



# EUB Monthly Enforcement Action Summary

April 2007

**ALBERTA ENERGY AND UTILITIES BOARD**  
**ST108: EUB Monthly Enforcement Action Summary, April 2007**

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High Risk Compliance Category Statistics				
EUB	Compliance Category	April 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	52	0	100%
	Facilities Technical	25	1	96%
	Pipelines/Pipeline Installations Technical	26	0	100%
	Wells Technical	31	2	94%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Groundwater Protection	n/a	8	n/a
	Enhanced Recovery Scheme	7	1	86%
<b>Subtotal</b>		<b>141</b>	<b>12</b>	<b>97%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Directive 060 Economic Evaluation Audits	2	0	100%
	Sulphur Recover Guidelines	309	2	99.4%
Environmental Group Waste and Storage Section	Drilling Waste Audits	3	1	67%
	Oilfield Waste Generator Audits	6	0	100%
<b>Subtotal</b>		<b>320</b>	<b>3</b>	<b>99%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	63	0	100%
	Well Servicing	11	1	91%
	Oil Facilities	207	6	97%
	Gas Facilities	113	4	96%
	Pipelines	65	6	91%
	Drilling Waste	7	1	86%
	Waste Management	1	0	100%
	Well Site Inspections	189	5	97%
<b>Subtotal</b>		<b>656</b>	<b>23</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	619	0	100%
<b>Subtotal</b>		<b>619</b>	<b>0</b>	<b>100%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1736</b>	<b>38</b>	<b>97.8%</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	AltaGas Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	April 27, 2007	04-33-017-12W4  County of Newell	Operations were not suspended in accordance with ID 2001-03.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  AltaGas will change the catalyst often in an effort to keep the sulphur recovery efficiency of this plant above the required limits. Compliance achieved.
2	Apache Canada Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	02/01-22-037-14W4/2  County of Paintearth	Operations suspended. No potential or cross-contamination into other zones. Licensee intends to abandon the well.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee determined the source of the water and submitted water analysis. Currently under review.
3	ARC Resources Ltd.	Field Surveillance/ Well Site Inspections	Spill on lease not adequately controlled/cleaned up.	April 11, 2007	02-25-047-08-W5M  Brazeau County	Operations were not suspended as there was no immediate off-lease impact/hazard to public safety or the environment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
4	Artek Exploration Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the necessary well licence prior to commencing site preparation, construction and/or operation.	April 18, 2007	00/01-32-069-10W6/2  County of Grande Prairie	Operations suspended.  Licensee provided a plan to address 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
5	ATCO Gas and Pipelines Ltd. (SOUTH)	Field Surveillance/ Pipelines	Backfill procedures are unsatisfactory.	April 13, 2007	01-14-072-06W6  County of Grande Prairie	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
6	Bonavista Petroleum Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	April 27, 2007	04-03-030-02W5  Mountain View County	Operations were not suspended in accordance with ID 2001-03.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Catalyst was replaced. Compliance achieved.
7	Burlington Resources Canada (Hunter) Ltd.	Facilities Applications/ Facilities Technical	Failure to meet the spacing requirements in the facility design.	April 10, 2007	07-03-057-19W5  Yellowhead 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.
8	Burlington Resources Canada Ltd.	Field Surveillance/ Gas Facility	Spill on/off lease not adequately controlled/ cleaned up.	April 25, 2007	13-35-47-10W5  Brazeau County	Operations were not suspended as there was no immediate off-lease impact/hazard to public safety or the environment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Waste material was removed and disposed of. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
9	Canetic Resources Inc.	Field Surveillance/ Well Site Inspections	Lease not diked where required.	April 12, 2007	01-24-038-04W4  M.D. of Provost	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  A dike was constructed. Compliance achieved.
10	Castle Rock Petroleum Ltd.	Environmental Group/ Drilling Waste Audits	All appropriate waste sampling, preparation and testing not conducted according to requirements.	April 16, 2007	06-17-009-24W4  M.D. of Willow Creek	Operations were not suspended as disposal operations were completed in 2005.  Submitted an appropriate sampling plan to the EUB.  Conducted sampling and analysis of the disposal areas.  Provided evidence to support water table depth is at minimum 1 meter below the soil.  Licensee provided a plan to address the noncompliance and prevent future occurrences.
11	Cyries Energy Inc.	Field Surveillance/ Drilling waste	There is migration of drilling waste off of the disposal site.	April 14, 2007	07-21-068-07W6  M.D. of Greenview	Operations were not suspended as the landspraying had been completed in February 2007. The high risk noncompliance occurred in April 2007 once the snow melt off began.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Soil, water and well water samples were taken and analyzed. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
12	Daylight Energy Ltd.	Field Surveillance/ Well Servicing	Hydraulic hoses inadequately fire sheathed or fire sheathing damaged.	April 9, 2007	15-17-048-04W4 County of Vermilion River	Operations were not suspended as the servicing operation was just about to conclude for the day at the time of inspection. Daylight agreed to conduct repairs prior to resuming operations.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Daylight replaced the hydraulic hoses and fittings. Compliance achieved.
13	Deer Creek Energy Limited	Field Surveillance/ Oil Facilities	No leak detection or secondary containment where required.	April 12, 2007	14-28-095-12W4M Regional Municipality of Wood Buffalo	Operations were not suspended as there was no existing or potential impact/hazard to public safety or the environment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  An extension to correct the noncompliance was granted. Deer Creek must correct the noncompliance by August 31, 2007.
14	Devon Canada Corporation	Field Surveillance/ Pipelines	Corrosion Internal – There is no documented monitoring or mitigation program in place and/or company is not following program.	April 9, 2007	14-21-076-10W6 Saddle Hills County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  An extension to correct the noncompliance was granted. Devon was delayed due to ground conditions. Devon must correct the noncompliance by August 31, 2007.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
15	Devon Canada Corporation	Field Surveillance/ Oil Facility	Spill on/off lease not adequately controlled/cleaned up.  Unaddressed spill into water.  No notification of reportable spill to EUB.	April 24, 2007	05-29-062-06W4M  M.D. of Bonnyville	Production operations at one well on the multi-well pad were suspended until spill cleanup is complete.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Devon completed the clean up of the drilling waste both on and off site. Compliance achieved.
16	Devon Canada Corporation	Field Surveillance/ Gas Facility	Lease not diked (where required).	April 27, 2007	10-01-068-09W6M  M.D. of Greenview	Operations were not suspended as the licensee committed to have overfill prevention measures installed on the underground tank immediately, and were actively working on the spill clean up and would have a lease dike installed once the clean up was complete.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Provided details of the spill remediation and clean up. Dike installed. Compliance achieved.
17	EnCana Corporation	Facilities Applications/ Wells Technical	Incomplete Drilling Spacing Unit (DSU) for the intended formation(s).	April 4, 2007	03-24-019-07W4  Cypress County	Licence cancelled.  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
18	Enermark Inc.	Field Surveillance/ Pipelines	Road crossings are unsatisfactory.  Pipeline sign missing or defaced on both sides of a crossing.  Pressure control devices or pressure relief device installed unsatisfactory.  Cathodic protection system – not operational or not installed.	April 19, 2007	04-02-013-05W4  Cypress County	Operations were not suspended as there was no existing or potential impact/hazard to public safety or the environment.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
19	EOG Resources Canada Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/11-34-036-12W4/4  County of Paintearth	The requirement for suspension of operations will be determined upon review of the water analysis. No potential for cross-contamination into other zones.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee determined the source of the water and submitted water analysis, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review of the water analysis.
20	Esprit Exploration Ltd.	Field Surveillance/ Gas Facility	No tank dike where required.	April 27, 2007	07-06-033-11W4  Special Area 2 near Craig Lake	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Installed a double walled tank that was integrity tested. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
21	Gentry Resources Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/05-21-028-03W4/0  Special Area 3 – near Oyen	The requirement for suspension of operations will be determined upon review of the water analysis. No potential for cross-contamination into other zones.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee determined the source of the water and submitted water analysis, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review of the water analysis.
22	Harvest Operations Corp.	Field Surveillance/ Gas Facility	Lease not diked where required.	April 18, 2007	10-10-035-2W5M  Red Deer County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Installed a dike. Compliance achieved.
23	Husky Oil Operations Ltd.	Field Surveillance/ Well Site Inspections	Noncompliant with other EUB requirement (oil well and satellite header building are situated approximately 40 m from a water body and there is no lease dike at this location).	April 7, 2007	06-20-047-04W4  County of Vermilion River	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Constructed a dike. Compliance achieved.
24	Husky Oil Operations Ltd.	Field Surveillance/ Well Site Inspections	Lease not diked where required.	April 13, 2007	14-36-038-03W4  M.D. of Provost	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Constructed a dike. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
25	Omers Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/10-14-052-12W4/3  County of Minburn	<p>The requirement for suspension of operations will be determined upon review of the water analysis. 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, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review of the water analysis.</p>
26	Penn West Petroleum Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/03-31-045-04W5/2  County of Wetaskiwin	<p>The requirement for suspension of operations will be determined upon review of the water analysis. 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, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review of the water analysis.</p>

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
27	Pioneer Natural Resources Canada Inc.	Field Surveillance/ Well Site Inspections	Noncompliant with other EUB requirements (improper construction practices specific to the installation of lease piping).	April 10, 2007	14-09-029-25W4 Kneehill County	<p>Operations were not suspended as the noncompliance was corrected immediately.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Line has been retrofitted with the appropriate supports and a more robust transition from metal to plastic pipe and has proven integrity through a hydro-test. Compliance achieved.</p>
28	Stylus Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/07-23-078-17W4/2 Lakeland County	<p>The requirement for suspension of operations will be determined upon review of the water analysis. 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, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review of the water analysis.</p>

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
29	Suncor Energy Inc.	Field Surveillance/ Oil Facilities	Surface runoff control - Release criteria in Directive 055 / Directive 058 not met prior to release. (Snow had been pushed over the lease dike.)	April 10, 2007	10-01-095-06W4M  Regional Municipality of Wood Buffalo	Operations were not suspended as there are no residences near this facility due to the remote location and Licensee immediately took action to address the issues.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Affected areas cleaned up. Compliance achieved.
30	Trafina Energy Ltd.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	00/16-30-045-23W4/3 00/10-31-045-23W4/5 00/14-31-045-23W4/2 00/08-06-046-23W4/3  County of Wetaskiwin	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, currently under review. Re-testing may be required upon review of the water analysis. Licensee to develop a mitigation plan with the EUB's assistance upon review 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
31	Trilogy Energy Ltd.	Field Surveillance/ Oil Facilities	No personal consultation/public notification where required.  Noncompliant with other EUB requirement. (Trilogy operated their flare stack beyond the specified design limits. Prohibits flaring or incinerating sour gas containing more than 50 mol/ kmol H <sub>2</sub> S or from a critical sour gas well without a permit.)	April 10, 2007	16-17-64-26W5  M.D. of Greenview	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Immediately stopped all flaring. Compliance achieved.
32	True Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above threshold.	April 9, 2007	02/04-03-044-07W5/3  Clearwater County  02/08-33-048-08W5/2  Brazeau 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 submitted water analysis, currently under review. Licensee to develop a mitigation plan with the EUB's assistance upon review 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
33	Virtus Energy Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operations.	April 4, 2007	08-02-083-14W5 Northern Sunrise County	<p>Operations were not suspended as the pipeline was already shut in.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>A temporary repair was made to the failed flange and support was added to the sections of underground pipe. The pipeline will not be put into service until after permanent repairs have been completed. Compliance achieved.</p>
34	West Energy Ltd.	Resources Applications/ Waterflood Schemes	Inadequate voidage replacement ratio (VRR).	April 13, 2007	Pembina Nisku SS Pool Approval No. 10666A, clause 4	<p>West ceased water injection and submitted an amendment of the approval to address the VRR.</p> <p>West submitted a recent pressure survey to confirm pool above specified minimum operation pressure.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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High Risk Enforcement Action 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	Canadian Natural Resources Limited	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	April 11, 2007	07-23-048-01W4 County of Vermilion River	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences. Include detailed engineering drawings to review stresses.</p> <p>Reviewed the action plan with the EUB Wainwright Field Centre in a meeting.</p> <p>CNRL provided engineered drawings which should eliminate this type of failure. They have committed to review existing ground disturbance procedures and re-communicate the procedures to all site supervisors and consultants. Pipeline was repaired. Compliance achieved.</p>
2	Enerplus Resources Corporation	Field Surveillance/ Pipelines	<p>Pipeline sign missing or defaced on both sides of a crossing.</p> <p>Pressure control devices or pressure relief device installations unsatisfactory.</p> <p>Cathodic protections system – not operational or not installed.</p>	April 19, 2007	08-15-019-12W4 County of Newell	<p>Operations were not suspended as there was no immediate impact/hazard to public safety or the environment.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Reviewed the action plan with the EUB Wainwright Field Centre in a meeting.</p> <p>Installed pipeline signs, cathodic protection was installed, and installed pressure protection devices. Compliance achieved.</p>

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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
3	Suncor Energy Inc.	Field Surveillance/ Oil Facilities	Surface runoff control - Release criteria in Directive 055 / Directive 058 not met prior to release (Snow had been pushed over the lease dike)	April 10, 2007	12-01-095-06W4M  Regional Municipality of Wood Buffalo	Operations were not suspended as there are no residences near this facility due to the remote location and Licensee immediately took action to address the issue.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Reviewed the action plan with the EUB Bonnyville Field Centre in a meeting.  Snow located outside the lease dike was pulled back and samples were taken and analyzed. Compliance achieved.
4	Suncor Energy Inc.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.  Surface runoff control - Release criteria in Directive 055 / Directive 058 not met prior to release. (Snow had been pushed over the lease dike.)	April 10, 2007	12-07-095-05W4M  Regional Municipality of Wood Buffalo	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Reviewed the action plan with the EUB Bonnyville Field Centre in a meeting.  Snow located outside the lease dike was pulled back and samples were taken and analyzed. Release has been cleaned up. 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	None					

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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
1	Capco Resources Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	April 24, 2007	Enforcement applied against licensee, not a location.	Miscellaneous Order No. MISC 2007-7  Global Refer  Required a plan to address the noncompliance and prevent future occurrences.  A senior company representative must meet with the EUB to address the noncompliance issue.
2	Endeavor Energy Corporation	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	April 16, 2007	Enforcement applied against the licensee and not a location.	Global Refer status  Issuance of an Order  Miscellaneous Order No. MISC 2007-4  Endeavor submitted the full security deposit amount.  Endeavor provided a written explanation acceptable to the EUB addressing the failure to respond and detailing steps to prevent future occurrences.  Compliance achieved.

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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
3	Saba Energy Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	April 24, 2007	Enforcement applied against licensee, not a location.	<p>Miscellaneous Order No. MISC 2007-6</p> <p>Global Refer</p> <p>Licensee must submit the full security deposit amount.</p> <p>Provide a written explanation to the EUB addressing why EUB directives were not followed.</p> <p>Required a plan to address the noncompliance and prevent future occurrences.</p> <p>A senior company representative must meet with the EUB to address the noncompliance issue.</p>
4	Saba Energy Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	April 24, 2007	Enforcement applied against licensee, not a location.	<p>Miscellaneous Order No. MISC 2007-5</p> <p>Global Refer</p> <p>Licensee must submit the full security deposit amount.</p> <p>Provide a written explanation to the EUB addressing why EUB directives were not followed.</p> <p>Required a plan to address the noncompliance and prevent future occurrences.</p> <p>A senior company representative must meet with the EUB to address the noncompliance issue.</p>

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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
1	None					

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## 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.

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