



EUB Monthly Enforcement Action Summary

August 2007

ALBERTA ENERGY AND UTILITIES BOARD
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High Risk Compliance Category Statistics				
EUB	Compliance Category	August 2007		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	58	4	93%
	Facilities Technical	7	2	71%
	Pipelines/Pipeline Installations Technical	36	0	100%
	Wells Technical	37	4	89%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme	21	3	86%
	Injection/ Disposal	n/a	2	n/a
	Production Without Common Ownership	n/a	1	n/a
Subtotal		159	16	90%
Compliance and Operations Branch				
Environmental Group Waste and Storage Section	Drilling Waste Audits	2	0	100%
	Oilfield Waste Receiver	1	n/a	n/a
Subtotal		3	0	100%
Public Safety/Field Surveillance Branch				
	Drilling Operations	29	5	83%
	Well Servicing	23	1	96%
	Oil Facilities	387	3	99.2%
	Gas Facilities	435	8	98%
	Pipelines	128	10	92%
	Drilling Waste	24	3	88%
	Waste Management	13	1	92%
	Well Site Inspections	1394	3	99.7%
Subtotal		2433	34	99%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	614	0	100%
Subtotal		614	0	100%
Total Audit/Inspections High Risk		3209	50	98.4%

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/ Pipelines	Internal Corrosion control – no monitoring and mitigation in corrosive environment.	August 2, 2007	14-30-045-02W5 16-18-045-02W5 16-31-045-02W5 06-20-045-02W5 County of Wetaskiwin	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Implemented a corrosion mitigation and monitoring program. Compliance achieved.
2	Alberta Oil Sands Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing an application.	August 22, 2007	100/07-35-044-04W5 Ponoka County	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	Anterra Energy Inc.	Field Surveillance/Well Site Inspections	Spill on lease not adequately controlled/ cleaned up.	August 14, 2007	16-01-016-12W4 County of Newell	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. All contaminated soil has been removed and replaced. Compliance achieved.
4	Apache Canada Ltd.	Field Surveillance/Well Site Inspections	Lease not diked where required.	August 1, 2007.	08-01-115-06W6 M.D. of Mackenzie	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee constructed dike. 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
5	ARC Resources Ltd.	Resource Applications/ Waterflood Schemes	Failure to commence injection.	August 14, 2007	Swan Hills Beaverhill Lake A & B Pools Approval No. 9453 00/06-10-069-10W5/0 00/01-27-069-10W5/0 M.D. of Big Lakes	Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee submitted an application to amend the injection deadline date. Surveillance suggests that licensee has not met proposed schedule to commence injection. Discussions are ongoing.
6	Bounty Developments Ltd.	Field Surveillance/Drilling Waste	Sump located in porous/ coarse soil. Wastes are not contained by pits or berms and there is potential for off-lease migration.	August 29, 2007	05-31-076-9W4 Regional Municipality of Wood Buffalo	Operations were not suspended as there are no additional drilling waste fluids being transported to the location for disposal. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee cleaned up the site. Compliance achieved.
7	Breaker Energy Ltd.	Resources Applications/ Injection/Disposal	Injection without approval.	August 7, 2007	Girouxville East Slave Point A and G Pools Approval No. 10664 00/13-29-076-22W5/2 M.D. of Smoky River	Operations not suspended as the licensee now has approval under Directives 051 and 065. Licensee submitted 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
8	Bronco Energy Ltd.	Facilities Applications/ Wells Technical	Incomplete public and/or industry personal consultation and notification prior to filing the application. Failure to acquire the rights to the intended formation(s). Failure to design the surface casing to meet all applicable requirements.	August 13, 2007	100/04-10-080-25W4M 100/10-07-080-25W4M 100/04-17-080-25W4M 100/13-19-080-24W4M 100/05-08-080-25W4M 100/15-09-080-25W4M 100/12-16-080-25W4M 100/14-24-080-25W4M M.D. of Opportunity	Licenses suspended. Licensee provided a plan to address the noncompliances and prevent future occurrences. Compliance achieved.
9	Canadian Natural Resources Limited	Operations/Directive 60 Economic Evaluation Audits	Decision tree process not completed for new, existing and temporary flares, incinerators and vents as required. Failure to implement economic decision tree conservation projects/ performance requirements.	August 9, 2007	06-09-064-23W5 M.D. of Greenview	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
10	Canadian Natural Resources Limited.	Field Surveillance/ Pipelines	Corrosion Internal - there is no documented monitoring or mitigation program in place and/or company is not following program.	August 2, 2007	13-16-026-18W4 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
11	Cork Exploration Inc.	Facilities Applications/ Facilities Technical	Failure to meet the spacing requirements in the facility design.	August 14, 2007	06-20-027-04W5 M.D. of Rockyview	Licence not suspended or cancelled since there were mitigation measures in place prior to licensing. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved
12	Devon ARL Corporation	Resource Applications/ Injection Disposal	Disposal without approval.	August 22, 2007	02/12-15-075-06W4 Regional Municipality of Wood Buffalo	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved
13	Devon Canada Corporation	Resources Applications/ Waterflood Schemes	Failure to commence injection.	August 7, 2007	Ferrier Cardium G Pool Approval No. 9609 00/14-23-038-07W5/0 Clearwater County	Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee commenced injection and submitted well status reports and injection volumes. Compliance achieved.
14	Devon Canada Corporation	Field Surveillance/Well Site Inspections	Spill on lease not adequately controlled/ cleaned up.	August 28, 2007	11-02-039-06W5 Clearwater County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Contaminated soil has been 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
15	Devon Canada Corporation	Field Surveillance/Drilling Operations	Licensee well-site representative and/or rig manager does not possess a valid Second-Line Supervisor's Well Control Certificate.	August 30, 2007	12-11-065-08W6 M.D. of Greenview	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee provided a replacement representative with a valid Second Line Well Control Certificate prior to drilling ahead. Compliance achieved.
16	Enerplus Resources Corporation	Facilities Applications/ Facilities Technical	Failure to meet the spacing requirements in the facility design.	August 28, 2007	04-10-048-07W5 Brazeau County	Licence not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	EOG Resources Canada Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 7, 2007	01-24-022-07W4 05-24-022-07W4 07-24-022-07W4 Special Area 2 (near Buffalo)	Licences cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	EOG Resources Canada Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 14, 2007	02/16-25-031-25W4 Kneehill 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
19	Esprit Exploration Ltd.	Field Surveillance/Gas Facilities	<p>Flare gas/acid gas/ vented gas - Dilution gas volumes not measured.</p> <p>Flame-type equipment without workable flame arrester 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>	August 28, 2007	06-18-032-01W5 Mountain View County	<p>Operations were not suspended as either the noncompliance was corrected immediately or suspending operations would result in an increased impact/hazard to the environment and the public.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Mitigative measures have been put in place to measure the dilution gas. Installation of the required meter is planned during the turnaround in May 2008.</p> <p>Licensee installed bolts/nuts on the flame arrester.</p> <p>A replacement tank is being constructed. Tanks are being emptied daily and ground water analysis is being conducted.</p> <p>Spill was cleaned up.</p>
20	Exalta Energy Inc.	Field Surveillance/Gas Facilities	<p>Non compliant with other EUB requirement.</p> <p>(No flame arrester, equivalent safety device, or adequate engineering and operating precautions to prevent back flash where required).</p>	August 8, 2007	10-33-085-11W6 M.D. of Clear Hills	<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>Operational changes were made to the flare system.</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
21	Exalta Energy Inc.	Field Surveillance/Gas Facilities	Flame type equipment without workable flame arrester less than 25m from a process vessel.	August 29, 2007	10-06-56-05W5 Lac St. Anne County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee installed bolts/nuts on the flame arrester. Compliance achieved
22	FET Resources Ltd.	Resources Applications/ Waterflood Schemes	Failure to commence injection.	August 2, 2007	Loon Slave Point G Pool Approval No. 10192 00/14-36-086-10W5/0 Northern Sunrise County	Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee submitted an application to remove the well from the list of approved injectors, currently under review.
23	Geocan Energy Inc.	Resource Applications/ Production Without Common Ownership	Production without common ownership throughout a drilling spacing unit.	August 29, 2007	02/06-30-052-06W5 Parkland County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
24	Harvest Operations Corp.	Field Surveillance/Oil Facilities	Spills on/off lease not adequately controlled/cleaned up. No notification of reportable spill to the EUB.	August 28, 2007	01-11-057-10W5 Woodlands County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Spill was cleaned up. 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	Highpine Oil & Gas Limited.	Field Surveillance/Drilling Operations	Indicator and Recording Devices - indicators for pump pressure, pump strokes per minute, hook load, and/ or table torque not installed, and/ or operational, and/or visible from the driller's position.	August 27, 2007	07-34-049-08W5 Brazeau County	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Installed a torque system. Compliance achieved.
26	Hunt Oil Company of Canada, Inc.	Field Surveillance/ Pipelines	Environment code is different from that stated on licence.	August 7, 2007	03-02-072-01W6 M.D. of Greenview	Operations were suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licence was amended. Compliance achieved.
27	Jed Oil Inc.	Field Surveillance/Drilling Operations	Well being drilled without a valid EUB well licence.	August 17, 2007	11-06-042-08W5 Clearwater County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licence was amended. Compliance achieved.
28	Lario Oil & Gas Company	Field Surveillance/Gas Facilities	Underground tank(s) not tested at the required 3-year frequency/operator cannot demonstrate tank integrity.	August 2, 2007	07-05-026-12W4 Special Area 2 (near Sunnynook)	Operations were not suspended as the licensee agreed to empty the tank daily until integrity is verified. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee tested the underground tank and the tank passed the integrity test. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
29	Mahalo Energy Ltd.	Field Surveillance/Gas Facilities	Waste Management - waste disposal to facility not authorized to accept it.	August 16, 2007	01-23-021-09W4 Special Area 2 (near Jenner)	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee has applied for approval to construct their own storage handling facility. Compliance achieved.
30	NAL Resources Limited	Field Surveillance/Oil Facilities	H ₂ S emissions off lease.	August 15, 2007	12-05-034-04W5 Red Deer County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Storage tank repaired. Compliance achieved.
31	Nuvista Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	August 7, 2007	02/10-22-026-09W4/2 Special Area 3 (near Majors Lake)	Licence suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
32	Outrider Energy Ltd.	Field Surveillance/Drilling Operations	Fluid turns in degasser inlet line not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	August 22, 2007	01-16-049-02W5 Leduc County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Proper fluid turn installed. 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	Penn West Petroleum Ltd.	Field Surveillance/Drilling Operations	Accumulator pressure dropped below 8400kPa after function test (of all required BOP components) with the recharge pump off.	August 21, 2007	06-22-050-08W5 Brazeau County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Training was conducted to ensure all users of the BOP accumulator are well versed on its proper use. Compliance achieved.
34	Petro-Canada	Field Surveillance/Gas Facilities	Spill on/off lease not adequately controlled/ cleaned up.	August 13, 2007	06-08-028-06W5 M.D. of Bighorn	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Free liquids were removed and staining cleaned up. Compliance achieved.
35	Petro-Reef Resources Ltd.	Field Surveillance/Well Servicing	Noncompliant with other EUB requirement: documented practices not available at the well site for the safe management of the potential for explosive mixtures and ignition in wells and associated surface equipment.	August 16, 2007	13-33-55-26W4 Sturgeon County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee implemented a check sheet and posted a safety sign. Compliance achieved.
36	Salvo Energy Corporation	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	August 23, 2007	100/10-02-039-01W5 Lacombe County	Licence 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
37	Seneca Energy Canada Inc.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory. Failure to notify appropriate EUB field Centre (immediate notification of the pipeline contact was not made).	August 20, 2007	03-03-030-11W4 Cypress County	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee repaired pipeline. Compliance achieved.
38	Southern Pacific Resource Corp.	Field Surveillance/Drilling Waste	Wastes are not contained by pits or berms and there is potential for off-lease migration.	August 29, 2007	07-17-077-09W4 Regional Municipality of Wood Buffalo	Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee provided a plan to address the noncompliance and prevent future occurrences. Solids cleaned up and placed in a bermed sump. Compliance achieved.
39	Spectra Energy Midstream Corporation	Field Surveillance/Gas Facilities	Failure to immediately notify the EUB of H ₂ S emissions off lease.	August 3, 2007	11-19-079-11W6 M.D. of Clear Hills	Operations not suspended as the noncompliance event was completed prior to notification. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
40	Sunrise Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	August 30, 2007	103/06-19-011-04W4 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
41	Sutton Energy Ltd.	Field Surveillance/Gas Facilities	Flame type equipment without workable flame arrester less than 25m from a process vessel.	August 16, 2007	01-36-50-28W4 Special Area 3 (near Oyen)	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee installed bolts/nuts on the flame arrester. Compliance achieved.
42	Twoco Petroleums 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.	August 10, 2007	02-15-058-16W4 Lamont County	Licence not cancelled as the well status is abandoned. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
43	Tykewest Limited	Field Surveillance/Drilling Waste	Non compliant with EUB requirement - Drilling fluids not properly contained (spill off lease). Disposal practices result in pooling, clumping, or erosion.	August 8, 2007	03-16-074-11W6 County of Grande Prairie	Operations were not suspended as the noncompliance event occurred prior to the inspection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Drilling mud was cleaned up with a wash truck and crew. Pooling in the field was spread with a wash truck and fire hose. Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
44	Vero Energy Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	August 10, 2007	08-19-055-15W5 Yellowhead County	Operations were not suspended as the noncompliance was corrected immediately. Licensee provided a plan to address the noncompliance and prevent future occurrences. Proper supports were used to repair the pipeline. 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	None					

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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	Enterra Energy Corp.	Field Surveillance/ Pipelines	Hand Excavation - Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	August 16, 2007	01-24-073-06W6 County of Grande Prairie	Operations suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Enterra is to incorporate into their Pipeline Operating and Procedures Manual the recommendations approved in the action plan. Installation of additional pilings on this site was done with a hydrovac. Compliance achieved.
2	Husky Oil Operations Limited	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	August 15, 2007	07-32-040-11W4 Flagstaff County	Operations suspended. Reviewed the action plan with the EUB in a meeting. Action plan accepted. Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee repaired pipeline. 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
1	None					

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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	MB Gas Inc.	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the EUB that MB Gas Inc. is a resident of Alberta.	August 24, 2007	Wells: 00/16-32-003-05W4/0 00/07-30-003-05W4/0 Facility: 00/16-32-003-05W4 Pipelines: 08-04-004-05W4 16-32-003-05W4 (4 pipeline licenses, 5 associated pipeline line numbers) County of Forty Mile	Global Refer Status. Issuance of Closure Orders: C 1092, C 1093, and C 1094. Suspension of well, facility and pipeline licenses. Licensee required to complete one of the following: a) provide substantive information to show that MB Gas Inc. has a fully functioning office in Alberta, b) transfer all wells, facility and pipelines to a viable licensee, or c) abandon all wells, facility and pipelines. Required to provide a plan to correct the noncompliance and prevent future occurrences. MB Gas Inc. transferred all well, facility and pipeline licenses, provided a written action plan acceptable to the EUB and met with the EUB. Closure Orders No. C 1092, C 1093, and C 1094 rescinded to allow new licensee to operate properties. MB Gas Inc. remains on Global Refer status for administrative purposes as licensee remains a

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						non-resident of Alberta.
2	Saguaro Energy Corp.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry.	Failure to provide a valid entitlement to the right to produce the well.	August 15, 2007	03/07-04-001-11W4 County of Warner	Global Refer Status. Issuance of Closure Order C1091. Suspension of licence. Required to provide a plan to correct the noncompliance and prevent future occurrences. Licensee required to abandon the well and meet with EUB.

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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.