



# ERCB Monthly Enforcement Action Summary

October 2007

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, October 2007**

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High Risk Compliance Category Statistics				
EUB	Compliance Category	October 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	46	1	98%
	Facilities Technical	7	0	100%
	Pipelines/Pipeline Installations Technical	12	0	100%
	Wells Technical	34	3	91%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	17	4	76%
	Commercial In Situ	N/A	1	N/A
	Groundwater Protection	N/A	1	N/A
<b>Subtotal</b>		<b>116</b>	<b>9</b>	<b>92%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Sulphur Recover Guidelines	103	4	96%
<b>Subtotal</b>		<b>103</b>	<b>4</b>	<b>96%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	37	3	92%
	Well Servicing	27	0	100%
	Oil Facilities	133	5	96%
	Gas Facilities	122	5	95%
	Pipelines	145	16	89%
	Drilling Waste	16	0	100%
	Well Site Inspections	219	1	99%
	Waste Management	9	0	100
<b>Subtotal</b>		<b>708</b>	<b>30</b>	<b>96%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	569	5	99%
<b>Subtotal</b>		<b>569</b>	<b>5</b>	<b>99%</b>
<b>Total Audit/Inspections High Risk</b>		<b>1496</b>	<b>49</b>	<b>96.7%</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	1343358 Alberta Ltd.	Facilities Applications/ Wells Technical	No rights to substance(s) for the intended formation(s).	October 9, 2007	06-08-088-21W5 M.D. of Opportunity	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Albian Sands Energy Inc.	Field Surveillance/ Pipelines	Damage by Others - Proper procedures were not followed.	October 30, 2007	14-32-094-10W4 Regional Municipality of Wood Buffalo	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Work is currently ongoing to abandon the section of line involved.  Compliance achieved.
3	AltaGas Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 31, 2007	12-24-110-08W6 M.D. of MacKenzie	In accordance with <i>ID 2001-03</i> operations were not suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
4	Apache Canada Ltd.	Public Safety/ Drilling Operations  This High Risk Enforcement is the result of a Facilities Applications Post Approval Audit Referral to the Emergency Planning and Assessment Section.	No approved specific Emergency Response Plan where required.	October 29, 2007	04-27-001-24W4 Cardston County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee submitted their site specific Emergency Response Plan which was reviewed and approved.  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 Midstream Ltd.	Field Surveillance/ Gas Facilities	Underground storage tank(s) not tested at the required 3 year frequency/ operator cannot demonstrate tank integrity.	October 24, 2007	10-10-047-14W5 Yellowhead 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>Licensee tested the underground tanks and the tanks passed the integrity test.</p> <p>Compliance achieved.</p>
6	Avenir Operating Corp.	Public Safety/ Drilling Operations  This High Risk Enforcement is the result of a Facilities Applications Post Approval Audit Referral to the Emergency Planning and Assessment Section.	No approved specific Emergency Response Plan where required.	October 2, 2007	05-28-038-07W4 M.D. of Provost	<p>The well was abandoned prior to the Facilities Applications Post Approval Audit.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
7	Canetic Resources Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 1, 2007	00/15-33-054-25W4/0 Westlock County	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut-in and will remain shut-in until all overproduction has been 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
8	Canetic Resources Inc.	Field Surveillance/ Pipelines	Corrosion Internal – There is no documented monitoring or mitigation program in place and/or company is not following program.	October 25, 2007	08-24-040-02W4  M.D. of Provost	Operations were not suspended as there was no existing or potential hazard/ impact to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed a liner.  Compliance achieved.
9	Compton Petroleum Corporation	Field Surveillance/ Well Site Inspections	Noncompliant with other EUB requirements.  Directive 060, Section 7(1): Incinerator unit not designed or reviewed by a professional engineer, certified technician, or certified technologist.  Section 7(2): Incinerator unit not being operated within the specified design limits.	October 1, 2007	15-20-018-29W4  M.D. of Foothills	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee developed operating procedures that define the operational limits of the incinerator.  Compliance achieved.
10	Crescent Point General Partner Corp.	Resources Applications/ Waterflood Schemes	Failure to commence injection.	October 18, 2007	Worsley Charlie Lake T Pool  Approval No. 10921	Licensee confirmed that injection has resumed or commenced, and appropriate well status reports and injection volumes have been submitted, as applicable.  Surveillance indicates that injection is not being reported to the correct production string.  Licensee has submitted a plan to address noncompliance but not a plan to prevent future occurrences.  Discussions are ongoing.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
11	Crescent Point General Partner Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 29, 2007	00/14-12-088-10W6/0  M.D. of Clear Hills	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut-in and will remain shut-in until all overproduction has been retired.</p> <p>Licensee was required to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>All overproduction retired.</p> <p>Compliance achieved.</p>
12	Culane Energy Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 29, 2007	03/15-10-046-12W4/3  02/15-10-046-12W4/2  Beaver County	<p>Operations suspended.</p> <p>Licensee confirmed that the well has been shut-in and will remain shut-in until all overproduction has been retired.</p> <p>Licensee was required to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Request for waiver of overproduction denied.</p> <p>02/15-10/2: 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
13	Direct Energy Marketing Limited	Field Surveillance/ Pipelines	Road crossings are unsatisfactory.	October 16, 2007	01-06-065-01W5  M.D. of Lesser Slave River	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee corrected the road crossings.  Compliance achieved.
14	EnCana Corporation	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.  Damage by others. Proper procedures were not followed.	October 12, 2007	05-16-040-03W4  M.D. of Provost	Operations suspended.  Licensee updated its ground disturbance code of practice.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
15	EOG Resources Canada Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	October 25, 2007	10-05-022-07W4  Special Area 2 (near Buffalo)	Operations were not suspended as there was no potential or existing impact/hazard to the environment or the public.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Contaminated soil was analyzed and disposed of properly.  Compliance achieved.
16	EOG Resources Canada Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation – No agreement with Department of Energy.	October 25, 2007	14-23-031-25W4  Kneehill County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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17	Exxonmobil Canada Ltd. And Exxonmobil Resources Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 31, 2007	05-27-029-28W4  Mountain View County	In accordance with <i>ID 2001-03</i> operations were not suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
18	Gentry Resources Ltd.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 2, 2007	13-27-026-08W4  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.
19	Gentry Resources Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 25, 2007	07-08-019-11W4  County of Newell	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.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
20	Graybeard 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.	October 29, 2007	14-18-047-23W4  County of Wetaskiwin	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
21	Harvest Operations Corp.	Resources Applications/ Waterflood schemes	Failure to commence injection.	October 4, 2007	Giroux Lake Viking F Pool  Approval No. 9935  00/16-16-066-21W5/0  00/15-21-066-21W5/0  M.D. of Greenview	Require confirmation that injection has commenced and the appropriate well status and injection volumes have been reported or an application to amend the approval has been submitted.  Require a plan to address noncompliance and prevent future occurrences.  Licensee submitted an application to amend the approval. Application was approved.  Compliance achieved.
22	Harvest Operations Corp.	Field Surveillance/ Pipelines	Damage by others - Proper procedures were not followed.	October 15, 2007	08-30-016-08W4  C.F.B. Suffield	Operations suspended  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Pipeline was repaired. All released fluid and contaminated soil was removed and disposed of.  Compliance achieved.

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23	Highpine Oil & Gas Limited	Field Surveillance/ Drilling Operations	Blowout Preventer(s) or Hydraulically Controlled Remote Valve on the diverter/bleed-off line failed to operate from the floor position.	October 1, 2007	13-31-047-10W5 Beaver County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Annular functioning properly.  Compliance achieved.
24	Highpine Oil and Gas Limited	Field Surveillance/ Pipelines	Noncompliant with other EUB requirement (No attempt to comply with resident notification/ or consultation. Licensee was venting sour gas from a pipeline through an H <sub>2</sub> S scrubber that resulted in off lease odours.)	October 14, 2007	03-34-048-08W5 Brazeau County	Operations suspended  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
25	Imperial Oil Resources Limited	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 31, 2007	02-04-021-04W5 M.D. of Foothills	In accordance with <i>ID 2001-03</i> operations were not suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
26	Japan Canada Oil Sands Limited	Field Surveillance/ Oil Facilities	No tank dike where required.  No leak detection and secondary containment where required.	October 4, 2007	16-27-084-11W4 Regional Municipality of Wood Buffalo	Operations were not suspended as there was no existing or potential hazard/ impact to the environment or the public.  Require a plan to address noncompliance and prevent future occurrences.  The deadline has been extended until June 2008.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
27	Milagro Energy Inc.	Field Surveillance/ Oil Facilities	No tank dike where required.	October 18, 2007	08-29-063-09W5 Woodlands County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed a new liner and dike.  Compliance achieved.
28	Montello Resources Ltd.	Resources Applications/ Waterflood Schemes	Failure to commence injection.	October 19, 2007	Mulligan Charlie Lake B Pool Approval No. 8235	Licensee confirmed that injection has resumed or commenced, and appropriate well status reports and injection volumes have been submitted, as applicable Surveillance indicates that well status has not been changed and injection is not being reported.  Licensee has submitted a plan to address noncompliance but not a plan to prevent future occurrences.  Discussions are ongoing.
29	NAL Resources Limited	Field Surveillance/ Pipelines	Contaminated material stored directly on the ground.	October 24, 2007	12-27-037-03W5 Red Deer County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee removed the contaminated material.  Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
30	Nexen Inc.	Resources Applications/ Commercial In Situ Oil Sands Schemes	Altering/ modifying scheme design or equipment without notification/approval (7 wells drilled within the 150m buffer zone where the Gregoire channel breaches the McMurray formation).	October 4, 2007	Approval No 9485  Long Lake Thermal Scheme  Athabasca Oil Sands Area	<p>Licensee provided a discussion of options for bringing wells into compliance including the pros and cons of each option and Licensees preferred plan.</p> <p>Licensee provided a plan to address the root cause of the noncompliance and prevent future occurrences.</p> <p>The EUB continues to remain vigilant on the interpretation of the Q Channel, the ongoing steaming plans, and the monitoring and evaluation of performance and observation well data for wells drilled adjacent to the Q Channel. Additional reporting and submission requirements have been implemented.</p>
31	Nexen Inc.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	October 31, 2007	01-02-026-29W4  M.D. of Rocky View	<p>In accordance with <i>ID 2001-03</i> operations were not suspended.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</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
32	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in a failure within one year's service/operation.	October 25, 2007	09-02-033-01W4  Special Area 4 (near Compeer)	Operations suspended.  Require a plan to correct the noncompliance and prevent future occurrences.  Penn West submitted an appeal to the Enforcement Advisor. Enforcement Advisor denied the appeal on January 23, 2008.  This inspection is not complete. An extension was granted to March 18, 2008.
33	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	October 31, 2007	10-32-067-09W5  M.D. of Big Lakes	Operations were not suspended as the noncompliance was corrected immediately.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee installed a functioning hatch.  Compliance achieved.
34	Pioneer Natural Resources Canada Inc.	Field Surveillance/ Gas Facilities	Flame type equipment without workable flame arrestor less than 25 m from a process vessel.  Flare system – Operation procedures and/or automatic shutdowns not in place to control major sour/acid gas flaring events.	October 17, 2007	10-15-029-24W4  Kneehill County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  New flame type equipment with workable flame arrestor installed.  Underground storage tank was removed and replaced with an above ground diked storage tank.  Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
35	Provident Energy Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 1, 2007	00/14-25-040-02W5/2  Lacombe County	Operations suspended.  Licensee confirmed that the well has been shut-in and will remain shut-in until all overproduction has been retired.  Licensee was required to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.
36	Ranchwest Energy Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	October 29, 2007	01-28-067-02W5/3  M.D. of Lesser Slave River	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
37	Rider Resources Ltd.	Field Surveillance/ Gas Facilities	H <sub>2</sub> S emissions off lease.	October 12, 2007	11-17-049-04W5  Brazeau County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee monitored and will continue to monitor operations to confirm odour free operations.  Compliance achieved.
38	Sabertooth Energy Ltd.	Field Surveillance/ Pipelines	Hand Excavation – mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.	October 31, 2007	07-13-082-09W6  Saddle Hills County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee repaired the pipeline.  Compliance achieved.

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#	Licensee	EUB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Location/ Area	EUB Action(s) and Licensee Response
39	Signalta Resources Limited	Resources Applications/ Groundwater Protection	Failure to immediately notify the EUB of water production above the threshold.	February 5, 2007	20/07-15-051-15W4/0  County of Minburn	Operations were not suspended as it may cause more damage to the aquifer than continued production  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee determined the source of the water and provided a water analysis.  The sample was an adequate representation of formation water.  Compliance achieved.
40	Spectra Energy Midstream Corporation	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	October 29, 2007	12-12-038-19W4  County of Stettler	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.
41	Storm Exploration Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/ operation.	October 9, 2007	06-30-075-07W6  Saddle Hills County	Operations suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Licensee repaired the pipeline.  Compliance achieved.

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42	Talisman Energy Inc.	Field Surveillance/ Pipelines	<p>Marking of existing pipelines inside a controlled area is unsatisfactory.</p> <p>Mechanical excavation takes place within 5 m of existing pipeline prior to hand exposure.</p> <p>Machine working within 60 cm without authorization from the owner of the existing crossing.</p> <p>Failure Notification – failure to notify appropriate EUB Field Centre.</p> <p>Proper procedures were not followed.</p> <p>Spill material (waste) not properly stored.</p>	October 12, 2007	03-32-018-02-W5  Starland County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee repaired the pipeline.</p> <p>Licensee modified their Ground Disturbance procedures and has provided Ground Disturbance training to their Field Supervisors.</p> <p>Compliance achieved.</p>
43	Timberrock Energy Corp.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	October 29, 2007	14-17-037-04W5  Clearwater County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee cleaned up the spill.</p> <p>Compliance achieved.</p>

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44	Trafalgar Energy Ltd.	Resources Applications/ Waterflood Schemes	Failure to commence injection.	October 16, 2007	Joussard Bluesky B Approval No. 10769	Licensee submitted an application to amend the approval.  Approval granted.  Licensee has commenced injection.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
45	Trilogy Energy Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	October 1, 2007	00/05-29-064-18W5/2  M.D. of Greenview	Operations suspended.  Licensee confirmed that the well has been shut-in and will remain shut-in until all overproduction has been retired.  Licensee was required to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.
46	Vermilion Resources Ltd.	Field Surveillance/ Pipelines	Discontinued pipeline – not left in safe condition.  Internal corrosion control – no monitoring and mitigation in corrosive environment.	October 18, 2007	11-18-081-09W5 02-24-081-09W5  Northern Sunrise County	Operations were not suspended as the two pipelines are currently inactive.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Pipeline has been discontinued and licence has been amended.  Compliance achieved.

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47	Vermillion Resources Ltd.	Field Surveillance/ Pipelines	Discontinued pipeline – not left in safe condition.  Internal corrosion control – no monitoring and mitigation in corrosive environment.	October 31, 2007	04-06-074-05W5  M.D. of Lesser Slave River	Operations were not suspended as the pipeline is currently inactive.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Pipeline has been discontinued and licence has been amended.  Compliance achieved.

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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	EnCana Corporation	Field Surveillance/ Pipelines	Miscellaneous Joint Failure – Manufacturer's techniques and specifications not followed.	October 19, 2007	04-31-036-21W4  County of Stettler	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Licensee repaired the pipeline.  Action plan was reviewed and approved by the EUB.  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
	None					

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

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	Saguaro Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	October 17, 2007	Enforcement applied against the licensee, not a location.	Global REFER  Issuance of Miscellaneous Order MISC No. 2007-14.  Licensee required to pay security deposit and provide a written explanation acceptable to the EUB addressing the failure to respond and detailing steps to prevent future occurrences.  Saguaro Energy Corp. failed to comply. Closure Order No. C 1098 and Abandonment Order No. AD 2008-1 subsequently issued. EUB proceeding to abandon Saguaro Energy Corp.'s 03/07-04-001- 11W4/3 well.

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
	None					

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

## Endnotes

### <sup>1</sup> **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.

### <sup>2</sup> **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.

### <sup>3</sup> **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.

### <sup>4</sup> **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.

### <sup>5</sup> **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.