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Made at Edmonton, in the  
Province of Alberta, on

July 12, 2019

ALBERTA ENERGY REGULATOR

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**Under Sections 113 and 241 of the *Environmental Protection and Enhancement Act (EPEA)***

**Under Section 104 of the *Oil and Gas Conservation Act (OGCA)***

**Sprocket Energy Corporation**

1800, 800 – 6 AVE SW

Calgary, AB T2P 3G3

Sprocket Energy Corporation (Sprocket)

WHEREAS Sprocket is the licence holder and owner of an abandoned gas well located at 09-22-062-20W5M (Site), AER licence W0038636, issued by the Alberta Energy Regulator (AER) under the *OGCA* (Well);

WHEREAS produced water, hydrocarbon gas, and hydrogen sulphide (H<sub>2</sub>S) gas are present in the Well (Substances);

WHEREAS the Substances are known to cause an adverse effect to the environment;

WHEREAS at 2:00 p.m. on July 11, 2019, while performing work on one of its licenced wells, Secure Energy Services Inc. (Secure) observed the presence of the Substances at the surface of the Site;

WHEREAS at 4:24 p.m. on July 11, 2019, Secure notified the AER of the Release;

WHEREAS while investigating the source of the Substances Secure determined that the Substances had been released from the Well (Release);

WHEREAS on July 11, 2019, Secure notified Sprocket of the Release and that the Well was the source of the Release;

WHEREAS the Release of the Substances from the Well is ongoing and has been calculated at approximately 35 m<sup>3</sup> per hour;

WHEREAS in response to the Release, Sprocket activated its emergency response plan;

WHEREAS Sprocket has retained third party contractors to respond to the Release;

WHEREAS on July 12, 2019, an AER Inspector and Emergency Response Coordinator (Field Staff) visited the Site and confirmed that the Site and areas outside the Site including a wetland were impacted by the Release;

WHEREAS the area affected by the Release has not yet been delineated;

WHEREAS Rondine Cabot, Acting Manager, Edmonton Field Centre, is a Director for the purposes of issuing Orders under *EPEA* and *OGCA* (Director);

WHEREAS the Director is of the opinion that the release of the Substances into the environment has occurred, and that the Substances have caused, are causing, or may cause an adverse effect, and remedial work is required to mitigate the adverse effects, including on the Site and surrounding areas, as a result of the Release;

WHEREAS Sprocket is a “person responsible” for the Substances, as defined in section 1(tt) of *EPEA*;

WHEREAS the Director is of the opinion that Substances have escaped or appear to have escaped from a well and it appears to the Regulator that the escaped Substances may not otherwise be contained and cleaned up forthwith;

THEREFORE I, Rondine Cabot, Acting Manager, Edmonton Field Centre, pursuant to sections 113 and 241 of *EPEA* and section 104 of *OGCA* DO HERBY ORDER Sprocket to do the following:

**Immediate Containment, Mitigation and Assessment of Public Safety**

1. Immediately contain the Substances and prevent the further release or migration of the substances to the environment.
2. Immediately identify and report to the Director any potentially affected parties that could be adversely affected by the Release including but not be limited to domestic, indigenous, agricultural and recreational users of lands and waterbodies affected.
3. Immediately control public access to the site.
4. Submit a Communications Plan for notification of the potentially affected parties identified in (2) to the satisfaction of the Director on or before 9:00 a.m. July 13, 2019.
5. Implement the Communications Plan as authorized in writing by the Director.
6. Report to the Director by 9:00 a.m. each day following the issuance of this order, a list of parties and times they were notified, until otherwise directed in writing by the Director.
7. On or before 2:00 p.m. July 14, 2019 submit to the satisfaction of the Director, a Containment and Mitigation Plan that includes the actions to be taken to contain the released Substances and to mitigate any adverse effects or damage to the environment.
8. Implement the Containment and Mitigation Plan as authorized in writing by the Director.

### **Wildlife Mitigation Plan**

9. Immediately conduct an assessment of impacted wildlife which shall include, at a minimum, fish, waterfowl and amphibians.
10. Submit the Wildlife Mitigation Plan to the satisfaction of the Director on or before July 13, 2019, at 2:00 p.m.
11. The Wildlife Mitigation Plan shall include, at a minimum:
  - a. steps taken to prevent impacts to wildlife,
  - b. a plan for the rehabilitation of impacted wildlife, and
  - c. a plan for the humane euthanasia of impacted wildlife.
12. Implement the Wildlife Mitigation Plan as authorized in writing by the Director.
13. In carrying out the requirements of this Order and the Wildlife Mitigation Plan, Sprocket shall obtain and comply with all required federal and provincial permits and governing legislation.
14. Report to the Director by 9:00 a.m. of each day an updated inventory of impacted wildlife, until otherwise directed in writing by the Director.

### **Detailed Delineation and Remediation Plan**

15. Submit a detailed Delineation and Remediation Plan to the satisfaction of the Director on or before July 13, 2019, at 2:00 p.m.
16. The Detailed Delineation and Remediation Plan shall include:
  - a. A detailed plan to delineate the full extent (vertical and lateral) of the Substances, if any, in the soils, subsoils and groundwater, of any areas affected by the Release, including methods and techniques for delineating the Substances;
  - b. All of the steps that will be taken to remediate the Substances identified during the delineation at all locations where they are present, including the methods and remedial techniques that will be employed;
  - c. The steps that will be taken for the transportation and disposal of the Substances that are recovered from any affected soils, subsoils and/or groundwater; and
  - d. A schedule of implementation for the Detailed Delineation and Remediation Plan for approval by the Director.
17. The remedial work described in the Detailed Delineation and Remediation Plan shall meet, at a minimum, the criteria for the remediation of soil and groundwater set out in the Alberta Soil and Groundwater Remediation Guidelines, as amended, unless otherwise directed by the Director.

18. Implement the Detailed Delineation and Remediation Plan as authorized in writing by the Director.

**Waste Management Plan**

19. Submit a Waste Management Plan to the satisfaction of the Director on or before July 13, 2019, at 2:00 p.m.

20. The Waste Management Plan shall ensure that all waste is managed, stored, classified and transported in a manner that meets all applicable acts, rules and directives.

21. Implement the Waste Management Plan as authorized in writing by the Director.

**Air Monitoring**

22. Immediately commence air monitoring for H<sub>2</sub>S.

23. Submit hourly updates, and immediately report any results over 50 ppm H<sub>2</sub>S, to Mark.Zamin@aer.ca until otherwise directed in writing by the AER.

**Well Control Mitigation Plan**

24. Submit a Well Control Mitigation Plan to the satisfaction of the Director on or before July 13, 2019, 2:00 p.m.

25. The Well Control Mitigation Plan shall at a minimum include:

- a. current wellbore schematic (including MD and TVD);
- b. history of the well, cement details, base of groundwater protection depth;
- c. events leading up to the incident;
- d. detailed proposal of the well control mitigation; and
- e. any other supporting documentation that may assist.

26. Implement the Well Control Mitigation Plan as authorized in writing by the Director.

**Reporting to the Director**

27. Provide to the Director, by 9:00 a.m. each day, a daily written report (the Director's Report), until otherwise directed by the Director in writing.

28. The Director's Report shall contain:

- a. the steps taken in the last 24 hours to remediate the Substances; and
- b. the steps to be taken in the next 24 hours.

29. Submit to the Director a final report (Final Report) within 30 days of the completion of all the work required in compliance with this Order, summarizing such work and including verification that the work has met all standards and criteria as specified by the Director.

## **General**

30. Copies of all federal and provincial permits obtained in the implementation of the work required by this Order shall be provided to the Director upon receipt.
31. All Plans required by this Order must be prepared and implemented by a qualified environmental professional.
32. All Plans and Reports to be submitted to the Director under this order shall be submitted to Edmonton.FieldCentre@aer.ca.
33. Where a deadline or reporting frequency has been specified in this Order, the Director may authorize in writing a different deadline or reporting frequency as applicable.

Dated at the City of Edmonton in the Province of Alberta, the 12<sup>th</sup> day of July, 2019.

*<original signed by>*

Rondine Cabot  
Acting Manager, Edmonton Field Centre  
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *EPEA* and *OGCA* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar noncompliances are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliances from occurring.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, [www.aer.ca](http://www.aer.ca), under Applications & Notices: Appeals.