sampling, preparation and testing not conducted according to requirements. Disposal method not conducted as outlined in <i>Directive 050</i> .	January 9, 2007	06-29-063-09W5 Woodlands County	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2005. Licensee provided a plan which addressed how drilling waste disposal activities will be monitored and documented in the future. Compliance achieved.
59	Milagro Energy Inc.	Field Surveillance/Gas Operations	H <sub>2</sub> S emissions off lease.	January 27, 2007	06-35-079-09W6 Saddle Hills County	Operations were not suspended as noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee immediately repaired thief hatch on the production tank. Compliance achieved.
60	Newcast Energy Corp.	Facilities Applications/Wells Technical	Failure to acquire the abandoned wellbore rights.	January 3, 2007	06-18-072-17W4/2 County of Athabasca	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
61	Nexen Inc.	Field Surveillance/Gas Facilities	Underground tanks were not tested at the required three year frequency/operator cannot demonstrate tank integrity.	January 30, 2007	10-02-026-29W4 M.D. of Rockyview	Operations were not suspended as it may result in an increased impact/hazard to the environment and/or the public. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Integrity testing was completed and the tanks passed the test. Compliance achieved.
62	Nuvista Energy Ltd.	Field Surveillance/Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	January 16, 2007	14-04-078-06W6 M.D. of Spirit River	Operations were not suspended as this noncompliance poses no immediate or potential impact/hazard to the environment or the public. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee installed the required pipeline signage. Compliance achieved.
63	Paramount Resources	Field Surveillance/Drilling Operations	Blowout preventers or hydraulically control release valve on the diverter/bleed-off line failed to operate from the floor position.	January 15, 2007	02-11-122-03W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee replaced and tested the hydraulically control release valve. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
64	Paramount Resources Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 11, 2007	00/10-09-064-05W6/0 M.D. of Greenview	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
65	Penn West Petroleum Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 29, 2007	00/11-27-034-01W4/0 Special Area 4 (near Altaria)	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
66	Petrobank Energy and Resources Ltd.	Field Surveillance/Oil Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	January 16, 2007	06-25-020-21W4 Vulcan County	Operations were not suspended as licensee emptied the underground tank and the tank will be monitored and emptied daily until the tank passes an integrity test. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The tanks were integrity tested. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
67	Petro-Canada	Field Surveillance/Pipelines	Poor construction practices resulting in failure within one year's service/operation.	January 2, 2007	08-04-052-22W5 Yellowhead County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee has repaired the pipeline and provided a non-frozen dry fill for the ditch to control settlement. Compliance achieved.
68	Primewest Energy Inc.	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 4, 2007	06-25-077-11W6 Saddle Hills County	Operations were not suspended as the noncompliance item was corrected at the time of inspection. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee immediately replaced the missing bolts on the flame arrester. Compliance achieved.
69	Primewest Energy Inc.	Geology and Reserves/Oil Overproduction	Failure to retire all cumulative overproduction in the time provided.	January 11, 2007	02/04-07-013-14W4/0 M.D. of Taber	Operations were not suspended as the overproduction status was retired on August 31, 2006. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
70	Progress Energy Ltd.	Field Surveillance/Gas Facilities	Spill on/off lease not adequately controlled or cleaned up.	January 15, 2007	11-26-067-05W6 M.D. of Greenview	Operations were not suspended as licensee immediately cleaned up the spill. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
71	Real Resources Inc.	Resources Applications/ Waterflood Schemes	Inadequate Voidage Replacement Ratios (VRR)	January 4, 2007	Virginia Hills Nisku A Pool Approval No. 10388	Operations were not suspended as licensee submitted an application to amend Annual VRR requirement. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Monthly VRR restored to 1.0 or greater. Compliance achieved.
72	Rider Resources Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	January 29, 2007	02/09-13-048-09W5/0 Brazeau County	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
73	Silverwing Energy Inc.	Facilities Applications/Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	January 25, 2007	100/10-01-054-06W5/0 Lac Ste. Anne County	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
74	Suncor Energy Inc.	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	January 3, 2007	06-03-077-11W6 Saddle Hills County	Operations were not suspended as the noncompliance item was corrected at the time of inspection. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
75	Suncor Energy Inc.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	January 11, 2007	1AB/01-14-091-10W4 1AA/03-14-091-10W4 1AA/08-14-091-10W4 1AA/10-14-091-10W4 1AA/12-13-091-10W4 1AC/11-14-091-10W4 1AA/04-23-091-10W4 1AA/15-02-092-11W4 1AA/13-01-091-11W4 1AA/10-01-092-11W4 Regional Municipality of Wood Buffalo	Licences cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
76	Talisman Energy Inc.	Facilities Applications/Participant Involvement	Failure to disclose to the EUB any outstanding public/industry objections/concerns, whether they are received prior to or after filing of the application or whether the party is inside or outside the minimum contact radius of personal consultation and notification.	January 11, 2007	16-08-019-02W5 M.D. of Foothills	Licence not granted until landowner's concerns were resolved. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
77	Thunder Energy Inc.	Field Surveillance/Gas Facilities	Dilution gas volumes not measured. Flame-type equipment without workable flame arrester less than 25 m from a process vessel. Underground tank(s) not tested at the required three-year frequency/operator cannot demonstrate tank integrity. ERP manual not updated yearly, exercises not conducted, or details not documented.	January 30, 2007	11-16-044-18W4 County of Camrose	Operations were not suspended as this is an acid gas injection plant that flares infrequently during plant upsets. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee immediately replaced the bolt on the flame arrester. Licensee conducted tank integrity tests which were verified and submitted to EUB. Inspection incomplete. (Deadline has been extended until May 31, 2007)
78	Trilogy Energy Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire all cumulative overproduction in the time provided.	January 11, 2007	00/05-29-064-18W5/2 M.D. of Greenview	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to correct the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
79	True Energy Inc.	Facilities Applications/Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	January 8, 2007	06-36-046-04W5 County of Wetaskiwin	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
80	Vault Energy Inc.	Resources Applications/Waterflood Schemes	Failure to commence injection.	January 18, 2007	00/08-23-033-26W4/0 00/07-26-033-26W4/2 00/04-35-033-26W4/0 00/15-03-034-26W4/2 00/07-10-034-26W4/2 Wimborne D-2B Pool Approval No. 8437 Kneehill County	Licensee provided an action plan to correct the noncompliance and to prevent future occurrences. Surveillance suggests action plan was not being met. Discussions are ongoing.

If you require further information, contact Customer Contact Centre, (403) 297-8311 or eub.inquiries@eub.ca.

High Risk Enforcement Action 2 (Persistent Noncompliance) <sup>2</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Enerplus Resources Corporation	Field Surveillance/Pipelines	The status of crossing agreements is unsatisfactory.  Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory.	January 26, 2007	04-31-017-12W4  County of Newell	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee obtained crossing agreement.  Owner of the pipeline has witnessed the crossing.  Licensee met with EUB to review action plan.  Compliance achieved.
2	EOG Resources Canada Inc.	Facilities Applications/Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	January 3, 2007	02-09-030-10W4  04-09-030-10W4  Special Area 2 (near Richdale)	Licences cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
3	Husky Oil Operations Limited	Field Surveillance/Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	January 16, 2007	11-27-028-20W4  Kneehill County	Operations were not suspended as licensee committed to emptying the tanks each day.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  The tanks were integrity tested and the tanks passed the test.  Licensee met with EUB to review action plan.  Compliance achieved.

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High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) <sup>3</sup>						
#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Husky Oil Operations Limited	Field Surveillance/Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Proper procedures were not followed. (Husky failed to follow Ground Disturbance procedures.)	January 31, 2007	15-17-045-06W4 M.D. of Wainwright	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee identified and marked the pipeline.  Licensee met with EUB to review action plan.  Compliance achieved.
2	Whitesands Insitu Ltd.	Field Surveillance/Oil Facilities	Spills on/off lease not adequately controlled/cleaned up.	January 3, 2007	15-12-077-09W4 Regional Municipality of Wood Buffalo	Operations were not suspended as there was no imminent adverse effect to public safety and/or the environment.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee cleaned up and removed the bitumen.  Licensee met with EUB.  Inspection incomplete. (Deadline extended to May 31, 2007.)

If you require further information, contact Customer Contact Centre, (403) 297-8311 or eub.inquiries@eub.ca.

Low Risk Enforcement Action – Global REFER Summary <sup>4</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Follow-up
	None					

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Follow up
	None					

If you require further information, contact Customer Contact Centre, (403) 297-8311 or [eub.inquiries@eub.ca](mailto:eub.inquiries@eub.ca).

## ENDNOTES

### <sup>1</sup> **Directive 019 – High Risk Enforcement Action 1 Summary**

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

### <sup>2</sup> **Directive 019 – High Risk Enforcement Action 2 (Persistent Noncompliance) Summary**

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

### <sup>3</sup> **Directive 019 – High Risk Enforcement Action 3 Summary**

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

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

### <sup>4</sup> **Directive 019 – Low Risk Enforcement Action – Global Refer Summary**

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

### <sup>5</sup> **Legislative/Regulatory Enforcement Action Summary**

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