



# ERCB Monthly Enforcement Action Summary

July 2008

**ENERGY RESOURCES CONSERVATION BOARD**  
**ST108: ERCB Monthly Enforcement Action Summary, July 2008**

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High Risk Compliance Category Statistics				
ERCB	Compliance Category	July 2008		
		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	84	4	95%
	Facilities Technical	20	0	100%
	Pipelines/Pipeline Installations Technical	29	0	100%
	Wells Technical	71	8	89%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Enhanced Recovery Scheme 9 months audits	26	2	92%
	Acid Gas Injection/Disposal	n/a	1	n/a
	Groundwater Protection	n/a	1	n/a
	Gas Allowables	n/a	1	n/a
<b>Subtotal</b>		<b>230</b>	<b>17</b>	<b>93%</b>
<b>Compliance and Operations Branch</b>				
Operations Group Production Operations Section	Directive 060 Economic Evaluation Audits	1	1	0%
	Sulphur Recovery	100	4	96%
Environment Group Waste and Storage Section	Oilfield Waste Generator	n/a	3	n/a
	Drilling Waste Audits	3	0	100%
	Storage Audits	6	0	100%
<b>Subtotal</b>		<b>110</b>	<b>8</b>	<b>93%</b>
<b>Public Safety/Field Surveillance Branch</b>				
	Drilling Operations	68	4	94%
	Well Servicing	24	1	96%
	Oil Facilities	667	5	99.2%
	Gas Facilities	247	4	98%
	Pipelines	136	10	93%
	Drilling Waste	20	2	90%
	Waste Management	9	0	100%
	Well Site Inspections	2719	4	99.8%
<b>Subtotal</b>		<b>3890</b>	<b>30</b>	<b>99.2%</b>
<b>Resources Branch</b>				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	467	4	99.1%
<b>Subtotal</b>		<b>467</b>	<b>4</b>	<b>99.1%</b>
<b>Total Audit/Inspections High Risk</b>		<b>4697</b>	<b>59</b>	<b>98.7%</b>

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

High Risk Enforcement Action 1 <sup>1</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Advantage Oil & Gas Ltd.	Field Surveillance/ Pipelines	Corrosion Internal – there is no documented monitoring or mitigation in place and/or company is not following program.	July 15, 2008	09-22-076-13W6 Saddle Hills County	Operations suspended.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
2	Advantage Oil & Gas Ltd.	Resources Applications/ Gas Allowables	Production prior to the assignment of a yearly allowable.	July 31, 2008	12-35-072-03W5 M.D. of Lesser Slave River	Licensee confirmed in writing that the well has been shut in and will remain shut in until all overproduction has been retired and an allowable has been assigned.  Licensee provided a plan to address the noncompliance and prevent future occurrences.
3	Advantage Oil & Gas Ltd.	Field Surveillance/ Drilling Inspection	Accumulator pressure dropped below 8400 kPa after function test with the recharge pump off.	July 31, 2008	01-18-038-22W4 Red Deer County	Operations suspended.  Licensee repaired the valve on the accumulator.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
4	Apache Canada Ltd.	Field Surveillance/ Pipelines	Pipeline sign missing or defaced on both sides of a crossing.	July 30, 2008	16-15-117-05W6 M.D. of Mackenzie	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.  Licensee installed new signs.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Arcan Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	July 2, 2008	15-07-096-09W6 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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</p> <p>Licensee resumed production prior to retiring all cumulative overproduction.</p> <p>Compliance not achieved.</p>
6	Birchcliff Energy Ltd.	Field Surveillance/ Pipelines	Corrosion Internal – there is no documented monitoring or mitigation in place and/or company is not following program.	July 24, 2008	10-27-077-04W6 Birch Hills County	<p>Operations suspended.</p> <p>Licensee implemented a corrosion control program.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
7	Buffalo Resources Corporation	Field Surveillance/ Drilling Waste Inspection	Waste control and containment – disposal is closer than allowable limits to surface water.	July 9 ,2008	04-16-056-03W4 County of St. Paul	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee cleaned up the area.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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8	Canadian Forest Oil Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	July 24, 2008	07-17-038-01W4 M.D. of Provost	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
9	Canadian Natural Resources Limited	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	July 2, 2008	05-31-064-02W6 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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.
10	Canadian Natural Resources Limited	Field Surveillance/ Well Service Inspection	Noncompliant with other ERCB requirement – Directive 027 Shallow Fracturing Operations – Interim Controls, Restricted Operations, and Technical Review – fracture treatments must use only non-toxic fluids above the base of groundwater protection.	July 3, 2008	04-29-037-26W4 Red Deer 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.  Compliance achieved.

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11	ConocoPhillips Canada (BRC) Ltd.	Resources Application/ Groundwater Protection	Failure to immediately notify the ERCB of water production above the threshold.	July 15, 2008	12-03-048-11W4  Beaver County	<p>Operations were not suspended, in accordance with Directive 044 (Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection).</p> <p>Licensee determined the source and composition of the produced water and provided a water analysis, which is currently under review.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p>
12	Coastal Resources Limited	Field Surveillance/ Gas Facilities	<p>Flame-type equipment without workable flame arresters 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>	July 31, 2008	11-29-030-09W4  Special Area 3 (near Youngstown)	<p>Operations were not suspended, as the noncompliance was corrected immediately.</p> <p>Licensee installed nuts/bolts on the flame arrester.</p> <p>Licensee integrity tested the tank.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
13	Deep Creek Oil & Gas Inc.	Field Surveillance/ Well Site Inspection	Well not suspended, as required by Directive 013 Suspension Requirements for Wells.	July 25, 2008	16-13-034-29W4  Red Deer County	<p>Operations suspended.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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14	Devon Canada 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.	July 14, 2008	07-21-062-06W4  M.D. of Bonnyville	Licence not cancelled or suspended, as well is drilled and cased.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
15	Drake Pacific Enterprises Ltd.	Facilities Applications/ Wells Technical	Incomplete DSU (drilling spacing unit) for the intended formation(s).	July 29, 2008	12-32-012-18W4  M.D. of Taber	Licence suspended.  Licensee obtained a pooling agreement; suspension lifted.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
16	Elmdale Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	July 3, 2008	10-12-042-16W4  Flagstaff County	Licence cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
17	EnCana Corporation	Field Surveillance/ Pipelines	Miscellaneous Joint Failure - manufacturer's techniques and specifications not followed.	July 4, 2008	08-04-028-22W4  Wheatland County	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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18	EnCana Corporation	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	July 10, 2008	14-01-062-05W6  M.D. of Greenview	Licence cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
19	EnCana Oil & Gas Co. Ltd.	Field Surveillance/ Pipelines	Damage by others – proper procedures were not followed.	July 31, 2008	12-10-020-08W4  Cypress County	Operations suspended.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
20	EOG Resources Canada Inc.	Resources Applications/ Enhanced Recovery Schemes	Failure to meet conditions of approval.	July 23, 2008	08-25-050-05W5 07-36-050-05W5  Parkland County	Application was submitted and is currently under review.  Licensee provided a plan to address the noncompliance and prevent future occurrences.
21	Exshaw Oil Corp.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	July 31, 2008	06-09-078-07W6  Saddle Hills 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 directed to develop and implement a plan to address the noncompliance and prevent future occurrences.  All overproduction retired.  Compliance achieved.

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22	Galleon Energy Inc.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	July 24, 2008	12-21-077-21W5 M.D. of Smoky River	<p>License not cancelled or suspended, as the noncompliance was corrected.</p> <p>Licensee met all consultation/ notification requirements.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
23	Gentry Resources Ltd.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	July 2, 2008	09-15-019-12W4 County of Newell	<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>
24	Glamis Resources Ltd.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/ cleaned up.	July 9, 2008	03-05-006-15W4 County of Warner	<p>Operations suspended.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to correct the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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25	Harvest Operations Corp.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting (Directive 060 Upstream Petroleum Industry Flaring, Incinerating, and Venting).	July 17, 2008	16-14-038-07W5 Clearwater County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee contacted the resident immediately and resolved any concerns.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
26	Harvest Operations Corp.	Operations Group/ Guide 60 Economic Evaluation Audits	Decision tree process not completed for new, existing, and temporary flares and vents as required.	July 23, 2008	06-21-048-05W4 County of Vermilion River	Operations suspended. Licensee submitted an economic evaluation.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.
27	Harvest Operations Corp.	Field Surveillance/ Pipelines	Marking of existing pipelines inside a controlled area is unsatisfactory.	July 24, 2008	10-20-041-12W4 Flagstaff County	Operations suspended. Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.

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28	Husky Oil Operations Limited	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	July 22, 2008	11-35-034-27W4  Red Deer County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee installed nuts/bolts on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
29	Imperial Oil Resources Limited.	Field Surveillance/ Drilling Inspection	Accumulator pressure dropped below 8400 kPa after function test with the recharge pump off.	July 8, 2008	16-30-064-03W4  M.D. of Bonnyville	Operations suspended.  The annular valve was readjusted to meet requirements.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
30	JED Production Inc.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery efficiency.	July 17, 2008	09-17-122-20W5  M.D. of Mackenzie	In accordance with <i>ID 2001-03</i> (Sulphur Recovery Guidelines for the Province of Alberta), operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Currently under review.
31	JED Production Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	July 23, 2008	03-08-122-20W5  M.D. of Mackenzie	Operations suspended.  Licensee installed nuts/bolts on the flame arrester.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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32	Jed Production Inc.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.  Noncompliant with other ERCB requirement – Corporate Emergency Response Plan not in accordance with Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry.	July 31, 2008	10-22-122-21W5  M.D. of Mackenzie	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.  Licensee cleaned up the spill.  Licensee updated its emergency response plan.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
33	Keyera Energy Ltd.	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	July 25, 2008	06-10-044-12W5  Clearwater County	In accordance with <i>ID 2001-03</i> (Sulphur Recovery Guidelines for the Province of Alberta), operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
34	Knowledge Energy Inc.	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Department of Energy.  Failure to acquire the abandoned wellbore rights.	July 17, 2008	07-09-044-06W5  Clearwater County	Licence cancelled.  Licensee provided a plan to correct the noncompliance and prevent future occurrences.  Compliance achieved.

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35	MEC Operating Company	Field Surveillance/ Pipelines	<p>The status of crossing agreement is unsatisfactory.</p> <p>Notification to the owner of the existing pipeline prior to ground disturbance was unsatisfactory.</p> <p>Damage by others – proper procedures were not followed (ground disturbance).</p>	July 24, 2008	<p>13-13-053-18W4</p> <p>Lamont County</p>	<p>Operations suspended.</p> <p>Licensee updated its ground disturbance manual and provided additional training to staff.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
36	Milagro Energy Inc.	Field Surveillance/ Pipelines	<p>Release Reporting – operator is aware of a reportable release but neglects to report it.</p> <p>Spill not adequately cleaned up.</p>	July 7, 2008	<p>10-22-080-09W6</p> <p>Saddle Hills County</p>	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee cleaned up the spill.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
37	MPP Ltd.	Environment Group/ Oilfield Waste Generator Audits	<p>Oilfield waste was not properly characterized.</p> <p>Oilfield waste was not disposed of in the appropriate class of disposal well.</p>	July 28, 2008	<p>01-35-019-28W4</p> <p>M.D. Foothills</p>	<p>Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2006.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

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38	NAL Resources Ltd.	Field Surveillance/ Oil Facilities	Non compliant with other ERCB requirement – individual dehydrator(s) or site dehydrator benzene emissions over the limits as per Directive 039 Revised Program to Reduce Benzene Emissions from Glycol Dehydrators.	July 25, 2008	10-04-039-04W5 Clearwater County	Operations were not suspended, as the noncompliant event occurred in the past.  Licensee made repairs to the dehydrator to reduce emissions.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
39	Paramount Resources Ltd.	Resources Applications/ Acid Gas Injection/ Disposal	Injected gas stream exceeds specified mole fraction of H <sub>2</sub> S level.  Failure to meet conditions of approval.	July 9, 2008	11-32-122-02W6 M.D. of Mackenzie	Licensee corrected the noncompliance and is in compliance with all the conditions of its approval.  Licensee provided an action plan to address the noncompliance and prevent future occurrences.
40	Pengrowth Corporation	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	July 25, 2008	06-18-032-01W5 Mountain View County	In accordance with <i>ID 2001-03</i> (Sulphur Recovery Guidelines for the Province of Alberta), operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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41	Petro-Canada	Environment Group/ Oilfield Waste Generator Audits	Oilfield waste was not properly characterized.  Oilfield waste was not properly classified as either Dangerous (DOW) or non- Dangerous (non-DOW).	July 7, 2008	11-16-065-12W6  M.D. of Greenview	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed in 2006.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
42	Primewest Energy Inc.	Field Surveillance/ Drilling Inspection	Fluid turn(s) in bleed-off line(s) not made using right-angle connections constructed of tees and crosses blocked on fluid turns.	July 29, 2008	09-30-054-17W5  Yellowhead County	Operations suspended.  Licensee installed proper right- angle connections.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
43	Quicksilver Resources Canada Inc.	Facilities Applications/ Wells Technical	Incomplete public and/or industry personal consultation and notification prior to filing the application.	July 22, 2008	06-27-037-26W4  Red Deer County	Licence not cancelled or suspended, as the noncompliance was corrected.  Licensee met all consultation/ notification requirements.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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44	Response Energy Corporation	Field Surveillance/ Oil Facilities	H <sub>2</sub> S emissions off lease.	July 7, 2008	06-32-055-25W4 Sturgeon County	Operations were not suspended, as the noncompliance was corrected immediately.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
45	Salvo Energy Corporation	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	July 25, 2008	16-05-051-27W4 Parkland County	Licence not cancelled or suspended, as the noncompliance was corrected.  Licensee met all consultation/ notification requirements.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
46	Severo Energy Corp.	Field Surveillance/ Well Site Inspection	Residents within required radius not notified of flaring or venting.	July 30 ,2008	02-36-059-21W4 County of Thorhild	Operations were not suspended, as the incident occurred prior to the inspection.  Licensee implemented procedures to ensure that all residents are contacted prior to flaring or venting.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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47	Spectra Energy Midstream Corporation	Operations Group/ Sulphur Recovery Guidelines	Failure to meet the approved calendar quarter-year sulphur recovery guidelines.	July 25, 2008	16-33-038-22W4  County of Stettler	In accordance with <i>ID 2001-03</i> (Sulphur Recovery Guidelines for the Province of Alberta), operations were not suspended.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
48	Stealth Ventures Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the rights to the intended formation(s).	July 3, 2008	11-11-048-05W4  County of Vermillion River	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
49	Stonefire Energy Corp.	Field Surveillance/ Drilling Inspection	BOP (blowout preventer) hydraulic line end fittings located within 7 m of the wellbore not fire rated.	July 29, 2008	01-03-054-16W5  Yellowhead County	Operations were not suspended, as cementing had commenced on the production casing.  Licensee installed fire-rated fittings.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
50	Talisman Energy Inc.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	July 2, 2008	15-24-057-06W6  M.D. of Greenview	Operations suspended.  Licensee repaired the pipeline.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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51	Talisman Energy Inc.	Field Surveillance/ Gas Facilities	Noncompliant with other ERCB requirements – individual dehydrator(s) or site dehydrator benzene emissions over the limits, as per Directive 039 Revised Program to Reduce Benzene Emissions from Glycol Dehydrators.	July 25, 2008	04-03-060-22W5 M.D. of Greenview	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.  Licensee made repairs to the dehydrator to reduce emissions.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
52	Trafalgar Energy Ltd.	Resources Applications/ Enhanced Recovery Schemes	Inadequate VRR (voidage replacement ratio).	July 18, 2008	Joussard Bluesky B Pool	Licensee submitted an application to have the ratio amended which is currently under review.  Licensee provided a plan to address the noncompliance and prevent future occurrences.
53	Trilogy Energy Ltd.	Field Surveillance/ Drilling Inspection	Sump located in porous/ coarse soil.  Wastes are not contained by pits or berms and there is potential for off lease migration.	July 16, 2008	16-23-059-18W5 Woodlands County	Operations were not suspended, as the well is drilled and cased.  Licensee removed contaminated soil.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.
54	Vermilion Resources Ltd.	Facilities Applications/ Wells Technical	Failure to acquire the abandoned wellbore rights.	July 24, 2008	07-08-052-10W5 Yellowhead County	Licence cancelled.  Licensee provided a plan to address the noncompliance and prevent future occurrences.  Compliance achieved.

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

High Risk Enforcement Action 2 (Persistent Noncompliance) <sup>2</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB 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).

High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) <sup>3</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Penn West Petroleum Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	July 3, 2008	14-33-039-05W5 Clearwater County	Operations suspended. Licensee cleaned the flame arrester to remove oil staining.  Licensee provided a plan to address the noncompliance and prevent future occurrences. Licensee met with ERCB; action plan approved. Compliance achieved.
2	Petenco Resources Ltd.	Field Surveillance/ Pipelines	Failure to notify appropriate ERCB Field Centre.  Operator is aware of a reportable release but neglects to report it.	July 10, 2008	11-26-048-06W5 Brazeau County	Operations suspended.  Licensee implemented procedures to report releases to the ERCB.  Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
3	S.V.C. Resources Inc.	Public Safety/Field Surveillance Branch/ Waste Facilities	Surface run-on/run-off control not installed where required.  Injection/disposal pressure exceeds ERCB approved maximum.	July 7, 2008	07-13-022-08W4 Special Area 2 (near Jenner)	Operations suspended.  Require a plan to address the noncompliance and prevent future occurrences.  The site will remain suspended until all noncompliance items and corrective actions are satisfactorily addressed.

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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Apex Energy (Canada) Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 3, 2008	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2008-9.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, including an explanation of why a previous action plan was unsuccessful.</p> <p>Apex Energy (Canada) Inc. requested a review and variance of Miscellaneous Order No. MISC 2008-9, in accordance with the <i>Energy Resources Conservation Act</i>. Apex Energy (Canada) Inc. subsequently in receivership, and the Receiver and Manager withdrew the review and variance application.</p> <p>Apex Energy (Canada) Inc. failed to comply.</p>
2	Goldenrod Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 3, 2008	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2008-10.</p> <p>Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p>

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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						Goldenrod Resources Inc. failed to comply. Closure Orders No. C 1122 and C 1124, Abandonment Orders No. AD 2008-15 and AD 2008-16, and Closure/ Abandonment Order No. AD 2008-17 subsequently issued.
3	Gusher Oil & Gas Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 3, 2008	N/A – Against Licensee	Global Refer status.  Issuance of Miscellaneous Order No. MISC 2008-8.  Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.
4	Gusher Oil & Gas Ltd.	Corporate Compliance / Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	July 24, 2008	05-26-054-22W4 Strathcona County	Global Refer status.  Issuance of Closure Order No. C 1121.  Suspension of well licence.  Licensee required to pay the security deposit and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.  Gusher Oil & Gas Ltd. failed to comply. Abandonment Order No. AD 2008-12 issued.

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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						ERCB notified licensee of its intention to have the property abandoned as a result of breaching the Abandonment Order.
5	Premium Petroleum Inc.	Environment Group/ Oilfield Waste Generator Audits	Oilfield Waste Disposition Report was not submitted within the required time frame.	July 10, 2008	14-15-061-11W4 09-22-061-11W4 (2 well licences at this location)  County of St. Paul	<p>Global Refer status.</p> <p>Issuance of Closure Order No.: C 1117.</p> <p>Suspension of well licences.</p> <p>Licensee required to</p> <ol style="list-style-type: none"> <li>1) submit its 2007 Annual Oilfield Waste Disposition Report via the Digital Data Submission System;</li> <li>2) provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and</li> <li>3) attend a documented meeting with the ERCB to review Premium Petroleum Inc.'s noncompliant history and action plan.</li> </ol> <p>Premium Petroleum Inc. failed to comply. Abandonment Order No. AD 2008-10 and Closure/ Abandonment Order No. AD 2008-11 issued and subsequently amended to allow licensee additional time to comply.</p> <p>Premium Petroleum Inc. submitted its 2007 Annual Oilfield Waste Disposition Report, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</p>

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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
6	S.V.C. Resources Inc.	Environment Group/ Oilfield Waste Receiver Audits	<p>The licensee generating an oilfield waste does not properly characterize and classify the waste material.</p> <p>Waste facility accepts wastes it is not approved to receive or capable of handling.</p>	July 11, 2008	07-13-022-08W4 Special Area 2 (near Jenner)	<p>Global Refer status.</p> <p>Issuance of Closure Order No.: C 1116.</p> <p>Suspension of ERCB Oilfield Waste Management Approval No. WM 086.</p> <p>Licensee required to</p> <p>1a) develop and implement a program to ensure that the facility only receives characterized materials that it is approved to handle;</p> <p>1b) provide a written action plan as to how S.V.C. Resources Inc. will ensure that all residuals generated by the facility will be properly characterized and classified prior to shipment and disposal;</p> <p>2) develop and submit an action plan in writing addressing items 1a) and 1b) and include a written explanation addressing the failure to respond to ERCB direction and detailing steps to prevent future occurrences;</p> <p>3) hold a documented meeting with the ERCB to review S.V.C. Resources Inc.'s noncompliant history and action plan.</p> <p>S.V.C. Resources Inc. failed to comply and subsequently went into bankruptcy.</p>

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	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>ERCB rescinded Closure Order No. C 1116 to facilitate the transfer of Waste Management Approval No. WM 086 to another responsible party. However, S.V.C. Resources Inc. failed to submit the written action plan or attend a documented meeting.</p> <p>Licensee remains noncompliant with ERCB requirements.</p>

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

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	Desmarais Energy Corporation	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Desmarais Energy Corporation has a valid entitlement to the right to produce the well.	July 15, 2008	02-29-057-05W5  County of Barrhead	Global Refer status.  Issuance of Closure Order No.: C 1118.  Suspension of well licence.  Licensee required to abandon the 02-29-057-05W5 well; complete the Digital Data Submission indicating both the downhole and surface abandonment; provide a written action plan acceptable to the ERCB that identifies the root causes of the noncompliance and details what internal procedures are to be implemented to prevent a reoccurrence; and meet with the ERCB to explain the noncompliance issues and the devised corrective action plan.  Desmarais Energy Corporation abandoned the well but failed to submit the written action plan or attend a meeting.  Licensee remains noncompliant with ERCB requirements.
2	Enermark Inc.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that Enermark Inc. has a valid entitlement to the right to produce the well.	July 28, 2008	10-12-050-23W4 10-11-050-23W4  Leduc County	Global Refer status.  Issuance of Closure Order No.: C 1123.  Suspension of well licences.  Licensee required to abandon 10-12-050-23W4 and 10-11-050-23W4 wells; complete the Digital Data

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

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>Submission indicating both the downhole and surface abandonment; provide a written action plan acceptable to the ERCB identifying the root cause of the noncompliance and detailing what procedures the licensee has implemented to prevent a recurrence; and meet with the ERCB to explain the noncompliance issues and the devised corrective action plan.</p> <p>Enermark Inc. abandoned the wells, provided an acceptable action plan, and met with the ERCB.</p> <p>Compliance achieved.</p>
3	Peace West Energy Corporation	Corporate Compliance/ Corporate Profile Audit	Failure to prove to the satisfaction of the ERCB that Peace West Energy Corporation is a resident of Alberta.	July 23, 2008	<p>01-13-108-19W5 15-31-108-19W5 08-24-108-19W5 01-25-108-19W5 15-33-108-19W5 02-06-109-19W5 13-21-109-19W5 01-18-109-19W5 M.D. of Mackenzie</p> <p>07-24-073-10W5 05-26-073-10W5 M.D. of Big Lakes</p>	<p>Global Refer status.</p> <p>Issuance of Closure Order No.: C 1115.</p> <p>Suspension of well licences.</p> <p>Licensee required to complete one of the following:</p> <p>1) provide substantive information to show that Peace West Energy Corporation has a fully functioning office in Alberta; or</p> <p>2) apply for the appointment of an approved agent should Peace West Energy Corporation deem that it does not have a fully function office in Alberta.</p>

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

Legislative/Regulatory Enforcement Action <sup>5</sup>						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
						<p>In addition to point 1 or 2 above, Peace West Energy Corporation must also provide to the ERCB</p> <p>3) a corporate profile update and a certificate of proof of insurance, describing the coverage and the effective date of the insurance;</p> <p>4) a list of the working interest participants and their corresponding percentage of participation for each of Peace West Energy Corporation's wells listed;</p> <p>5) confirmation that Peace West Energy Corporation has active surface and mineral leases for the wells listed; and</p> <p>6) a written action plan to the ERCB outlining procedures that have been implemented internally to prevent a re-occurrence of a similar event; and</p> <p>7) a senior company representative must meet with the ERCB to address the noncompliance issue and discuss the action plan.</p> <p>Peace West Energy Corporation failed to comply. Abandonment Order No. AD 2008-13 was issued.</p> <p>ERCB renotified licensee of its intention to have the properties abandoned as a result of breaching the Abandonment Order.</p>

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: ERCB Compliance Assurance–Enforcement*, High Risk Enforcement Action 1 is initiated against a licensee when the ERCB 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 ERCB group); notify the ERCB group that the High Risk noncompliance has been corrected/addressed in the specified time. In addition, the ERCB 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: ERCB 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 ERCB 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 ERCB group before start-up; and review the action plan with the ERCB group in a meeting. In addition, the ERCB 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: ERCB 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 ERCB 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 ERCB 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 ERCB group to review and have the action plan approved before start-up of operations if operations were suspended. The ERCB 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 ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. 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: ERCB 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 ERCB 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 ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. 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 ERCB group; notify the ERCB group that the Low Risk noncompliance has been corrected/addressed in the specified time; and provide a written explanation acceptable to the ERCB 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 ERCB when deciding to approve or deny future and pending applications by the licensee to the ERCB. 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.