



EUB Monthly Enforcement Action Summary

February 2007

ALBERTA ENERGY AND UTILITIES BOARD
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High Risk Compliance Category Statistics				
EUB	Compliance Category	February 2007		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	40	4	90%
	Facilities Technical	5	1	80%
	Pipelines/Pipeline Installations Technical	16	0	100%
	Wells Technical	43	8	81%
Resources Applications Group Enforcement and Surveillance Section	Enhanced Recovery Schemes	12	2	83%
Sub Total		116	15	87%
Compliance and Operations Branch				
Operations Group Production Operations Section	Production	5	0	100%
Sub Total		5	0	100%
Public Safety/Field Surveillance Branch				
	Drilling Operations	42	2	95%
	Well Servicing	30	0	100%
	Oil Facilities	315	13	96%
	Gas Facilities	299	10	97%
	Pipelines	168	15	91%
	Drilling Waste	15	4	73%
	Well Site Inspections	236	3	99%
Sub Total		1105	47	96%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	595	0	100%
Sub Total		595	0	100%
Total Audit/Inspections High Risk		1821	62	96.6%

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

High Risk Enforcement Action 1¹

#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
1	Action Energy Inc.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	February 26, 2007	100/09-29-048-01W4/0 County of Vermillion River	Licence suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
2	Apache Canada Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off-lease.	February 1, 2007	14-12-116-06W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Produced water tank was temporarily taken out of service and engineering upgrades have been scheduled to be completed by July 1, 2007 to handle the vapours generated from the increased water volumes which caused the off-lease emissions. Compliance achieved.
3	ARC Resources Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application. Failure to meet the coal notification requirements prior to filing the application.	February 2, 2007	100/16-24-036-24W4 100/05-24-036-24W4 100/13-24-036-24W4 Red Deer County	No cancellations or suspension as the audit was conducted as a result of a request for cancellation submitted by ARC. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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4	Barnwell of Canada, Limited	Field Surveillance/ Pipelines	Pipeline was found not left in safe condition. (Pipeline has not operated for more than a year and has not been properly suspended/ discontinued)	February 28, 2007	11-18-089-08W5 M.D. of Opportunity	Operations were not suspended as the pipeline was already shut in. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Work to properly abandon the pipeline was delayed due to weather conditions in the area and access. The work is currently still underway and will be completed (including the licence status amendment) prior to the end of June. An extension to June 29, 2007 has been granted.
5	Bonavista Petroleum Ltd.	Field Surveillance/ Oil Facilities	No tank dike where required. Emergency Response Plan manual not updated yearly, exercises not conducted, or details not documented.	February 1, 2007	04-03-030-02W5 Mountain View County	Operations were not suspended, increased monitoring was implemented until secondary containment provided. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Secondary containment installed. ERP manual was updated. Compliance achieved.
6	Bonavista Petroleum Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.	February 2, 2007	14-24-029-03W5 Mountain View County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.

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7	Bonavista Petroleum Ltd.	Field Surveillance/ Pipelines	Internal corrosion control – no monitoring and mitigation in corrosive environment.	February 6, 2007	13-20-086-25W5M M.D. of Northern Lights	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee implemented pigging and corrosion inhibitor chemical program. Compliance achieved.
8	Bonavista Petroleum Ltd.	Field Surveillance/ Oil Facilities	Underground storage tank not tested at the required three year frequency/ operator cannot demonstrate tank integrity.	February 27, 2007	08-24-029-03W5 Mountain View County	Operations were not suspended. The underground storage tank passed an integrity test before the enforcement was issued. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
9	Breaker Energy Ltd.	Field Surveillance/ Well Site Inspections	Lease not diked where required.	February 27, 2007	08-07-071-14W5 M.D. of Big Lakes	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. An impervious dike has been installed at the site. Compliance achieved.

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#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
10	Brigus Resources Ltd.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	02/05-03-046-13W4/0 Flagstaff County	<p>Licensee suspended operations. No potential for cross contamination into other zones.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Licensee determined the source of the water and submitted water analysis. Water analysis rejected by EUB; licensee must resample and submit a new water analysis. Need for mitigation plan to be based upon evaluation of new water analysis.</p>
11	Burlington Resources Canada Ltd.	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/cleaned up.	February 23, 2007	13-35-47-10W5 Brazeau County	<p>Operations were not suspended because there was no off lease environmental impact or public safety issues.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Waste material was removed and disposed of according to requirements.</p> <p>Compliance achieved.</p>

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12	Burlington Resources Canada Ltd.	Field Surveillance/ Pipelines	External corrosion control/cathodic surveys – No records of survey results. Pipeline sign missing or defaced on both sides of a crossing.	February 26, 2007	06-16-046-09W4 M.D. of Wainwright	Operations were not suspended as the noncompliances were corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Adjustments have been made to ensure proper documentation of annual surveys and follow up work will be retained on file. Burlington will complete a Cathodic Protection Annual Survey by August 2007. Due to spring road and lease conditions signs will be replaced where necessary by May 31, 2007. Compliance achieved.
13	Cabrera Resources Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	February 20, 2007	13-14-039-06W4 M.D. of Provost	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The igniter on the flare was repaired. Compliance achieved.

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#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
14	Canadian Natural Resources Limited	Field Surveillance/ Drilling Waste	Non compliant with other EUB requirements. (Failure to obtain landowner approval for off-site waste disposal)	February 7, 2007	13-14-082-14W4 Regional Municipality of Wood Buffalo	Operations were not suspended because the concern was recently received and the drilling waste disposal occurred in February 2006. Licensee provided a plan to correct the noncompliance and prevent future occurrences. There were no hydrocarbon contamination issues with the drilling fluids that were disposed of. CNRL revised its Standard Operating Procedures. Compliance achieved.
15	Canadian Natural Resources Ltd.	Field Surveillance/ Pipelines	Damage by others - Proper procedures were not followed.	February 28, 2007	06-15-059-09W5 Woodlands County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee repaired the pipeline. Compliance achieved.
16	Canyon Oil and Gas Corporation	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/11-04-017-10W4/0 00/07-09-017-10W4/0 Cypress County	The requirement for suspension of operations will be determined upon review of the water analysis. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee determined the source of the water and submitted water analysis. Water analysis rejected by EUB; licensee resampled and submitted a new water analysis, currently under review. Licensee to develop a mitigation action plan with the EUB's assistance upon acceptance of the water analysis.

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#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
17	Capitol Energy Resources Ltd.	Field Surveillance/ Pipelines	Pressure Testing – Test medium/disposal unsatisfactory. Safety precautions unsatisfactory. (Capitol did not install a blind flange on a valve, nor was the valve closed)	February 12, 2007	13-24-086-01W6 M.D. of Northern Lights	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee will ensure operators follow pressure testing procedures. Compliance achieved.
18	Celtic Exploration Ltd.	Resources Applications/ Waterflood Schemes	Failure to meet conditions of approval (commencement of injection prior to written approval of <i>Directive 051</i> requirements.)	February 16, 2007	00/06-15-081-09W5/2 Utikuma Lake Keg River Sandstone N Pool Approval No. 7837	Operations were not suspended as licensee received written confirmation that <i>Directive 051</i> requirements were met prior to the enforcement. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
19	Celtic Exploration Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	February 22, 2007	11-36-028-07W4 Special Area 3, near Brosten Reservoir	Operations were not suspended because Celtic will empty the tanks daily. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee tested the underground tank and the tank passed the integrity test. Compliance achieved.
20	Centrica Canada Limited	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/08-21-030-17W4/0 Starland County	Licensee suspended operations. No potential for cross contamination onto other zones. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee submitted water analysis. Compliance achieved.

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21	Chamaelo Exploration Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	February 15, 2007	05-22-047-11W5 Brazeau County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
22	ConocoPhillips Canada Resources Corp.	Field Surveillance/ Pipelines	Abandoned Pipeline – Not physically isolated/disconnected. Abandoned Pipeline – Not cleaned/purged and left in a safe condition. Pipeline sign missing or defaced on both sides of a crossing. Test medium/disposal unsatisfactory.	February 28, 2007	04-19-024-12W4 11-07-026-13W4 Special Area 2 (near Pollickville)	Operations were not suspended as there was no potential impact/hazard to the environment or the public. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Line 02 on licence 15392 has been physically isolated and abandoned. Line 12 on licence 22767 has been cleaned and purged with air and left in a safe condition. Missing signs were replaced. Compliance achieved.

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23	Cork Exploration Inc.	Field Surveillance/ Gas Facilities	<p>Non compliant with other EUB requirements. (-Decision tree process not completed for new, existing, and temporary flares, incinerators, and vents as required.</p> <p>-Liquid separation equipment must be provided in both temporary and permanent flare and incinerator systems.</p> <p>-High-level alarms and facility shutdowns must be installed on all flare and incinerator separators where liquid streams are directed to the separator for storage or where free liquids are contained in continuously combusted streams.</p> <p>-All flared and vented gas must be reported.)</p>	February 27, 2007	07-32-49-10W5 Brazeau County	<p>Operations suspended.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>The flare volumes have been reported, a high level shut down has been installed on the flare knock out, the flare decision tree is complete, and the facility license has been amended to include the flare.</p> <p>Compliance achieved.</p>

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24	Culane Energy Corp.	Field Surveillance/ Drilling Operations	<p>STICK diagram did not contain all of the required information.</p> <p>Monitoring system not equipped with an alarm set to detect a change of +/- 2 m³ in total tank fluid volume.</p>	February 21, 2007	09-09-46-12W4 Beaver County	<p>Operations were not suspended as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Culane ensured the alarms are active. An updated STICK Diagram was provided.</p> <p>Compliance achieved.</p>
25	Culane Energy Corp.	Field Surveillance/ Oil Facilities	<p>Flame type equipment without workable flame arrester less than 25 m from a process vessel.</p> <p>Non compliant with other EUB requirements. (Failure to complete the required economic evaluation for gas conservation.)</p>	February 21, 2007	02-16-046-12W4 Beaver County	<p>Operations suspended.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>All flame arrester plates were checked and properly fastened. Culane initiated a gas conservation project.</p> <p>Compliance achieved.</p>
26	Daylight Energy Ltd.	Field Surveillance/ Gas Facilities	Dilution gas volumes not measured.	February 22, 2007	05-36-061-18W5 M.D. of Greenview	<p>Operations were not suspended as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Dilution gas meter in service and being used to calculate volumes.</p> <p>Compliance achieved.</p>

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27	Devon Canada Corporation	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 2, 2007	06-26-076-01W6 Birch Hills County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
28	Devon Canada Corporation	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	February 6, 2007	100/13-26-096-10W6/0 M.D. of Clear Hills	Licence suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
29	Devon Canada Corporation	Facilities Applications/Wells Technical	No rights to substance(s) for the intended formation(s).	February 22, 2007	100/13-20-051-04W4/0 County of Vermilion River	Licence was not suspended or cancelled. Licensee has amended the licence. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
30	Devon Canada Corporation	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 27, 2007	10-36-038-08W5 Clearwater County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee has replaced the wing nuts. Compliance achieved.

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#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
31	Direct Energy Marketing Limited	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/05-03-061-23W4/0 County of Thorhild	<p>The requirement for suspension of operations will be determined upon review of the water analysis.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Licensee submitted water analysis. Water analysis rejected by EUB.</p> <p>Licensee resampled and submitted a new water analysis, currently under review. Need for mitigation plan to be based upon evaluation of new water analysis.</p>
32	Dolomite Energy Inc.	Facilities Applications/ Wells Technical	Incomplete drilling spacing unit for the intended formation(s).	February 1, 2007	100/16-28-086-13W5/0 Northern Sunrise County	<p>Licence cancelled.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
33	Duvernay Oil Corp.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure after one year's service/operation.	February 5, 2007	07-25-056-26W5 Yellowhead County	<p>Operations suspended.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>The failed section of pipeline was removed, inspected and replaced with a new section of pipeline.</p> <p>Compliance achieved.</p>

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34	EnCana Corporation	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	February 13, 2007	16-05-040-03W4 M.D. of Provost	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee installed a different style of thief hatch. Compliance achieved.
35	EnCana Corporation	Resources Applications/ Waterflood Schemes	Failure to commence injection.	February 14, 2007	00/06-07-048-07W4/0 03/07-07-048-07W4/0 County of Vermillion River 03/01-12-048-08W4/0 03/08-12-048-08W4/0 County of Minburn	Licensee provided a plan to correct the noncompliance and prevent future occurrences. Injection at the four noncompliant wells commenced and appropriate well status reports have been submitted. Compliance achieved.
36	Enermark Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel. Pilot/ignition device not available/operable.	February 8, 2007	04-02-079-11W6 Saddle Hills County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The flare was relit. Compliance achieved.

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37	Enterra Energy Corp.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	February 27, 2007	16-10-037-01W5 Red Deer County	Operations suspended Licensee provided a plan to correct the noncompliance and prevent future occurrences. Containers were emptied and spill was cleaned up. Compliance achieved.
38	Esprit Exploration Ltd.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/01-36-011-11W4/0 County of Forty Mile	Licensee segregated and abandoned each zone. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee determined the source of the water and submitted water analysis. Compliance achieved.
39	Evolve Exploration Ltd.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	February 14, 2007	100/06-02-008-12W4/0 County of Forty Mile	License cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
40	Great Plains Exploration Inc.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	03/12-18-034-09W4/0 Special Area 4, near Kirkpatrick Lake	The requirement for suspension of operations will be determined upon review of the water analysis. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee submitted water analysis, currently under review. Licensee to develop a mitigation action plan with the EUB's assistance upon acceptance of the water analysis.

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41	Harvest Operations Corp.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure after one year's service/operation.	February 15, 2007	11-05-041-12W4 Flagstaff County	Operations suspended Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee removed and replaced the pipeline. Compliance achieved.
42	Harvest Operations Corp.	Field Surveillance/ Drilling Waste	Drilling waste disposal is closer than allowable limits to surface water.	February 16, 2007	13-21-048-01W4 County of Vermilion River	Operations were not suspended due to the fact that the drilling mud had been spread in early January. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
43	Harvest Operations Corp.	Facilities Applications/Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy	February 23, 2007	100/11-05-043-05W5/0 Clearwater County	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
44	Husky Oil Operations Limited	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	February 9, 2007	100/14-06-053-01W4/0 County of Vermilion River	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
45	Husky Oil Operations Limited	Waterflood Schemes/ Resources Applications	Failure to commence injection.	February 23, 2007	00/08-01-039-03W4/0 Provost Lloydminister X & Cummings N Pools Approval No. 9696 M.D. of Provost	Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee submitted an application to remove the 8-1 well from the list of approved injectors. Compliance achieved.

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46	Iteration Energy Ltd.	Field Surveillance/ Oil Facilities	Flame type equipment without workable arrestor located within 25 m of a process vessel.	February 7, 2007	05-28-049-02W4 County of Vermillion River	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee replaced the missing bolts and gasket. Compliance achieved.
47	K-Town Holdings Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 1, 2007	01-20-049-06W4 County of Vermillion River	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee implemented a new preventative maintenance program. Compliance achieved.
48	Meg Energy Corp.	Field Surveillance/ Drilling Waste	Wastes are not contained by pits or berms and there is potential for off-lease migration.	February 20, 2007	07-13-076-08W4 Regional Municipality of Wood Buffalo	Operations were not suspended due to the frozen nature of the product and the commitment from Meg that the drilling waste in question will be disposed to an approved third party facility. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The solids were tested and removed and will be disposed of appropriately in a Class II landfill cell. Compliance achieved.

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49	Midnight Oil Exploration Ltd.	Facilities Applications/ Participant involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	February 28, 2007	100/07-31-070-09W6/0 County of Grande Prairie	<p>License not cancelled or suspended as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
50	Nexen Inc.	Field Surveillance/ Drilling Operations	Accumulator pressure dropped below 8400 kPa after function test (of all required blowout preventer components) with the recharge pump off.	February 7, 2007	10-26-084-07W4 Regional Municipality of Wood Buffalo	<p>Operations suspended.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>The diverter line was secured before the EUB representative left the lease.</p> <p>Compliance achieved.</p>
51	Nuvista Energy Ltd.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/09-14-028-03W4/0 00/08-04-028-05W4/0 00/11-11-028-05W4/0 00/10-27-028-05W4/0 00/16-28-028-05W4/0 00/16-03-029-05W4/0 00/09-33-029-05W4/0 Special Area 3, near Oyen	<p>Licensee provided a plan to correct the noncompliance and prevent future occurrences</p> <p>Licensee determined the source of the water and submitted water analysis.</p> <p>9-14: Water analysis rejected by EUB; licensee must resample and submit a new water analysis. Licensee to develop a mitigation action plan with the EUB's assistance upon acceptance of the water analysis. The requirement for suspension of operations will be determined upon review of the water analysis.</p> <p>8-4, 11-11, 10-27, 16-28, 16-3 and 9-33: single zone completions, EUB accepted proposal to continue production.</p> <p>Compliance achieved.</p>

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52	Nuvista Energy Ltd.	Field Surveillance/ Well Site Inspections	Non compliant with other EUB requirements. (Failure to demonstrate integrity for underground single wall produced water tank)	February 22, 2007	100/11-36-028-07W4M Special Area 3, near Brosten Reservoir	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee tested the underground tank and the tank passed the integrity test. Compliance achieved.
53	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	The status of crossing agreements is unsatisfactory. Machine working within 60 cm without authorization from the owner of the existing crossing. Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory. Damage by others – Proper procedures were not followed.	February 21, 2007	15-32-087-12W5 Northern Sunrise County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The line was abandoned. Licensee implemented a site-supervisor competency program for supervisors of ground disturbance activities. Compliance achieved.
54	Pioneer Natural Resources Canada Inc.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	February 6/7, 2007	01-22-029-24W4, 15-15-029-24W4, 13-12-029-24W4, 08-24-029-24W4, 13-14-029-24W4, 10-15-029-24W4 Kneehill County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Signs have been installed. Compliance achieved.

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

High Risk Enforcement Action 1 ¹						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
55	ProspEx Resources Ltd.	Facilities Applications/ Facilities Technical	Failure to meet the spacing requirements in the facility design.	February 28, 2007	00/06-15-032-05W5M Mountain View County	Licence and site operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
56	Quicksilver Resources Canada 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.	February 22, 2007	6-27-37-20W4 County of Stettler	Application was closed prior to granting approval. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
57	Rockyview Energy Inc.	Field Surveillance/ Pipelines	Pipelines not left in safe condition. (Lines have been shut-in for approximately 5 years and no steps have been taken to properly discontinue the lines.) Internal corrosion control – no records in corrosive environment.	February 26, 2007	16-05-042-23W4 07-22-043-24W4 Ponoka County	Operations were not suspended as the pipelines were already shut-in. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Investigation is continuing at this time. Deadline has been extended to June 7, 2007.
58	Sentinel Rock Oilsands Corporation	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	February 6, 2007	100/07-16-083-23W4/0 M.D. of Opportunity	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 ¹						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
59	Sentinel Rock Oilsands Corporation	Field Surveillance/ Drilling Waste	Disposal Method - Sump located in porous/coarse soil. Disposal Method - Site is unsuitable for the disposal option.	February 15, 2007	07-16-083-23W4 M.D. of Opportunity	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Removal of all waste materials from the sump location was completed and the area was fully cleaned. Compliance achieved.
60	SET Resources Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 2, 2007	04-24-077-02W6 Birch Hills County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
61	Shiningbank Energy Ltd.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	February 13, 2007	04-08-041-07W5 Clearwater County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee contacted and notified all residents within required radius. Compliance achieved.
62	Strike Petroleum Ltd.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/15-24-032-10W4/0 Special Area 2, near Oldman Lake	Operations were not suspended and a mitigation plan was not required as produced water is saline. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee determined the source of the water and submitted water analysis. Compliance achieved.

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

High Risk Enforcement Action 1¹

#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
63	Suncor Energy Inc.	Field Surveillance/ Oil Facilities	Vapour recovery equipment inadequate/not operable.	February 21, 2007	09-11-095-06W4 Regional Municipality of Wood Buffalo	Operations were not suspended. Suncor took measures to stop venting of solution gas containing H ₂ S. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The temperature setpoint has been reduced to 50-55°C and the low flow setpoint of the pumps will be lowered. Vapour recovery unit to be installed mid 2008.
64	Trafina Energy Ltd.	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.	February 7, 2007	100/08-34-045-23W4/0 County of Wetaskiwin	Licence cancelled. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Compliance achieved.
65	True Energy Inc.	Resources Applications/ Groundwater Protection	Failure to notify EUB of water production above threshold.	February 5, 2007	00/09-31-009-07W4/0 00/04-32-009-07W4/0 County of Forty Mile 03/14-16-048-08W5/0 02/14-31-048-08W5/0 County of Minburn	Operations were not suspended as there was no potential for cross-contamination into other zones. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee submitted water analysis. Non-saline water production referred to Alberta Environment. Compliance achieved.

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High Risk Enforcement Action 1 ¹						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Response
66	West Energy Ltd.	Field Surveillance/ Oil Facilities	H ₂ S emissions off lease.	February 20, 2007	16-29-048-09-W5 Brazeau County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. The truck was emptied and the leaking drain connection was closed and secured. Compliance achieved.
67	Zapata Energy Corporation	Field Surveillance/ Gas Facilities	Emergency Response Plan manual not updated yearly, exercises not conducted, or details not documented.	February 13, 2007	11-35-026-01W5 M.D. of Rocky View	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Zapata conducted a successful tabletop/communications ERP exercise. Compliance achieved.
68	Zargon Oil & Gas Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing. Internal corrosion control – no monitoring and mitigation in corrosive environment.	February 22, 2007	04-28-008-17W4 05-01-008-17W4 M.D. of Taber	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Pipeline signs were replaced. Corrosion coupons were installed at eight locations to identify any corrosion occurring. Compliance achieved.

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High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Primewest Energy Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	February 7, 2007	2-18-031-27W4M Mountain View County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee met with EUB. Action plan was accepted. Compliance achieved.

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

High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) ³						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Enterra Energy Corp.	Field Surveillance/ Pipelines	Backfill procedures are unsatisfactory.	February 20, 2007	07-25-045-06W4 M.D. of Wainwright	Global Refer status. Issuance of Closure Order C 1087. Suspended licence. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Provided detailed engineering drawings. Impacted segments were replaced. Licensee met with EUB. Action plan was accepted. Compliance achieved.
2	Husky Oil Operations Ltd.	Field Surveillance/ Pipelines	Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure. Hand excavation requirements not followed.	February 21, 2007	16-04-105-02W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Pipeline was shut-in and depressurized. Licensee met with EUB. Action plan was accepted. Compliance achieved.
3	Husky Oil Operations	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	February 28, 2007	04-31-066-08W6 M.D. of Greenview	Focus Refer status. Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Pipeline was excavated back far enough to remove any stress and was repaired with pretested pipe and radiographed 100%. All contaminated soil was removed. Husky met with EUB. Compliance achieved.

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

Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	None					

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

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	EUB Group / Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Milagro Energy Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove that it has a valid entitlement to the right to produce the well.	February 6, 2007	07-03-048-22W4 County of Wetaskiwin	Global Refer status. Issuance of Closure Order C 1086. Suspended licence. Licensee provided a plan to correct the noncompliance and prevent future occurrences. Licensee abandoned the well and provided an acceptable action plan. Compliance achieved.
2	United Penn Oil & Gas, Ltd.	Corporate Compliance/ Corporate Profile Audit	Failed to prove to the satisfaction of the EUB that it is a resident of Alberta.	February 8, 2007	03-28-042-25W4 Ponoka County	Global Refer status. Issuance of Closure Order C 1086. Suspended licence. Required a plan to address the noncompliance and prevent future occurrences.

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

Endnotes

¹ **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.

² **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.

³ **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.

⁴ **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 for 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.

⁵ **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.