ERCB Monthly Enforcement Action Summary

December 2008
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<tr>
<th>ERCB</th>
<th>Compliance Category</th>
<th>Initial Audits/Inspections</th>
<th>Number of High Risk Noncompliance</th>
<th>Compliance Rate with High Risk Noncompliance</th>
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<tbody>
<tr>
<td><strong>Applications Branch</strong></td>
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<tr>
<td>Facilities Applications Group Audit Section</td>
<td>Participant Involvement</td>
<td>70</td>
<td>6</td>
<td>91%</td>
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<td></td>
<td>Facilities Technical</td>
<td>14</td>
<td>0</td>
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<tr>
<td></td>
<td>Pipelines/Pipeline Installations Technical</td>
<td>29</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Wells Technical</td>
<td>42</td>
<td>3</td>
<td>93%</td>
</tr>
<tr>
<td>Resources Applications Group Enforcement &amp; Surveillance Section and Coal Section</td>
<td>Spacing</td>
<td>n/a</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Injection/Disposal</td>
<td>n/a</td>
<td>1</td>
<td>n/a</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>155</td>
<td>11</td>
<td>93%</td>
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<td><strong>Compliance and Operations Branch</strong></td>
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<td></td>
</tr>
<tr>
<td>Environment Group Waste and Storage Section</td>
<td>Oilfield Waste Generator Audits</td>
<td>n/a</td>
<td>3</td>
<td>n/a</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>n/a</td>
<td>3</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Public Safety/Field Surveillance Branch</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Drilling Operations</td>
<td></td>
<td>29</td>
<td>1</td>
<td>96%</td>
</tr>
<tr>
<td>Well Servicing</td>
<td></td>
<td>19</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Oil Facilities</td>
<td></td>
<td>136</td>
<td>5</td>
<td>96%</td>
</tr>
<tr>
<td>Gas Facilities</td>
<td></td>
<td>82</td>
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<td>100%</td>
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<tr>
<td>Pipelines</td>
<td></td>
<td>141</td>
<td>9</td>
<td>94%</td>
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<tr>
<td>Drilling Waste</td>
<td></td>
<td>9</td>
<td>2</td>
<td>78%</td>
</tr>
<tr>
<td>Well Site Inspections</td>
<td></td>
<td>153</td>
<td>2</td>
<td>98.7%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>569</td>
<td>19</td>
<td>97%</td>
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<tr>
<td><strong>Resources Branch</strong></td>
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<td></td>
</tr>
<tr>
<td>Geology and Reserves Group Reserves &amp; Allowables Section</td>
<td>Oil Overproduction</td>
<td>461</td>
<td>5</td>
<td>98.9%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>461</td>
<td>5</td>
<td>98.9%</td>
</tr>
<tr>
<td><strong>Total Audit/Inspections High Risk</strong></td>
<td></td>
<td>1185</td>
<td>38</td>
<td>96.8%</td>
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</table>

Note: Compliance category data are evaluated annually and results presented in ST99 ERCB Provincial Surveillance and Compliance Summary.
<table>
<thead>
<tr>
<th>#</th>
<th>Licensee</th>
<th>ERCB Group/ Compliance Category</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apache Canada Ltd.</td>
<td>Facilities Applications/ Wells Technical</td>
<td>Incomplete public and/or industry personal consultation and notification prior to filing the application.</td>
<td>December 3, 2008</td>
<td>12-20-069-09W5 M.D. of Big Lakes</td>
<td>Licence(s) not cancelled or suspended as the noncompliance was promptly corrected.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Licensee provided a plan to address the noncompliance and prevent future occurrences.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Compliance achieved.</td>
</tr>
<tr>
<td>2</td>
<td>ARC Resources Ltd.</td>
<td>Field Surveillance/ Drilling Waste Inspection</td>
<td>Waste control and containment -disposal is closer than allowable limits to surface water.</td>
<td>December 1, 2008</td>
<td>16-32-048-06W5 Brazeau County</td>
<td>Operations were not suspended as the noncompliant event occurred prior to the inspection.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Licensee provided a plan to address the noncompliance and prevent future occurrences.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Compliance achieved.</td>
</tr>
<tr>
<td>3</td>
<td>Arsenal Energy Inc.</td>
<td>Geology and Reserves/ Oil Overproduction</td>
<td>Failure to retire oil overproduction.</td>
<td>December 2, 2008</td>
<td>13-09-087-12W5 Northern Sunrise County</td>
<td>Operations suspended.</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Licensee confirmed the well has been shut in and will remain shut in until all overproduction has been retired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Licensee was directed to develop and implement a plan to address the noncompliance and prevent future occurrences.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All overproduction retired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Compliance achieved.</td>
</tr>
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</table>
| 4  | Birchcliff Energy Ltd.    | Field Surveillance/Oil Facilities | Flame-type equipment without workable flame arrester less than 25 m from a process vessel. | December 11, 2008   | 05-12-073-04W6 County of Grande Prairie | 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. |
| 5  | City of Medicine Hat      | Environment Group/Oilfield Waste Generator Audits | Oilfield waste was not properly classified as either dangerous (DOW) or non-dangerous (non-DOW).  
Oilfield waste was not disposed of within the appropriate class of landfill. | December 12, 2008   | 03-14-016-19W4 Vulcan County | Suspension of operations at this time was not deemed appropriate as the noncompliance occurred in the past.  
Licensee provided a plan to address the noncompliance and prevent future occurrences.  
Compliance achieved. |
| 6  | City of Medicine Hat      | Environment Group/Oilfield Waste Generator Audits | Oilfield waste (DOW or non-DOW) was not stored in accordance with Directive 055: Storage Requirements for the Upstream Petroleum Industry.  
Oilfield waste was transferred to an unapproved consolidation point (storage area accepting oilfield wastes from various locations same production system). | December 12, 2008   | 16-01-024-11W4 Special Area 2 (near Cressford) | Suspension of operations at this time was not deemed appropriate as the noncompliance occurred in the past.  
Licensee provided a plan to address the noncompliance and prevent future occurrences.  
Compliance achieved. |
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<tr>
<td>7</td>
<td>ConocoPhillips Canada (BRC) Ltd.</td>
<td>Geology and Reserves/Oil Overproduction</td>
<td>Failure to retire oil overproduction.</td>
<td>December 2, 2008</td>
<td>16-05-047-10W4</td>
<td>M.D. of Wainwright Operations suspended. Licensee confirmed 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.</td>
</tr>
<tr>
<td>8</td>
<td>ConocoPhillips Canada Resources Corp</td>
<td>Field Surveillance/Pipelines</td>
<td>Damage by Others - Proper procedures were not followed.</td>
<td>December 16, 2008</td>
<td>14-14-025-12W4</td>
<td>Special Area 2 (near Pollickville) Operations suspended. Licensee repaired the pipeline and made changes to its ground disturbance policies. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>9</td>
<td>ConocoPhillips Canada Resources Corp.</td>
<td>Facilities Applications/Wells Technical</td>
<td>Failure to acquire a mineral lease continuation - No agreement with Department of Energy.</td>
<td>December 19, 2008</td>
<td>05-02-028-08W4</td>
<td>Special Area 3 (near Youngstown) Licence(s) cancelled. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
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<td>#</td>
<td>Licensee</td>
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</tr>
<tr>
<td>10</td>
<td>Crew Energy Inc.</td>
<td>Geology and Reserves/Oil Overproduction</td>
<td>Failure to retire oil overproduction.</td>
<td>December 2, 2008</td>
<td>07-21-056-18W5</td>
<td>Yellowhead County                                                                                              Operations suspended. Licensee confirmed 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.</td>
</tr>
<tr>
<td>11</td>
<td>Detector Exploration Ltd.</td>
<td>Facilities Applications/Participant Involvement</td>
<td>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. Incomplete public and/or industry personal consultation and notification prior to filing the application.</td>
<td>December 2, 2008</td>
<td>15-08-049-06W5</td>
<td>Brazeau County                                                                                                 Licence(s) suspended. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>#</td>
<td>Licensee</td>
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</tr>
<tr>
<td>12</td>
<td>Enermark Inc.</td>
<td>Field Surveillance/Pipelines</td>
<td>Corrosion Internal - There is no documented monitoring or mitigation program in place and/or company is not following program.</td>
<td>December 8, 2008</td>
<td>06-23-047-05W4 05-24-047-05W4 M.D. of Wainwright</td>
<td>Operations suspended. Licensee has implemented a liner installation program. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>13</td>
<td>Enermark Inc.</td>
<td>Field Surveillance/Oil Facilities</td>
<td>H₂S emissions off lease.</td>
<td>December 17, 2008</td>
<td>13-23-040-08W4 M.D. of Provost</td>
<td>Operations were not suspended as the noncompliance was promptly corrected. Licensee repaired the seal on the thief hatch. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>#</td>
<td>Licensee</td>
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</tr>
<tr>
<td>14</td>
<td>EOG Resources Canada Inc.</td>
<td>Resources Applications/Spacing</td>
<td>Failure to apply to rescind or vary the area of a holding when common ownership is no longer in place.</td>
<td>December 9, 2008</td>
<td>27-012-11W4 28-012-11W4 29-012-11W4 34-012-11W4 Cypress County</td>
<td>Shut in all Milk River and Second White Speckled Shale producers in the holding area. Licensee confirmed in writing that the noncompliance has been addressed and that the wells have been shut in and will remain shut in. Licensee reported production from three wells for February 2008, but advised that this was erroneous. Production amendments submitted April 1, 2009. Licensee required to submit an application to amend or rescind the holding to include lands of common ownership only and to remove zones not being produced from the holding lands. Extension to April 15, 2009 granted. Application not submitted by required revised deadline. Licensee provided a plan to address the noncompliance and prevent future occurrences. Currently under review.</td>
</tr>
</tbody>
</table>
## High Risk Enforcement Action 1

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>15</td>
<td>EOG Resources Canada Inc.</td>
<td>Field Surveillance/Pipelines</td>
<td>Pipeline material is not as stated on the licences. Internal corrosion control-no monitoring and mitigation in corrosive environment. External corrosion control/cathodic surveys-no records of survey results.</td>
<td>December 24, 2008</td>
<td>05-36-010-09W4 County of Forty Mile</td>
<td>Operations suspended. Licensee removed the deficient section of pipeline and replaced it with appropriate material in accordance with the licence. Licensee is locating other deficient pipeline sections in the area, applying corrosion prevention measures, and submitting licence amendments as required. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>16</td>
<td>Exshaw Oil Corp.</td>
<td>Geology and Reserves/Oil Overproduction</td>
<td>Failure to retire oil overproduction.</td>
<td>December 2, 2008</td>
<td>13-34-077-07W6 Saddle Hills County</td>
<td>Operations suspended. Licensee confirmed 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.</td>
</tr>
<tr>
<td>17</td>
<td>Fairborne Energy Ltd.</td>
<td>Facilities Applications/Participant Involvement</td>
<td>Incomplete public and/or industry personal consultation and notification prior to filing the application.</td>
<td>December 4, 2008</td>
<td>09-32-055-19W5 Yellowhead County</td>
<td>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.</td>
</tr>
<tr>
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</tr>
<tr>
<td>18</td>
<td>Gentry Resources Ltd.</td>
<td>Geology and Reserves/Oil Overproduction</td>
<td>Failure to retire oil overproduction.</td>
<td>December 24, 2008</td>
<td>10-26-015-12W4 County of Newell</td>
<td>Operations were not suspended as all overproduction has been retired. All overproduction retired. Compliance achieved.</td>
</tr>
<tr>
<td>19</td>
<td>Husky Oil Operations Limited</td>
<td>Field Surveillance/Well Site Inspection</td>
<td>H₂S emissions off lease.</td>
<td>December 16, 2008</td>
<td>14-34-109-08W6 Mackenzie County</td>
<td>Operations were not suspended as the licensee replaced the compressor at the time of the inspection. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>20</td>
<td>Imperial Oil Resources Limited</td>
<td>Field Surveillance/Drilling Waste Inspection</td>
<td>Disposal method: sump located in porous/coarse soil.</td>
<td>December 2, 2008</td>
<td>01-29-064-03W4 M.D. of Bonnyville</td>
<td>Operations suspended. Licensee removed the drilling waste. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
</tbody>
</table>

If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.
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<tr>
<td>21</td>
<td>Ish Energy Ltd.</td>
<td>Resources Applications/Injection/Disposal</td>
<td>Failure to meet conditions of approval.</td>
<td>December 2, 2008</td>
<td>06-30-074-08W4</td>
<td>Regional Municipality of Wood Buffalo 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 requirements have been met in accordance with Directive 051: Injection and Disposal Wells—Well Classifications, Completions, Logging, and Testing Requirements. Licensee provided a plan to address the noncompliance and prevent future occurrences. As a result, injection commenced. Compliance achieved.</td>
</tr>
<tr>
<td>22</td>
<td>Iteration Energy Ltd.</td>
<td>Field Surveillance/Drilling Inspection</td>
<td>Accumulator pressure dropped below 8400 kPa after function test (of all required blowout preventer components) with the recharge pump off.</td>
<td>December 17, 2008</td>
<td>06-01-065-15W4</td>
<td>Lac La Biche County                  Operations were not suspended as the noncompliance was promptly corrected Licensee repaired the accumulator and conducted another function test with no loss of pressure. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
</tbody>
</table>
### ERCB ST108: ERCB Monthly Enforcement Action Summary, December 2008

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<tr>
<td>26</td>
<td>Petrobank Energy And Resources Ltd.</td>
<td>Field Surveillance/ Pipelines</td>
<td>External Corrosion Control/Cathodic Surveys -Cathodic protection system not operational or not installed.</td>
<td>December 18, 2008</td>
<td>10-12-077-09W4 Regional Municipality of Wood Buffalo</td>
<td>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee implemented a cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>27</td>
<td>Seven Energy (Canada) Inc.</td>
<td>Field Surveillance/ Well Site Inspection</td>
<td>Spill off lease not adequately controlled/cleaned up. No notification of spill to ERCB. Operator does not advise landowner of off-lease spill/odour.</td>
<td>December 5, 2008</td>
<td>06-14-036-28W4 Red Deer County</td>
<td>Operations were not suspended as the licensee was in the process of cleaning up the spill while the inspector was on site. Licensee cleaned up the spill. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>28</td>
<td>Signalta Resources Limited</td>
<td>Field Surveillance/ Oil Facilities</td>
<td>Underground tank(s) not tested at the required 3-year frequency/ operator cannot demonstrate tank integrity.</td>
<td>December 3, 2008</td>
<td>11-29-039-26W4 Lacombe County</td>
<td>Operations were not suspended as the noncompliance was promptly corrected. Licensee had the tank integrity tested. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
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</table>
| 29 | Spectra Energy Midstream Corp.  | Field Surveillance/Pipelines   | Leak detection unsatisfactory.                                                      | December 10, 2008  | 06-14-036-20W4 County of Stettler | Operations were not suspended as mitigative measures were implemented.  
Licensee provided a plan to address the noncompliance and prevent future occurrences.  
Licensee installed a metering system on the pipeline.  
Compliance achieved. |
| 30 | Sphere Energy Corp.             | Facilities Applications/Wells Technical | Failure to acquire a mineral lease continuation - no agreement with Department of Energy. | December 15, 2008  | 08-36-013-18W4 M.D. of Taber | 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. |
| 31 | SynCo Exploration Inc.          | Facilities Applications/Wells Technical | Failure to acquire the rights to the intended formation(s).                        | December 29, 2008  | 03-05-046-20W4 County of Camrose | Licence(s) suspended.  
Licensee provided a plan to address the noncompliance and prevent future occurrences.  
Compliance achieved. |
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</thead>
<tbody>
<tr>
<td>32</td>
<td>Taku Gas Limited</td>
<td>Field Surveillance/Pipelines</td>
<td>Cathodic protection system not operational or not installed.</td>
<td>December 2, 2008</td>
<td>02-32-050-05W4 County of Vermilion River</td>
<td>Operations were not suspended as there was no existing or potential impact/hazard to the environment or the public. Licensee implemented a cathodic protection system. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
</tr>
<tr>
<td>33</td>
<td>Vero Energy Inc.</td>
<td>Facilities Applications/Participant Involvement</td>
<td>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. Incomplete public and/or industry personal consultation and notification prior to filing the application.</td>
<td>December 9, 2008</td>
<td>12-15-053-15W5 Yellowhead County</td>
<td>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.</td>
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## High Risk Enforcement Action 1

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<tbody>
<tr>
<td>34</td>
<td>Westcoast Transmission Company (Alberta) Ltd.</td>
<td>Field Surveillance/ Pipelines</td>
<td>Noncompliant with other ERCB requirement - As per the Pipeline Regulations, Part 8, Section 79(1) Intentional Release of gas - Unless otherwise authorized by the Board, a licensee shall not intentionally release from a pipeline into the atmosphere any non-distribution specification gas unless the gas is burned in an approved manner or otherwise treated to meet the required specification.</td>
<td>December 5, 2008</td>
<td>16-02-079-12W6 Saddle Hills County</td>
<td>Operations were not suspended due to the fact that the non-specification gas is no longer being intentionally released. Licensee installed an H₂S analyzer on the subject pipeline to detect and shut in off-specific gas prior to reaching its Alberta facilities. Licensee arranged to have flaring facilities available that meet Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting requirements, in the event that gas must be flared and/or vented. Licensee created policies to ensure notification requirements are met for flaring and venting events. Licensee provided a plan to address the noncompliance and prevent future occurrences. Compliance achieved.</td>
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If you require further information, contact Customer Contact Centre, 403-297-8311 or Inquiries@ercb.ca.
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</table>
| 1 | 979708 Alberta Ltd.        | Corporate Compliance/Orphan Levy | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.                              | December 17, 2008   | N/A – Against Licensee      | Global Refer Status.  
|   |                           |                               |                                                                                      |                     |                             | Licensee required to pay the 2008 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.  
|   |                           |                               |                                                                                      |                     |                             | 979708 Alberta Ltd. submitted full payment of its 2008 Orphan Fund Levy and 20% penalty, however, submission of a written explanation acceptable to the ERCB remains outstanding.  
|   |                           |                               |                                                                                      |                     |                             | 979708 Alberta Ltd. subsequently abandoned its only issued well licence; therefore, the ERCB did not proceed with the issuance of a Closure Order. |
|   |                           |                               |                                                                                      |                     |                             | Licensee required to pay the 2005, 2006, and 2008 Orphan Fund Levies, plus 20% penalties and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences. |
## Low Risk Enforcement Action – Global REFER Summary

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<tr>
<td>3</td>
<td>Arbuckle, W.K.</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status.</td>
</tr>
<tr>
<td>4</td>
<td>Cox, Edwin Lochridge</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status.</td>
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| 5  | Devexco Resources Ltd.    | Corporate Compliance/Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | December 30, 2008   | N/A – Against Licensee | Global Refer status.                                                                                                                                   
|    |                           |                                                                     |                               |                     |                        | Issuance of Miscellaneous Order No. MISC 2008-35.                                                                                                              
|    |                           |                                                                     |                               |                     |                        | 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 Devexco Resources Ltd.’s noncompliant history and corrective action plan. |
|    |                           |                                                                     |                               |                     |                        | Devexco Resources Ltd. successfully transferred three well licences to an eligible licensee, fully secured its post-transfer LLR, provided a written explanation addressing the failure to respond and detailing steps to prevent future occurrences, and met with the ERCB’s Enforcement Section to review Devexco Resources Ltd.’s noncompliant history and corrective action plan. |

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| 6  | Dinas Corporation                 | Corporate Compliance/Orphan Levy       | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.                                | December 17, 2008   | N/A – Against Licensee | Global Refer Status.  
Licensee required to pay the 2008 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.  
Dinas Corporation failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company. |
| 7  | E E C L Resources Ltd.            | Corporate Compliance/Orphan Levy       | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.                                | December 17, 2008   | N/A – Against Licensee | Global Refer Status.  
Licensee required to pay the 2008 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.  
E E C L Resources Ltd. failed to comply. Subsequent to the issuance of the Miscellaneous Order, ERCB records were updated to indicate that all E E C L Resources Ltd. wells have been abandoned; therefore, the ERCB did not proceed with the issuance of a Closure Order. |
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<tr>
<td>8</td>
<td>Erehwon Inc.</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status. Issuance of Miscellaneous Order: MISC 2008-27. Licensee required to pay the 2008 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. Erehwon Inc. failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company.</td>
</tr>
<tr>
<td>9</td>
<td>Gerwatoski Brothers Enterprises Ltd.</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status. Issuance of Miscellaneous Order: MISC 2008-28. Licensee required to pay the 2008 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. Gerwatoski Brothers Enterprises Ltd. failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company.</td>
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<td>11</td>
<td>Nvi Mining Ltd.</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status.</td>
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<td>Licensee required to pay the 2008 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.</td>
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<td>Great Northern Oil &amp; Gas Inc. failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company.</td>
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<td>Nvi Mining Ltd. failed to comply. Closure Order No. C 1143 and Abandonment Order No. AD 2009-13 were subsequently issued.</td>
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<td>Nvi Mining Ltd. submitted full payment of its 2008 Orphan Fund Levy, plus 20% penalty, and provided a written explanation to the ERCB. However, final ERCB acceptance of the action plan is contingent upon a meeting with the ERCB, which remains outstanding.</td>
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| 12 | Ortnynsky Exploration Limited | Corporate Compliance/Orphan Levy | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.                             | December 17, 2008  | N/A – Against Licensee | Global Refer Status.  
Licensee required to pay the 2008 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.  
Ortynsky Exploration Limited failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company. |
| 13 | Peace West Energy Corporation | Corporate Compliance/Orphan Levy | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.                             | December 17, 2008  | N/A – Against Licensee | Global Refer Status.  
Licensee required to pay the 2008 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.  
Peace West Energy Corporation failed to comply. Closure/Abandonment Order No. AD 2009-2 was subsequently issued. |
Issuance of Miscellaneous Order No. MISC 2008-34.  
Licensee required to pay the |
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<tbody>
<tr>
<td>15</td>
<td>Spence, Cliff</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status.</td>
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<td>Licensee required to pay the 2008 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.</td>
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<td>Spence, Cliff failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company.</td>
</tr>
<tr>
<td>16</td>
<td>Trophy Petroleum Corporation</td>
<td>Corporate Compliance/Orphan Levy</td>
<td>Failure to pay 2008 Orphan Fund Levy, plus 20% penalty.</td>
<td>December 17, 2008</td>
<td>N/A – Against Licensee</td>
<td>Global Refer Status.</td>
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<td>Licensee required to pay the 2008 Orphan Fund Levy, plus 20%</td>
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| 17 | Vanguard Exploration Corp. | Corporate Compliance/Noncompliance with Liability Management Program Requirements | Failure to pay security deposit. | December 30, 2008 | N/A – Against Licensee | Global Refer status.  
Issuance of Miscellaneous Order No. MISC 2008-36.  
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 Vanguard Exploration Corp.’s noncompliant history and corrective action plan.  
Vanguard Exploration Corp. submitted the full security amount, provided a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences, and met with the ERCB to review the noncompliant history and corrective action plan.  
Compliance achieved. |
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| 18 | Verdx Minerals Corporation  | Corporate Compliance/Orphan Levy | Failure to pay 2008 Orphan Fund Levy, plus 20% penalty. | December 17, 2008  | N/A – Against Licensee | Global Refer Status.  
Licensee required to pay the 2008 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.  
Verdx Minerals Corporation failed to comply. File referred to Alberta Environment as reclamation-only liability remains in the company}
### Legislative/Regulatory Enforcement Action

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</table>
| 1  | Stampede Oils Inc.      | Corporate Compliance/Petroleum and Natural Gas Rights Expiry | Failure to prove to the satisfaction of the ERCB that Stampede Oils Inc. has a valid entitlement to the right to produce the well. | December 5, 2008    | 07-25-020-03W5   | This is an escalation from a previous enforcement action initially reported on October 31, 2008.  
Global Refer Status.  
Issuance of Abandonment Order No. AD 2008-22.  
Abandonment of well licence.  
Licensee required to abandon the 07-25-020-03W5 well, complete the Digital Data Submission indicating both the downhole and surface abandonment, and provide a written explanation acceptable to the ERCB addressing the failure to respond and detailing steps to prevent future occurrences.  
Stampede Oils Inc. and working interest participants subsequently abandoned the well, completed the Digital Data Submission, and submitted an action plan that was accepted by the ERCB.  
Compliance achieved. |
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.