



EUB Monthly Enforcement Action Summary

March 2007

ALBERTA ENERGY AND UTILITIES BOARD
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High Risk Compliance Category Statistics				
EUB	Compliance Category	March 2007		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	39	7	82%
	Facilities Technical	5	3	40%
	Pipelines/Pipeline Installations Technical	40	0	100%
	Wells Technical	29	5	83%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Groundwater Protection	n/a	1	n/a
	Enhanced Recovery Schemes	12	3	75%
Subtotal		125	19	85%
Compliance and Operations Branch				
Environmental Group Waste and Storage Section	Drilling Waste Audits	6	0	100%
Subtotal		6	0	100%
Public Safety/Field Surveillance Branch				
	Drilling Operations	48	0	100%
	Well Servicing	25	0	100%
	Oil Facilities	274	6	98%
	Gas Facilities	256	6	98%
	Pipelines	170	17	90%
	Drilling Waste	18	2	89%
	Well Site Inspections	169	5	97%
	Waste Management	15	0	100%
Subtotal		975	36	96%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	594	12	98%
Subtotal		594	12	98%
Total Audit/Inspections High Risk		1700	67	96%

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

High Risk Enforcement Action 1 ¹						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
1	Adamant Energy Inc.	Field Surveillance/Pipeline Operations	Internal corrosion control – no records in corrosive environment. Internal corrosion control – no monitoring and mitigation in corrosive environment. Pipeline sign missing or defaced on both sides of a crossing.	March 14, 2007	07-29-084-04W6 M.D. of Clear Hills	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee has installed signs. Compliance achieved.
2	Advantage Oil & Gas Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 7, 2007	00/03-26-014-19W4/0 M.D. of Taber	Operations suspended. Licensee confirmed 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.
3	Alberta Clipper Energy Inc.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 5, 2007	06-20-038-04W5 Clearwater County	Licence not cancelled or suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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4	Alberta Clipper Energy Inc.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 7, 2007	03-28-058-01W5 County of Barrhead	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
5	Anterra Corporation	Field Surveillance/Oil Facilities	Underground tanks not tested at the required three year frequency/operator cannot demonstrate tank integrity.	March 5, 2007	10-35-047-04W5 Brazeau County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Integrity testing was completed and equipment repaired. Compliance achieved.
6	Apache Canada Ltd.	Field Surveillance/Gas Facilities	H ₂ S emissions off lease.	March 7, 2007	13-12-116-06W6 M.D. of Mackenzie	Operations were not suspended as licensee immediately mitigated the source of the odour. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
7	Apache Canada Ltd.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 7, 2007	14-07-016-27W4 M.D. of Willow Creek	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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8	Apache Canada Ltd.	Field Surveillance/Gas Facilities	Lease not diked where required.	March 21, 2007	09-14-030-27W4 Mountain View County	Suspension of operations was not required as licensee submitted documentation outlining steps to ensure that the water body is protected. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Apache Canada Ltd.	Facilities Applications/Facilities Technical	Failure to meet the spacing requirements in the facility design.	March 16, 2007	07-08-041-21W4 Lacombe County	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Artek Exploration Ltd.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 15, 2007	04-32-074-13W6 County of Grande Prairie	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Baytex Energy Ltd.	Field Surveillance/Well Operations	Residents within the required radius were not notified of flaring.	March 29, 2007	05-02-062-04W4 M.D. of Bonnyville	Operations were not suspended as the event was completed prior to EUB notification. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee met with EUB. Compliance achieved.

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12	Berens Energy Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 7, 2007	02/16-03-048-09W5/2 Brazeau County	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
13	Birchcliff Energy Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/06-11-077-05W6/0 M.D. of Spirit River	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>

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14	Breaker Energy Ltd.	Field Surveillance/Pipeline Operations	Internal corrosion control-no monitoring and mitigation in corrosive environment. Pipeline sign missing or defaced on both sides of a crossing.	March 8, 2007	04-16-035-03W4 Special Area 4 near Sounding Creek	Operations were not suspended as there was no imminent adverse effect to public safety and/or the environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee sampled and tested the pipeline for corrosion and found the tests to be satisfactory. Licensee will erect signs when ground is thawed. Compliance achieved.
15	Canadian Natural Resources Limited	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 12, 2007	16-01-060-05W4 M.D. of Bonnyville	Licence not suspended or cancelled as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
16	Canadian Natural Resources Limited	Field Surveillance/Well Operations	Oilfield waste materials not properly stored/contained.	March 13, 2007	15-26-063-17W4 Smoky Lake County	<p>Operations were not suspended as there was no imminent adverse effect to public safety and/or the environment.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee transferred the waste material to a waste landfill.</p> <p>Licensee sampled and analyzed oilfield waste which was removed and properly disposed. Sampling of lease soils indicated no negative impact.</p> <p>Compliance achieved.</p>
17	Canadian Natural Resources Limited	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	March 20, 2007	100/09-24-067-05W6/2 M.D. of Greenview	<p>Licence suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
18	Canetic Resources Inc.	Field Surveillance/Gas Facilities	Flame type equipment without workable flame arrester less than 25 m from a process vessel.	March 14, 2007	07-34-054-25W4 Sturgeon County	<p>Operations were not suspended as licensee immediately repaired equipment.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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19	Canyon Oil & Gas Corporation	Resources Applications/Groundwater Protection	Failure to immediately notify the EUB of water production above the threshold.	March 6, 2007	00/06-33-016-10W4/2 Cypress County	<p>The requirements for suspension of operations will be determined upon review of the water analysis.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>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.</p>
20	Celtic Exploration Ltd.	Field Surveillance/Pipeline Operations	External corrosion control/cathodic surveys – no records of survey results.	March 20, 2007	16-27-039-21W4 County of Stettler	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee will ensure a cathodic system is in place by July 1, 2007. EUB is currently reviewing the survey results.</p>

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21	Celtic Exploration Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/14-15-066-09W5/2 M.D. of Big Lakes	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
22	Compton Petroleum Corporation	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 7, 2007	00/08-32-050-08W5/0 Brazeau County	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>

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23	Connacher Oil and Gas Limited	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/12-10-031-23W4/2 Kneehill 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 address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
24	Cordero Energy Inc.	Facilities Applications/Facilities Technical	Failure to meet the spacing requirements in the facility design.	March 16, 2007	00/01-19-041-20W4 County of Camrose	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
25	Crescent Point General Partner Corp.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 7, 2007	00/01-14-088-10W6/0 M.D. of Clear Hills	Operations suspended. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
26	Cyries Energy Inc.	Operations/Directive 60 Economic Evaluation Audits	Failure to implement economic decision tree conservation projects/performance requirements.	March 26, 2007	09-25-109-05W6 M.D. of MacKenzie	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee is conserving the solution gas produced. Compliance achieved.
27	Devon Canada Corporations	Field Surveillance/Pipeline Operations	Poor construction practices resulting in failure within one year's service/operations.	March 5, 2007	09-16-087-07W5 M.D. of Opportunity	Operations were not suspended as the pipeline was shut-in. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee modified their backfill procedures. Compliance achieved.

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#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
28	Devon Canada Corporation	Resources Applications/Waterflood Schemes	<p>Failure to meet conditions of approval. (Commencement of injection prior to meeting Directive 051 requirements.)</p> <p>Failure to commence injection. (6-21, 16-30)</p>	March 6, 2007	<p>00/09-07-039-07W5/0</p> <p>00/10-15-039-07W5/0</p> <p>W0/13-16-039-07W5/0</p> <p>00/06-21-039-07W5/2</p> <p>00/16-30-039-07W5/0</p> <p>Ferrier Belly River Q, Cardium G & L Pools</p> <p>Approval No. 10228</p> <p>Clearwater County</p>	<p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>9-7, 10-15, & W0/13-6: Licensee confirmed that written confirmation of Directive 051 requirements has been received, injection has resumed or commenced, and appropriate well status reports and injection volumes have been submitted, as applicable.</p> <p>6-21/2: Licensee submitted an application to remove well from list of approved injectors.</p> <p>16-30: Licensee submitted an application to amend the injection date.</p> <p>Compliance achieved.</p>
29	Devon Canada Corporations	Field Surveillance/Pipeline Operations	<p>Internal corrosion control – no monitoring and mitigation in corrosive environment.</p> <p>Pipeline sign missing or defaced on both sides of a crossing.</p>	March 8, 2007	<p>08-36-075-12W6</p> <p>Saddle Hills County</p>	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee discontinued pipeline.</p> <p>Licensee immediately corrected the signage issue.</p> <p>Compliance achieved.</p>

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30	Dolomite Energy Inc.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	March 8, 2007	00/04-31-052-16W4/0 Lamont County	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Duniece Bros. Trucking Ltd.	Field Surveillance/Oil Facilities	Underground tank not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	March 1, 2007	07-28-068-20W4 County of Athabasca	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Integrity testing was completed and the tanks passed the test. Compliance achieved.
32	EnCana Corporation	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.	March 13, 2007	11-27-042-03W5 Ponoka County	Noncompliance found prior to licence approval; approval not issued until noncompliance addressed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	Encana Oil & Gas Company Ltd.	Field Surveillance/Pipeline Operations	Damage by others/Proper procedures were not followed.	March 6, 2007	02-17-015-07W4 Cypress County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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34	Enermark Inc.	Field Surveillance/Pipeline Operations	Marking of existing pipelines inside a controlled area is unsatisfactory. Damage by others/Proper procedures were not followed.	March 5, 2007	02-04-013-05W4 Cypress County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee will use non mechanical excavation in areas with a large number of pipelines. Compliance achieved.
35	Enerplus Resources Corporation	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 30, 2007	00/05-14-078-12W6/0 Saddle Hills County	Operations were not suspended. Cumulative overproduction status has been retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
36	Exalta Energy Inc.	Facilities Applications/Wells Technical	Failure to acquire the abandoned wellbore rights.	March 21, 2007	00/04-17-085-11W6/2 M.D. of Clear Hills	Licence cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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37	Galleon Energy Inc.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 2, 2007	00/16-10-077-26W5/0 Birch Hills County	Licence not suspended or cancelled as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
38	Highpine Oil & Gas Limited	Resources Applications/Waterflood Schemes	Failure to commence injection.	March 8, 2007	02/16-36-048-09W5/0 Pembina Nisku VV Pool Approval No. 10461 Brazeau County	Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Licensee has commenced injection. Compliance achieved.
39	Highview Resources Ltd.	Field Surveillance/Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel. Spill on/off lease not adequately controlled/cleaned up.	March 7, 2007	05-19-043-23W4 Ponoka County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee cleaned up the spill. Compliance achieved.
40	Husky Oil Operations Limited	Field Surveillance/Pipeline Operations	Poor construction practices resulting in failure within one year's service/operation.	March 29, 2007	05-31-038-02W4 M.D. of Provost	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee developed backfill procedures to support pipeline. Compliance achieved.

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41	Intrepid Energy Corporation	Field Surveillance/Drilling Waste	Failure to obtain landowner approval for off-site drilling waste disposal.	March 27, 2007	07-26-059-11W5 Woodlands County	<p>Operations were not suspended as disposal operations had been completed prior to inspection.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Landowner has been notified by the EUB that a noncompliance was issued and the landowner is satisfied.</p> <p>Compliance achieved.</p>
42	Kereco Energy Ltd.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/08-33-042-04W4/2 00/06-34-042-04W5/0 00/03-35-042-04W5/0 02/04-35042-04W5/0 Ponoka County	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
43	Kingsmere Exploration Ltd.	Facilities Applications/Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	March 14, 2007	00/01-30-073-03W5/0 M.D. of Lesser Slave River	<p>Licence cancelled.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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44	Mahalo Energy Ltd.	Field Surveillance/Oil Facilities	<p>Flame-type equipment without workable flame arrestor less than 25 m from a process vessel.</p> <p>Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.</p> <p>Spill on/off lease not adequately controlled/cleaned up.</p>	March 16, 2007	01-25-012-18W4 M.D. of Taber	<p>Operations were not suspended as licensee immediately cleaned up spill, underground storage tank was emptied and the cover on the flame arrestor was closed immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee repaired equipment on the flame arrestor.</p> <p>Integrity testing was completed and the tanks passed the test.</p> <p>Compliance achieved.</p>
45	Milestone Exploration Inc.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/04-17-013-21W4/2 Vulcan County	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>

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46	NAL Resources Limited	Field Surveillance/Pipeline Operations	Test medium/disposal unsatisfactory.	March 29, 2007	16-15-034-11W4 Special Area 2 near Craig Lake	<p>Operations were not suspended as this is an abandoned pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee cleaned up free fluids on site.</p> <p>Compliance achieved.</p>
47	Newalta Corporation	Field Surveillance/Pipeline Operations	<p>Maximum Operation Pressure is greater than that stated on licence and exceeds the manufacturer's rating of the pipe, valves, flanges, or fittings and connecting pipes.</p> <p>No operations and maintenance procedures manual, or not followed.</p>	March 22, 2007	01-25-018-14W4 County of Newell	<p>Operations were not suspended because the Maximum Operation Pressure (MOP) was only exceeded when the second pump was used but the licensee was able to operate the pipeline below the MOP by only using the one pump. Additionally, a high pressure shut down valve will be installed prior to using the second pump.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee has implemented a Pipeline Management Program.</p> <p>Licensee met with EUB.</p> <p>Compliance achieved.</p>

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48	Newalta Corporation	Field Surveillance/Pipeline Operations	No operations and maintenance procedures manual, or not followed. Pipeline sign missing or defaced on both sides of a crossing.	March 23, 2007	05-19-013-14W4 M.D. of Taber	Operations were not suspended as there was no imminent adverse effect to public safety and/or the environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee has implemented a Pipeline Management Program. Licensee put up signs on both sides of the road and will check monthly. Licensee met with EUB. Compliance achieved.
49	Newalta Corporation	Field Surveillance/Pipeline Operations	No operations and maintenance procedures manual, or not followed. External corrosion control/cathodic surveys – no records of survey results.	March 23, 2007	05-19-013-14W4 M.D. of Taber	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee has implemented a Pipeline Management Program. Licensee will implement a corrosion monitoring program. Licensee met with EUB. Pipeline will remain shut in until all the required information for this deficiency is received.

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50	Paramount Energy Operating Corp.	Field Surveillance/Pipeline Operations	Machine working within 60 cm without authorization from the owner of the existing crossing.	March 27, 2007	08-16-057-14W4 County of Two Hills	Operations were not suspended as the pipeline was abandoned. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee repaired the pipeline with the pipeline owner on site. Compliance achieved.
51	Pengrowth Corporation	Resources Applications/Waterflood Schemes	Failure to commence injection.	March 19, 2007	00/01-23-037-01W4/3 00/03-23-037-01W4/2 00/09-23-037-01W4/0 00/11-23-037-01W4/2 Provost Upper Mannville A Pool Approval No. 10099 M.D. of Provost	Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. 3-23/2, 9-23, & 11-23/2: injection commenced. Licensee submitted well status reports and injection volumes for the 3-23, 9-23 & 11-23 wells. 1-23/3 well is expected to be ready to commence injection by the end of July.

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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
52	Primary Petroleum Corporation	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 7, 2007	00/01-14-015-20W4/0 Vulcan County	<p>Operations suspended.</p> <p>Licensee confirmed well will remain shut in until all overproduction is retired.</p> <p>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
53	Primewest Energy Inc.	Field Surveillance/Pipeline Operations	Joining/radiograph is unsatisfactory.	March 1, 2007	10-11-049-01W5 Leduc County	<p>Operations were not suspended as licensee completed tests on pipeline.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>The pipeline tests were satisfactory.</p> <p>Compliance achieved.</p>
54	Primewest Energy Inc.	Field Surveillance/Pipeline Operations	<p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Hand excavation: Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p>	March 19, 2007	06-04-031-27W4 Mountain View County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee repaired the pipeline.</p> <p>Licensee met with EUB.</p> <p>Compliance achieved.</p>

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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
55	Quicksilver Resources Canada Inc.	Field Surveillance/Drilling Waste	Failure to obtain landowner approval for off-site drilling waste disposal.	March 13, 2007	14-36-034-25W4 Kneehill County	Operations were not suspended as landspraying operations have been completed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee contacted landowner. Compliance achieved.
56	Quicksilver Resources Canada Inc.	Field Surveillance/Well Operations	Lease not diked where required.	March 14, 2007	06-10-035-27W4 Red Deer County	Operations not suspended as licensee immediately corrected the noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Containment was installed underneath the on-site methanol tank. Compliance achieved.
57	Response Energy Corporation	Field Surveillance/Oil Facilities	H ₂ S emissions off lease.	March 29, 2007	06-32-055-25W4 Sturgeon County	Operations were not suspended as repairs were made immediately. Licensee provided a plan to address 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
58	Rise Resources Corp.	Field Surveillance/Oil Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	March 29, 2007	08-17-011-22W4 County of Lethbridge	Licensee suspended the operations of the tank and immediately took the tank out of service. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
59	Suncor Energy Inc.	Facilities Applications/Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	March 1, 2007	16-11-054-15W5 Yellowhead County	Licence not suspended or cancelled as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
60	Terroco Industries Ltd.	Field Surveillance/Well Operations	No tank dike where required.	March 14, 2007	03-29-038-20W4 County of Stettler	Operations were not suspended as there was no imminent adverse effect to public safety and/or the environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
61	True Energy Inc.	Field Surveillance/Gas Facilities	Underground tank(s) not tested at the required 3 year frequency/operator cannot demonstrate tank integrity.	March 13, 2007	05-01-036-28W4 Red Deer County	Operations were not suspended as tank integrity testing was completed immediately. Licensee provided a plan to address 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
62	Tusk Energy Inc.	Field Surveillance/Pipeline Operations	There is no documented monitoring or mitigation program in place and/or company is not following program.	March 30, 2007	16-34-072-05W6 County of Grande Prairie	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee implemented a corrosion monitoring program. Compliance achieved.
63	Vault Energy Inc.	Field Surveillance/Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	March 29, 2007	12-06-011-20W4 County of Lethbridge	Operations were not suspended as licensee immediately corrected noncompliance. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
64	Vero Energy Inc.	Geology and Reserves/Oil Overproduction	Failure to retire oil overproduction.	March 29, 2007	00/14-04-061-07W5/0 County of Barrhead	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. 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	EOG Resources Canada Inc.	Facilities Applications/Wells Technical	Failure to acquire the rights to the intended formation(s).	March 1, 2007	02-34-029-24W4 Kneehill County	<p>License was not cancelled or suspended as licensee has amended the licence.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact 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	Husky Oil Operations Limited	Corporate Compliance/Field Surveillance/Pipeline Operations	Improper Ground Disturbance (Marking of existing pipelines inside a controlled area unsatisfactory)	March 9, 2007	Province-wide. (96 pipeline licences, 250 associate pipeline line numbers)	<p>Focused Refer.</p> <p>Closure Order No. C1088.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee suspended licences and associated pipeline numbers.</p> <p>Licensee shut-in and depressurized damaged pipeline.</p> <p>Licensee met with EUB.</p> <p>Compliance achieved.</p>
2	Husky Oil Operations Limited	Field Surveillance/Pipeline Operations	Poor construction practices resulting in failure after one year's service/operations.	March 30, 2007	05-31-038-02W4 M.D. of Provost	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee developed backfill procedure to reinforce the pipeline.</p> <p>Licensee met with EUB.</p> <p>Compliance achieved.</p>

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 Follow-up
	None					

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	EUB Group/Compliance Category	Noncompliance Event	Date of Enforcement	Location/Area	EUB Action(s) and Licensee Follow up
1	Bearcat Explorations Ltd.	Corporate Compliance/Petroleum and Natural Gas Rights Expiry	Failure to abandon the well as directed by EUB.	March 27, 2007	100/08-20-026-12W4/0 Special Area 2 (near Sunnynook)	Global Refer status. Issuance of an Abandonment Order AD2007-1. <i>Licensee required to abandon well, meet with the EUB and submit a plan to explain how the noncompliance event occurred and what procedures will be implemented to prevent future occurrences.</i> <i>To date, licensee and working interest participants have not complied with Abandonment Order AD2007-1.</i> <i>** CHANGE FROM ORIGINAL (added 2007-10-17)</i>

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 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.

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.

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