



EUB Monthly Enforcement Action Summary

May 2007

ALBERTA ENERGY AND UTILITIES BOARD
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High Risk Compliance Category Statistics				
EUB	Compliance Category	May 2007		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	97	4	96%
	Facilities Technical	11	1	91%
	Pipelines/Pipeline Installations Technical	52	0	100%
	Wells Technical	60	7	88%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 6 months audits	21	2	90%
	Groundwater Protection	n/a	2	n/a
Subtotal		241	17	93%
Compliance and Operations Branch				
Environmental Group Waste and Storage Section	Drilling Waste Audits	7	1	86%
Subtotal		7	1	86%
Public Safety/Field Surveillance Branch				
	Drilling Operations	21	1	95%
	Well Servicing	14	0	100%
	Oil Facilities	538	5	99.1%
	Gas Facilities	301	8	97%
	Pipelines	133	12	91%
	Drilling Waste	9	0	100%
	Well Site Inspections	896	4	99.6%
	Waste Management	1	0	100%
Subtotal		1913	30	98%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	611	12	98%
Subtotal		611	12	98%
Total Audit/Inspections High Risk		2772	60	98%

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	Advantage Oil & Gas Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	May 16, 2007	07-02-039-23W4 Lacombe County	Operations were not suspended as the flame arrester bolts were replaced which corrected the noncompliance immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Advantage Oil and Gas Ltd.	Field Surveillance/ Pipelines	Damage by others – Proper procedures were not followed.	May 15, 2007	14-24-014-19W4 M.D. of Taber	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Alexander Oilfield Services Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	May 30, 2007	16-12-041-25W4 Lacombe County	Operations were not suspended as the flame arrester bolts were replaced which corrected the noncompliance immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
4	Arbour Energy Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above the threshold.	May 14, 2007	00/16-11-033-10W4/2 Special Area 2 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 recurrence. Licensee determined the source of the water and submitted a 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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High Risk Enforcement Action 1 ¹						
#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
5	Arcan Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/16-32-068-08W5/0 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>Request for waiver of overproduction denied.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
6	Artemis Exploration Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/08-36-089-06W5/0 M.D. of Opportunity	<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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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
7	Barnwell of Canada, Limited	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2007	00/02-29-076-09W6/0 Saddle Hills 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.
8	Blackrock Ventures Inc.	Environment/ Drilling Waste Audits	All appropriate waste sampling, preparation and testing not conducted according to requirements.	May 17, 2007	15-30-084-14W5 Northern Sunrise County	Suspension of operations at this time was not deemed appropriate as disposal operations were completed in 2006. Required a plan to correct the noncompliance and prevent future occurrences. Required to design and implement a sampling and analysis plan of the disposal areas.
9	Bonterra Energy Corp.	Field Surveillance/ Well Site Inspection	Lease not diked where required.	May 7, 2007	04-19-047-07W5 Brazeau County	Operations suspended. Licensee built a dike. 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
10	Bountiful Resources Inc.	Facilities Applications/ Participant Involvement	Failure to acquire the necessary facility licence prior to commencing site preparation, construction and/or operation. Failure to meet the spacing requirements in the facility design.	May 9, 2007	00/01-19-035-04W5 Clearwater County	License was not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Camino Industries Inc.	Field Surveillance/ Pipelines	Lease piping is unsatisfactory. Pipeline sign missing or defaced on both sides of a crossing.	May 9, 2007	06-25-031-02W5 Mountain View County	Operations suspended. Required a plan to correct the noncompliance and prevent future occurrences. Operations are suspended until all information pertaining to this inspection and investigation is complete.
12	Canadian Natural Resources Limited	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2007	00/08-15-011-17W4/0 M.D. of Taber	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.
13	Canadian Natural Resources Limited	Field Surveillance/ Well Site Inspection	Spill on/off lease not adequately controlled/cleaned up.	May 9, 2007	14-27-025-19W4 Wheatland County	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 ¹						
#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
14	Canetic Resources Inc.	Field Surveillance/ Gas Facilities	Spill on/off lease not adequately controlled/cleaned up.	May 8, 2007	08-36-020-16W4 County of Newell	Operations were not suspended as the spill was cleaned up immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Canetic Resources Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/01-10-018-11W4/2 County of Newell	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.
16	Compass Petroleum Inc.	Field Surveillance/ Oil Facilities	Flame type equipment without workable flame arresters less than 25 m from a process vessel. Spill on/off lease not adequately controlled/cleaned up.	May 7, 2007	02-31-011-12W4 Cypress County	Operations were not suspended as the noncompliances were addressed immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Compton Petroleum Corporation	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	May 23, 2007	06-28-87-09W6 M.D. of Clear Hills	Operations suspended. Required a plan to correct 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	ConocoPhillips Canada Resources Corp.	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.	May 9, 2007	100/12-32-070-08W6/0 County of Grande Prairie	Licence was not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
19	Crescent Point General Partner Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2007	00/15-12-088-10W6/0 00/12-12-088-10W6/0 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.
20	Crew Energy Partnership	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/03-03-037-04W5/2 Clearwater 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. Request for waiver of overproduction denied.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
21	Desoto Resources Limited	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 4, 2007	06-24-038-25W4 Lacombe County	Licence was not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
22	Devon Canada	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2007	00/10-34-080-24W5/0 Birch Hills 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.
23	EnCana Corporation	Field Surveillance/ Drilling Operations	Accumulator pressure dropped below 8400 kPa after function test with recharge pump off.	May 11, 2007	15-16-027-18W4 Wheatland County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	EnCana Corporation	Field Surveillance/ Pipelines	Corrosion internal – Failure to follow the investigative procedures detailed in Directive 066 Corrosion Guide Section 2.	May 23, 2007	07-26-015-12W4 County of Newell	Operations suspended. 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
25	Enermark Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 4, 2007	00/14-36-076-11W6/2 Saddle Hills County	Operations suspended. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
26	Esprit Exploration Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	May 9, 2007	06-22-039-05W5 Clearwater County	Operations were not suspended as there was no immediate or potential hazard/impact to the public and/or environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	Esprit Exploration Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/08-33-038-23W4/0 Red Deer County	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. All overproduction retired. Compliance achieved.
28	Gold Ridge Investments Corporation	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	May 22, 2007	07-08-031-24W4 Kneehill County	Operations suspended. Spill cleaned up. 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
29	Kootenay Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	May 3, 2007	100/06-31-066-24W4/3 County of Athabasca	Licence not cancelled as it is a re-entry application. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	Nexen Inc.	Resources Applications/ Commercial In Situ Oil Sands Schemes	Altering/modifying scheme design or equipment without notification/approval.	May 17, 2007	Athabasca Oil Sands area Approval No. 9485	Licensee provided a plan to address the root cause of the noncompliance and to prevent future occurrences. Licensee provided an explanation of why well placement changes were made and a discussion of the potential impacts to resource conservation, currently under review.
31	Nexen Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	May 17, 2007	07-03-026-29W4 M.D. of Rocky View	Operations were not suspended as the noncompliance was corrected immediately Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
32	Nexen Inc.	Field Surveillance/ Pipelines	Hand Excavation – Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure. Damage by others – Proper procedures not being followed.	May 17, 2007	07-03-015-01W4 Cypress County	Operations suspended. 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
33	Nexstar 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.	May 4, 2007	04-19-047-03W5 Brazeau County	Noncompliance found prior to licence approval; licence not issued until noncompliance addressed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
34	Orleans Energy Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	May 14, 2007	14-28-079-09W6 Saddle Hills County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
35	Orleans Energy Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/14-16-080-09W6/0 Saddle Hills 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.
36	Penn West Petroleum Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	May 3, 2007	102/13-25-084-19W5/0 Northern Sunrise 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
37	Penn West Petroleum Ltd.	Resources Applications/ Waterflood Schemes	Failure to commence injection (4-20 & 10-24). Failure to meet conditions of approval (commencement of injection prior to meeting Directive 051 requirements) (14-13).	May 4, 2007	Pembina Cardium Pool Approval No. 9987 00/04-20-047-09W5/0 00/10-24-047-10W5/0 00/14-13-047-10W5/0	14-13: Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. 14-13: Directive 051 requirements met. Injection commenced and well status and injection volumes reported at all three wells. Compliance achieved.
38	Progress Energy Ltd.	Field Surveillance/ Gas Facilities	Underground tank not tested at the required three-year frequency/operator cannot demonstrate tank integrity.	May 29, 2007	06-07-036-26W4 Red Deer County	Operations were not suspended as the tank integrity testing would be completed within a week. The tanks were successfully tested on June 6, 2007. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
39	Quicksilver Resources Canada Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	May 2, 2007	100/16-16-045-26W4/0 Wetaskiwin County	Licence not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
40	Quicksilver Resources Canada Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	May 29, 2007	02/06-11-039-26W4/0 Lacombe 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
41	Ranger Canyon Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	May 30, 2007	00/07-14-055-27W4/3 Sturgeon 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.
42	Real Resources	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	May 31, 2007	00/10-13-064-15W5/0 M.D. of Greenview	Operations suspended. Licensee confirmed well will remain shut in until all overproduction is retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Request for waiver of overproduction denied.
43	Real Resources Inc.	Field Surveillance/ Gas Facilities	Flame type equipment without workable flame arrester less than 25 m from a process vessel.	May 8, 2007	10-18-043-27W4 Ponoka County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
44	Salvo Energy Corporation	Facilities Applications/ Wells Technical	Failure to have permission from the mineral rights owner or lessee to exceed the 15 m maximum overhole depth prior to filing the application.	May 15, 2007	10-15-053-11W5 Yellowhead County	Licence was not 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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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
45	Seneca Energy Canada Inc.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory. Damage by others – Proper procedures were not followed.	May 16, 2007	06-23-026-11W4 Special Area 2 (Near Sunnynook)	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
46	SET Resources Inc.	Field Surveillance/ Gas Facilities	Underground tanks not integrity tested within the three year requirement.	May 10, 2007	07-32-055-04W4 County of St. Paul	Operations were not suspended since there was no immediate or potential impact/hazard to the public or environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
47	SET Resources Inc.	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above the threshold.	May 14, 2007	00/02-23-028-07W4/3 Special Area 3 near Brosten Reservoir	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 recurrence. Licensee determined the source of the water and submitted a 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
48	Talisman Energy Inc.	Resources Applications/ Waterflood Schemes	Failure to commence injection.	May 22, 2007	Chauvin South Sparky A. General Petroleum D & Rex D Pool Approval No. 8248 00/14-20-042-02W4/0 M.D. of Wainwright	Injection commenced and well status and injection volumes reported. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
49	Talisman Energy Inc.	Field Surveillance/ Gas Facilities	Underground tank not tested at the required three-year frequency/operator cannot demonstrate tank integrity.	May 30, 2007	10-16-053-18W5 Yellowhead County	Operations were not suspended as the tank was to remain empty at all times until testing was completed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
50	Talisman Energy Inc.	Field Surveillance/ Gas Facilities	Underground tank not tested at the required three-year frequency/operator cannot demonstrate tank integrity.	May 30, 2007	11-10-053-19W5 Yellowhead County	Operations were not suspended as the tank was to remain empty at all times until testing was completed. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
51	Vermillion Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	May 15, 2007	16-32-041-26W4 02-32-041-26W4 Lacombe County	Licences were not cancelled as licensee amended the licences. 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
52	Zargon Oil & Gas Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	May 24, 2007	14-11-045-11W4 Flagstaff County	Operations were not 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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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	Husky Oil Operations Ltd.	Field Surveillance/ Gas Facilities	Facility exceeding permissible sound levels.	May 4, 2007	13-27-032-23W4 Kneehill County	Operations partially suspended by shutting down a compressor and reducing the speed on the remaining units. Required a plan to correct the noncompliance and prevent future occurrences. Inspection will remain open until the Comprehensive Noise Survey is completed.
2	Husky Oil Operations Limited	Field Surveillance/ Gas Facilities	H ₂ S emissions off lease.	May 10, 2007	10-10-109-08W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Primewest Energy Inc.	Field Surveillance/ Pipelines	There is no approval to construct.	May 31, 2007	11-26-013-13W4 M.D. of Taber	Operations suspended. Required a plan to correct the noncompliance and prevent future occurrences. Met with EUB. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.

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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	Field Surveillance/ Pipelines	Fiberglass line was not properly supported at the time of construction and during backfill causing line failure.	May 10, 2007	06-20-047-04W4 County of Vermilion River	Operations suspended. Required a plan to correct the noncompliance and prevent future occurrences. Review the action plan with the EUB Wainwright Field Centre in a meeting. The action plan must be approved by the EUB before resumption of operations. Must submit action plan by September 27, 2007.
2	Husky Oil Operations Limited	Field Surveillance/ Pipelines	Inappropriate construction or design, or documented operating procedures not followed.	May 16, 2007	03-14-036-03W4 Special Area 4 (Near Sounding Lake)	Operations suspended. Required a plan to correct the noncompliance and prevent future occurrences. Licensee must meet with EUB to review the action plan. Action plan approved. Compliance achieved.

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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
	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 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.

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