



ERCB Monthly Enforcement Action Summary

August 2009

ENERGY RESOURCES CONSERVATION BOARD
ST108: ERCB Monthly Enforcement Action Summary, August 2009

December 2009

Published by

Energy Resources Conservation Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: 403-297-8311
Fax: 403-297-7040
E-mail: infoservices@ercb.ca
Web site: www.ercb.ca

Contents

High Risk Compliance Category Statistics.....	1
High Risk Enforcement Action 1	2
High Risk Enforcement Action 2 (Persistent Noncompliance).....	22
High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard).....	23
Low Risk Enforcement Action – Global REFER Summary.....	24
Legislative/Regulatory Enforcement Action	37
Endnotes	38

High Risk Compliance Category Statistics				
ERCB	Compliance Category	August 2009		
		Initial Audits/ Inspections	Number of High Risk Noncompliance	Compliance Rate with High Risk Noncompliance
Applications Branch				
Facilities Applications Group Audit Section	Participant Involvement	53	5	91%
	Facilities Technical	16	2	88%
	Wells Technical	30	2	93%
	Pipelines/Pipeline Installations Technical	12	0	100%
Resources Applications Group Enforcement & Surveillance Section and Coal Section	Control Wells	n/a	16	n/a
	Gas Allowables	n/a	1	n/a
	Production Without Common Ownership	n/a	1	n/a
	Spacing	n/a	1	n/a
Subtotal		111	28	75%
Compliance and Operations Branch				
Operations Group Production Operations Section	Production Measurement & Reporting			
Environment Group Waste and Storage Section	Oilfield Waste Generator	n/a	6	n/a
	Drilling Waste Audits	n/a	4	n/a
Subtotal		n/a	10	n/a
Public Safety/Field Surveillance Branch				
	Drilling Operations	42	3	93%
	Well Servicing	36	0	100%
	Oil Facilities	443	6	98.6%
	Gas Facilities	320	3	99.0%
	Pipelines	167	4	98.0%
	Drilling Waste	27	2	93%
	Well Site Inspections	1191	4	99.7%
	Waste Management	4	0	100%
Subtotal		2230	22	99.0%
Resources Branch				
Geology and Reserves Group Reserves & Allowables Section	Oil Overproduction	345	3	99.1%
Subtotal		345	3	99.1%
Total Audit/Inspections High Risk		2686	63	97.6%

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	981384 Alberta Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	06-23-032-19W4 10-30-032-19W4 02-21-032-20W4 Starland County 15-18-033-28W4 Mountain View County 14-32-036-20W4 County of Stettler 07-20-037-22W4 Red Deer County 16-22-061-03W5 Count of Barrhead	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters.</i> Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	981405 Alberta Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	11-10-062-05W5 Woodlands County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters.</i> Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
3	Alpetro Resources Ltd.	Field Surveillance/ Oil Facilities	Non compliant with other ERCB requirement – failure to ensure that the licensee 24-hour emergency telephone number is erected at the primary entrance to all licensee well and facility operations as per Directive 071.	August 11, 2009	14-25-052-17W5 Yellowhead County	Operations were not suspended, as the licensee took immediate steps to rectify the deficiency. Licensee updated and posted the correct 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
4	Apache Canada Ltd.	Field Surveillance/ Gas Facilities	Underground tank(s) not tested as the required 3 year frequency/operator cannot demonstrate tank integrity.	August 18, 2009	15-11-059-25W4 Westlock County	Operations were not suspended, as the tank has been emptied and will remain empty until the integrity test can be completed. Licensee tested the tank(s). 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
5	Apache Canada Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	18 Locations	<p>Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
6	ARC Resources Ltd.	Field Surveillance/ Drilling Operations Inspection	Low pressure and/or high pressure test(s) not conducted on all required components and/or casing strings.	August 10, 2009	15-35-066-25W5 M.D. of Greenview	<p>Operations suspended.</p> <p>Licensee updated internal procedures.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
7	Avenir Operating Corp.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	August 13, 2009	12-10-038-26W4 Red Deer County	Operations suspended. Flame arrester saturated with oil, licensee removed all oil from the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
8	BNP Resources Inc.	Field Surveillance/ Oil Facilities	Non compliant with other ERCB requirement – failure to ensure that the licensee 24-hour emergency telephone number is erected at the primary entrance to all licensee well and facility operations as per Directive 071.	August 26, 2009	16-05-003-20W4 County of Warner	Operations were not suspended, as the inspector was unable to gain access to the site because of a locked gate on the access road. Licensee updated and posted the correct 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
9	Breaker Energy Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 20, 2009	01-04-035-03W4 Special Area 4	Licence(s) not cancelled or suspended, as the noncompliance was promptly corrected. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
10	Canadian Forest Oil Ltd.	Field Surveillance/ Gas Facilities	Non compliant with other ERCB requirement - As per Directive 60, section 7.1.1, insufficient heating value available to flare.	August 20, 2009	11-27-046-21W4 Camrose County	Operations were not suspended, as the licensee increased the fuel makeup to meet/exceed the 12 MJ/m ³ minimum required. Licensee updated internal procedures. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
11	Canadian Natural Resources Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	14-24-031-19W4 Starland County 13-16-038-26W4 Red Deer County 13-22-040-25W4 Lacombe County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
12	Canadian Natural Resources Limited	Facilities Applications/ Wells Technical	Failure to design the surface casing to meet all applicable requirements.	August 28, 2009	02-07-056-07W4 County of St. Paul	No suspension or cancellation, as well is drilled and cased. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
13	Canadian natural Resources Limited	Field Surveillance/ Pipelines	Pipeline is operating but is shown as discontinued or abandoned on ERCB records. Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	August 31, 2009	01-29-011-13W4 M.D. of Taber	Operations suspended. Licensee abandoned the pipeline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
14	Canext Energy Ltd.	Environment Group/ Oilfield Waste Generator Audit	Oilfield waste was not disposed of in the appropriate class of disposal well.	August 4, 2009	13-17-079-12W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed earlier this year. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
15	Compton Petroleum Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	02-28-017-28W4 M.D. of Foothills	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
16	ConocoPhillips Canada (BRC) Ltd.	Resources Applications/ Spacing	Production of too many wells per pool per DSU without approval.	August 6, 2009	Section 19-066-11W6 Section 20-066-11W6 M.D. of Greenview	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite approval has been obtained. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
17	Costal Resources Limited	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arresters less than 25 m from a process vessel.	August 25, 2009	03-21-057-24W5 Yellowhead County	Operations suspended. Licensee replaced the gasket and missing nuts on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
18	County of Vermilion River Co-op	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 4, 2009	02-27-055-06W4 County of St. Paul	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.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
19	Devon ARL Corporation	Field Surveillance/ Drilling Waste Inspection	Disposal is closer than allowable limits to surface water. Disposal practices result in pooling, clumping, or erosion.	August 24, 2009	06-26-064-07W4 M.D. of Bonnyville	Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public. Licensee removed the contaminated soil and put in measures to protect the water body. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
20	Direct Energy Marketing Limited	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	14-24-045-23W4 County of Wetaskiwin	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
21	Drake Energy Ltd.	Field Surveillance/ Oil Facilities	Spill on/off lease not adequately controlled/cleaned up.	August 27, 2009	08-32-110-03W6 M.D. of Mackenzie	Operations suspended. Licensee cleaned up the spill. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
22	Ember Resources Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	08-11-046-23W4 County of Wetaskiwin 14-16-029-26W4 Kneehill County	<p>Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
23	EnCana Corporation	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	13 Locations	<p>Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i>.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
24	EnCana Corporation	Resources Applications/ Production Without Common Ownership	Production without common ownership throughout a DSU.	August 21, 2009	16-13-022-23W4 Wheatland County	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite P&NG (Petroleum & Natural Gas) rights are obtained.</p> <p>Licensee submitted the results of a self-audit to confirm that all remaining freehold PN&G rights have either been obtained or are being pooled in accordance with Compulsory Pooling Order No. P322.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
25	EnCana Corporation	Field Surveillance/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	August 28, 2009	10-17-017-14W4 County of Newell	<p>Operations suspended.</p> <p>Licensee replaced the uncoated pipe with composite pipe.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
26	EOG Resources Canada Inc.	Field Surveillance/ Gas Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel.	August 21, 2009	13-32-037-12W4 County of Paintearth	Operations were not suspended, as the licensee immediately replaced the nuts/blots on the flame arrester. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
27	EOG Resources Canada Inc.	Environment Group/ Drilling Waste Audit	All appropriate disposal criteria have not been followed for a particular method.	August 24, 2009	04-15-071-12W6 County of Grande Prairie	Operations were not suspended, as further delays to the disposal operations would have resulted in a further risk to the environment. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
28	Exall Energy Corporation	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 28, 2009	13-31-074-05W5 M.D. of Lesser Slave River	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. Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
29	FET Resources Ltd.	Environment Group/ Oilfield Waste Generator Audit	Oilfield waste was not disposed of in the appropriate class of disposal well.	August 7, 2009	01-13-078-11W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed 2008. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
30	Glamis Resources Ltd.	Field Surveillance/ Drilling Waste Inspection	Non compliant with other ERCB requirement - As per Directive 50, Drilling Waste Management, Section 1, sump closure must be completed within 12 months of drilling rig release. The sump at this location is still open and the final drill date was September 2007.	August 25, 2009	01-07-072-08W6 County of Grande Prairie	Operations were not suspended, as the site has not been placed into production yet. Licensee completed the closure of the sump. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
31	Gryphon Petroleum Corp.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	13-12-032-29W4 Mountain View County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
32	Hunt Oil Company Of Canada, Inc.	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 31, 2009	11-03-072-26W5 M.D. of Greenview	Operations not suspended, as all overproduction has been retired. Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
33	Husky Oil Operations Limited	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application. Failure to disclose to the ERCB 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 26, 2009	03-21-051-01W4 County of Vermilion River	Licence(s) suspended. Require a plan to address the noncompliance and prevent future occurrences. File currently under review.
34	Husky Oil Operations Limited	Environment Group/ Drilling Waste Audit	All appropriate disposal criteria have not been followed for a particular method.	August 27, 2009	14-01-108-10W6 M.D. of Mackenzie	Operations were not suspended, as further delays to the disposal operations would have resulted in a further risk to the environment. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
35	Martin Head Oil & Gas Ltd.	Field Surveillance/ Oil Facilities	Flame-type equipment without workable flame arrester less than 25 m from a process vessel. Underground tank(s) not tested as the required 3 year frequency/operator cannot demonstrate tank integrity.	August 28, 2009	16-21-022-25W4 Wheatland County	Operations suspended. Licensee replaced the sight glass on the flame arrester. Licensee integrity tested the tank(s). Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
36	Nexen Inc.	Field Surveillance/ Drilling Operations Inspection	The choke manifold does not meet the minimum pressure rating for the class of well being drilled and/or conform to the required critical sour well choke manifold configuration (valves, chokes, piping, etc).	August 17, 2009	06-08-026-28W4 M.D. of Rocky View	Operations suspended. Licensee reinstalled the flare line. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
37	Oneex Operations Partnership	Geology and Reserves/ Oil Overproduction	Failure to retire oil overproduction.	August 28, 2009	16-29-058-09W5 Lac Ste. Anne County	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. Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
38	Penn West Petroleum Ltd.	Field Surveillance/ Pipelines	Poor construction practices resulting in failure within one year's service/operation.	August 17, 2009	13-13-045-06W4 M.D. of Wainwright	Operations suspended. Licensee implemented internal procedures, the pipeline remains suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
39	Penn West Petroleum Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	05-13-065-11W5 M.D. of Big Lakes	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
40	Penn West Petroleum Ltd.	Facilities Applications/ Participant Involvement	Incomplete public and/or industry personal consultation and notification prior to filing the application.	August 31, 2009	05-02-053-26W4 Parkland County	Licensee(s) not cancelled or suspended, as the noncompliance was promptly corrected. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
41	Profound Energy Inc.	Resources Applications/ Gas Allowables	Production prior to the assignment of a yearly allowable.	August 28, 2009	04-05-072-04-W6 County of Grande Prairie	<p>Operations suspended.</p> <p>Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until all overproduction is retired and a gas allowable has been assigned.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
42	Progress Energy Ltd.	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	August 5, 2009	06-27-068-07W6 M.D. of Greenview	<p>Operations were not suspended, as there was no existing or potential impact/hazard to the environment or the public.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>
43	Prospex Resources Ltd.	Field Surveillance/ Well Site Inspection	Well not suspended, as required by Directive 013 - All completed low-risk wells must meet suspension requirements for medium-risk wells after being suspended for 10 consecutive years after the first year of inactivity commencing December 31, 2007.	August 21, 2009	07-34-039-06W5 Clearwater County	<p>Operations not suspended, as the site was already suspended.</p> <p>Licensee suspended the well, in accordance with <i>Directive 013: Suspension Requirements for Wells</i>.</p> <p>Licensee provided a plan to address the noncompliance and prevent future occurrences.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
44	Provident Energy Ltd.	Field Surveillance/ Pipelines	Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.	August 13, 2009	09-09-038-07W5 Clearwater County	Operations suspended. Licensee installed a corrosion control program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
45	RMP Energy Ltd.	Environment Group/ Oilfield Waste Generator Audit	Oilfield waste was not disposed of in the appropriate class of disposal well.	August 6, 2009	14-33-078-10W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed earlier this year. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
46	Shakleton Exploration Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	03-21-039-20W4 County of Stettler	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
47	Shell Canada Limited	Facilities Applications/ Wells Technical	Failure to acquire a mineral lease continuation - No agreement with Department of Energy.	August 11, 2009	07-06-054-21W5 Yellowhead County	Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
48	Sunrise Energy Ltd.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement – failure to ensure that the licensee 24-hour emergency telephone number is erected at the primary entrance to all licensee well and facility operations as per Directive 071.	August 28, 2009	05-23-011-05W4 Cypress County	Operations were not suspended, as the licensee promptly corrected the noncompliance. Licensee updated and posted the correct 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
49	Talisman Energy Inc.	Environment Group/ Oilfield Waste Generator Audit	Oilfield waste was not disposed of in the appropriate class of disposal well.	August 25, 2009	11-20-077-11W6 08-16-077-11W6 04-20-079-12W6 Saddle Hills County	Suspension of operations at this time was not deemed appropriate, as disposal operations were completed earlier this year. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
50	Taqa North Ltd.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	14-18-029-21W4 06-20-029-22W4 06-34-029-22W4 06-06-029-23W4 10-13-029-24W4 06-15-029-25W4 08-17-029-25W4 Kneehill County 13-34-030-27W4 13-04-031-27W4 Mountain View County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
51	Taqa North Ltd.	Resources Applications/ Control Wells	Producing wells without the requisite control wells in place.	August 21, 2009	09-05-030-27W4 Mountain View County	Operations suspended. Licensee confirmed in writing that the noncompliance has been addressed and that the well has been shut in and will remain shut in until the requisite approval is obtained. 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.

High Risk Enforcement Action 1 ¹						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
52	Trilogy Energy Ltd.	Facilities Applications/ Facilities Technical	Not completing an acceptable noise impact assessment prior to application.	August 31, 2009	03-29-059-19W5 M.D. of Greenview	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.
53	Vero Energy Inc.	Field Surveillance/ Drilling Operations	Fluid turn(s) in bleed-off line(s) not made using right-angle connections constructed or tees and crosses blocked on fluid turns.	August 28, 2009	16-26-054-17W5 Yellowhead County	Operations suspended. Licensee corrected the angles to allow for proper fluid turns. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
54	Vigilant Exploration Inc.	Resources Applications/ Control Wells	Failure to conduct required test(s) or test(s) conducted improperly.	August 19, 2009	04-11-049-02W5 Leduc County	Operations were not suspended, in accordance with <i>Directive 062: Coalbed Methane Control Well Requirements and Related Matters</i> . Licensee confirmed in writing that the noncompliance has been addressed by immediately submitting sufficient pressure test data through the ERCB DDS (Digital Data Submission) system. 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.

High Risk Enforcement Action 2 (Persistent Noncompliance) ²						
#	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.

High Risk Enforcement Action 3 (Failure to Comply or Demonstrated Disregard) ³						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Response
1	Rise Resources Corp.	Field Surveillance/ Well Site Inspection	Non compliant with other ERCB requirement – failure to ensure that the licensee 24-hour emergency telephone number is erected at the primary entrance to all licensee well and facility operations as per Directive 071.	August 18, 2009	06-05-30-04W5 M.D. of Rocky View	Operations were already suspended at the time of the inspection. Licensee updated and posted the correct 24-hour emergency number. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.
2	Rise Resources Corp.	Field Surveillance/ Well Site Inspection	Spill on lease not adequately controlled/cleaned up. Leased not diked where required.	August 18, 2009	08-05-030-04W4 M.D. of Rocky View	Operations were already suspended at the time of the inspection. Licensee cleaned up the spill. Licensee constructed a dike. Licensee met with the ERCB to review its action plan. 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.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
1	Alberta Pinnacle Oil Company Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 11, 2009	04-09-034-20W4 Starland County	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Order No. AD 2009-32.</p> <p>Licensee required to pay the security deposit; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>Alberta Pinnacle Oil Company Ltd. failed to comply with the abandonment order. The ERCB notified Alberta Pinnacle Oil Company Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p> <p>Alberta Pinnacle Oil Company Ltd. and working interest participant Calstar Oil & Gas Ltd. were subsequently deemed defaulting working interest participants, and the well licence was designated orphan for the purposes of abandonment.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
2	Benjaka Exploration Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	Well Locations: 12-27-052-16W5 06-34-052-17W5 Facility Location: 11-27-052-16W5 Yellowhead County	This is an escalation from a previous enforcement action reported on July 23, 2009. Global Refer status. Issuance of Closure Orders No. C 1158 and C 1159. Suspension of well and facility licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Benjaka Exploration Inc. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB. Compliance achieved.
3	Black Sea Oil & Gas Ltd.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	Well Locations: 11-23-087-06W6 01-23-087-06W6 11-23-087-06W6 Facility Location: 01-23-087-06W6 M.D. of Clear Hills	This is an escalation from a previous enforcement action reported on July 23, 2009. Global Refer status. Issuance of Closure Orders No. C 1160 and C 1161. Suspension of well and facility licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20%

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>penalty and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Black Sea Oil & Gas Ltd. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
4	Ignition Energy Ltd.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	<p>Well Locations: 13-29-039-08W5 10-34-041-12W5</p> <p>Facility Location: 13-29-037-08W5</p> <p>Clearwater County</p>	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Orders No. C 1162 and C 1163.</p> <p>Suspension of well and facility licences.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Ignition Energy Ltd. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
5	Ignition Energy Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 28, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-48.</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> <p>Ignition Energy Ltd. failed to comply. Closure Orders No. C 1176 and C 1177 were subsequently issued.</p> <p>Ignition Energy Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
6	Magnus Energy Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	<p>01-18-012-19W4 County of Lethbridge</p> <p>02-32-072-07W5 M.D. of Lesser Slave River</p>	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1164.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, 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.

Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>Magnus Energy Inc. failed to comply. Abandonment Orders No. AD 2009-39 and AD 2009-40 were subsequently issued.</p> <p>Magnus Energy Inc. failed to comply with the abandonment orders. Abandonment Orders No. AD 2009-39A and AD 2009-39B were subsequently issued due to technical difficulties associated with abandoning the 01-18-012-19W4 well. A third party is making efforts to abandon the 02-32-072-07W5 well.</p>
7	Magnus Energy Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 18, 2009	<p>Well Licences: 09-18-012-19W4 11-18-012-19W4 11-08-012-19W4 County of Lethbridge</p> <p>12-26-031-12W4 Special Area 2 (near Richdale)</p> <p>Facility Licences: 00/11-08-012-19W4 00/01-18-012-19W4 County of Lethbridge</p> <p>Pipelines: 11-18-012-19W4 09-18-012-19W4 County of Lethbridge</p>	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure/Abandonment Orders No. AD 2009-33, AD 2009-34, AD 2009-35, and AD 2009-36.</p> <p>Closure and abandonment of well, facility, and pipeline licences.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Working interest participant, Penn West Petroleum Ltd., has successfully abandoned the 9-18-</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>12-19W4 well, thus achieving compliance with Closure/Abandonment Order No. AD 2009-36.</p> <p>Magnus One Energy Corp. failed to comply with Closure/Abandonment Orders No. AD 2009-33, AD 2009-34, and AD 2009-35. A third party is making efforts to abandon the remaining wells, facilities, and pipelines.</p>
8	Magnus One Energy Corp.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 18, 2009	<p>Well Licences: 09-18-012-19W4 11-18-012-19W4 11-08-012-19W4 County of Lethbridge</p> <p>12-26-031-12W4 Special Area 2 (near Richdale)</p>	<p>This is an amended Board order from a previous enforcement action reported on March 12, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Orders No. AD 2009-15A and AD 2009-37.</p> <p>Abandonment of well licences.</p> <p>Licensee required to abandon the licences or 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. Senior Magnus One Energy Corp. representatives with provincial authority must meet with the ERCB to review Magnus One Energy Corp.'s noncompliant history and corrective action plan.</p> <p>Working interest participant, Penn West Petroleum Ltd., has successfully abandoned the 9-18-</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>12-19W4 well, thus achieving compliance with Abandonment Order No. AD 2009-37.</p> <p>Magnus One Energy Corp. failed to comply with Abandonment Order No. AD 2009-15A. A third party is making efforts to abandon the remaining wells.</p>
9	NVI Mining Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 20, 2009	N/A – Against Licensee	<p>Global Refer status.</p> <p>Issuance of Miscellaneous Order No. MISC 2009-47.</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> <p>NVI Mining Ltd. failed to comply. Closure Order No. C 1178 and Abandonment Order No. AD 2009-45 were subsequently issued.</p> <p>NVI Mining Ltd. failed to comply with the abandonment order. The ERCB notified NVI Mining Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p>
10	Radius Resources Corp.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	03-08-064-24W5 02-02-065-25W5 06-08-065-16W5 16-03-066-25W5 M.D. of Greenview	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					13-24-013-13W4 10-23-014-18W4 M.D. of Taber 01-15-024-11W4 Special Area 2 (Near Cessford)	Issuance of Closure Order No. C 1165. Suspension of well licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Radius Resources Corp. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB. Compliance achieved.
11	Sahara Energy Ltd.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	Well Locations: 05-05-009-20W4 County of Lethbridge 16-35-015-20W4 Vulcan County 15-36-039-05W4 03-06-040-04W4 M.D. of Provost 05-28-041-23W4 Lacombe County 05-20-049-01W4 12-20-049-01W4 16-22-049-01W4 10-14-049-01W4 12-04-049-01W4 12-22-049-01W4	This is an escalation from a previous enforcement action reported on July 23, 2009. Global Refer status. Issuance of Closure Orders No. C 1167 and C 1168. Suspension of well and facility licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Sahara Energy Ltd. submitted full

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary ⁴						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					16-14-050-01W4 15-14-050-01W4 16-04-051-02W4 (3 licences at this location) County of Vermilion River 15-36-069-05W4 Lakeland County Facility Locations: 05-28-041-23W4 Lacombe County 16-33-080-24W5 Birch Hills County 04-26-068-06W6 M.D. of Greenview	payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB. Compliance achieved.
12	Silver Swan Resources Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 11, 2009	06-08-028-05W4 Special Area 3 (near Oyen)	This is an escalation from a previous enforcement action reported on July 23, 2009. Global Refer status. Issuance of Closure/Abandonment Order No. AD 2009-31. Closure and abandonment of the well. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan. Silver Swan Resources Inc. failed

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						to comply with the abandonment order. The ERCB notified Silver Swan Resources Inc. of its intention to have the well abandoned as a result of the breaching of the abandonment order.
13	Silver Swan Resources Inc.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 11, 2009	06-08-028-05W4 Special Area 3 (near Oyen)	<p>This is an amended Board order from a previous enforcement action reported on July 22, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Abandonment Order No. AD 2009-30A.</p> <p>Abandonment of well licence.</p> <p>Licensee required to pay security deposit; provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences; and meet with the ERCB to review its noncompliance history and action plan.</p> <p>Silver Swan Resources Inc. failed to comply with the abandonment order. The ERCB notified Silver Swan Resources Inc. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p>
14	Slate Energy Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	Well Locations: 11-34-055-24W4 03-34-055-24W4 (2 wells at this location)	This is an escalation from a previous enforcement action reported on July 23, 2009.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
					06-34-055-24W4 Facility Location: 06-34-055-24W4 Sturgeon County	Global Refer status. Issuance of Closure Orders No. C 1169 and C 1170. Suspension of well and facility licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. Slate Energy Inc. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB. Compliance achieved.
15	Stockwork Properties Ltd.	Corporate Compliance/ Noncompliance with Liability Management Program Requirements	Failure to pay security deposit.	August 4, 2009	N/A – Against Licensee	Global Refer status. Issuance of Miscellaneous Order No. MISC 2009-46. 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. Stockwork Properties Ltd. submitted full payment of its security deposit and provided a written explanation to the ERCB. Compliance achieved.

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
16	Strata Oil & Gas Inc.	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	05-15-086-16W5 09-18-087-18W5 09-28-086-18W5 Northern Sunrise County	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1171.</p> <p>Suspension of well licences. Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.</p> <p>Strata Oil & Gas Inc. submitted full payment of its 2009 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB.</p> <p>Compliance achieved.</p>
17	Trophy Petroleum Corporation	Corporate Compliance/ Orphan Levy	Failure to pay 2009 Orphan Fund Levy, plus 20% penalty.	August 13, 2009	08-35-085-11W5 12-13-086-12W5 Northern Sunrise County	<p>This is an escalation from a previous enforcement action reported on July 23, 2009.</p> <p>Global Refer status.</p> <p>Issuance of Closure Order No. C 1172.</p> <p>Suspension of well licences.</p> <p>Licensee required to pay the 2009 Orphan Fund Levy, plus 20% penalty, and provide a written explanation acceptable to the ERCB addressing the failure to</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Low Risk Enforcement Action – Global REFER Summary⁴

#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow-up
						<p>respond and detailing steps to prevent future occurrences.</p> <p>Trophy Petroleum Corporation failed to comply. Abandonment Orders No. AD 2009-43 and AD 2009-44 were subsequently issued.</p> <p>Trophy Petroleum Corporation failed to comply with the abandonment orders. The ERCB notified Trophy Petroleum Corporation and working interest participant Blackrock Ventures Inc. of its intention to have the wells abandoned as a result of the breaching of the abandonment orders.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Legislative/Regulatory Enforcement Action ⁵						
#	Licensee	ERCB Group/ Compliance Category	Noncompliance Event	Date of Enforcement	Surface Location	ERCB Action(s) and Licensee Follow up
1	NVI Mining Ltd.	Corporate Compliance/ Petroleum and Natural Gas Rights Expiry	Failure to prove to the satisfaction of the ERCB that NVI Mining Ltd. has a valid entitlement to the right to produce the well.	August 20, 2009	16-07-026-16W4 Special Area 2	<p>Global Refer Status.</p> <p>Issuance of Closure Order No. C 1156.</p> <p>Suspension and closure of well licence.</p> <p>Licensee required to complete one of the following:</p> <ul style="list-style-type: none"> a) reacquire or reinstate the mineral rights, b) convert the well for water disposal or injection, c) transfer the well licence to a viable licensee and link the wellbore to an active mineral agreement, or d) abandon the well. <p>In addition, licensee required to provide a written explanation acceptable to the ERCB identifying the root causes of the noncompliance and detailing steps to prevent a recurrence of a similar event and meet with the ERCB to explain its noncompliance issues and the devised action plan.</p> <p>NVI Mining Ltd. failed to comply. Abandonment Order No. AD 2009-41 was subsequently issued.</p> <p>NVI Mining Ltd. failed to comply with the abandonment order. The ERCB notified NVI Mining Ltd. of its intention to have the well abandoned as a result of the breaching of the abandonment order.</p>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.

Endnotes

¹ **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.

² **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.

³ **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.

⁴ **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.

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 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.