
Made at Cochrane, in the
Province of Alberta, on

March 16, 2021

ALBERTA ENERGY REGULATOR

**Under sections 22, 25, 26.2 and 27 of the *Oil and Gas Conservation Act (OGCA)*
Under sections 12, 22.1 and 23 of the *Pipeline Act***

Mojek Resources Inc. (A719)

<redacted>

(the Licensee, or Mojek)

and

**Alberta Oil and Gas Orphan Abandonment and Reclamation Association
o/a Orphan Well Association**

<redacted>

(the Orphan Well Association)

and

Baytex Energy Ltd. (0RL9)

<redacted>

Whitecap Resources Inc. (A5BE)

<redacted>

(collectively, the Working Interest Participants)

WHEREAS Mojek Resources Inc. (Mojek) is the holder of Business Associate (BA) code A719 and holds the well, facility, and pipeline licences granted by the Alberta Energy Regulator (AER) listed in Appendix A (collectively, the Mojek Licences);

WHEREAS Mojek is the operator of the wells, facilities and pipelines associated with the Mojek Licences (collectively, the Sites);

WHEREAS the Working Interest Participants are working interest participants in the wells, facilities, well sites and facility sites identified in Appendix A, Table 1 and have a duty to provide reasonable care and measures where a licensee has failed or is unable to, in accordance with section 26.2 (2) of the *OGCA*;

WHEREAS the AER issued an Environmental Protection Order to Mojek dated May 14, 2020, related to the release of a substance into the environment and suspension of pipelines in accordance with section 29 of the Pipeline Act and sections 113 and 241 of the Environmental Protection and Enhancement Act;

WHEREAS on August 20, 2020, the AER limited Mojek's license eligibility status under *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals* due to there being an unreasonable risk;

WHEREAS Mojek's license eligibility was limited due to Mojek's poor compliance history, outstanding debts and security funds owing, and outstanding noncompliances, including two notices of noncompliance and an order concerning spills that have not been fully addressed or cleaned up;

WHEREAS the AER issued an order on January 4, 2021, requiring the suspension of Mojek wells and facilities, discontinuation of Mojek pipelines, and requiring Mojek to demonstrate that reasonable care and measures were being provided at all Mojek Sites (January 4, 2021, Order);

WHEREAS the January 4, 2021, Order stated that failure to comply may result in an Abandonment Order for the Mojek licences;

WHEREAS on March 5, 2021, Mojek confirmed it had failed to comply with the January 4, 2021, Order by failing to implement its action plan and begin work to clean up releases by the March 4, 2021, deadline date;

WHEREAS as of the date of this Order, Mojek has not met all the requirements of the January 4, 2021, Order;

WHEREAS Mojek failed to meet the conditions of a payment plan for the 2019 Orphan Fund Levy and 2019 Administration Fee, and \$2,683 and \$7,030 remains outstanding, respectively, and AER issued a Statutory Lien in 2019 for failure to pay the Orphan Fund Levy for 2019;

WHEREAS Mojek failed to pay its 2020 Orphan Fund Levy which resulted in a Noncompliance issued on October 29, 2020, and constitutes a debt of \$8,386.18 owing to the AER;

WHEREAS Mojek failed to pay its 2020 AER Administrative Fees which resulted in a Noncompliance issued on October 30, 2020, and constitutes a debt of \$5,140.04 owing to the AER;

WHEREAS as of the date of this Order, Mojek remains noncompliant in payment of its 2019 and 2020 Orphan Fund Levies and Administrative Fees;

WHEREAS on November 20, 2020, Alberta's Corporate Registry changed Mojek's corporate status to "Start" for failing to file annual returns for a second consecutive year;

WHEREAS Blair Reilly, Director, Enforcement & Emergency Management, has the authority to issue orders under the *OGCA* and *Pipeline Act* (the Director);

WHEREAS the Director has determined that that Mojek has contravened regulations and rules under the jurisdiction of the AER, and that it is necessary and appropriate to suspend the Licences and impose terms and conditions on Mojek to address those contraventions;

WHEREAS the Director is of the opinion that reasonable care and measures are not being taken to prevent impairment or damage at the Sites due to the outstanding contraventions, not fully addressing spills, and not complying with the January 4, 2021, Order;

WHEREAS under section 26.2 of the *OGCA*, and section 22.1 of the *Pipeline Act*, the Regulator may order a working interest participant or a delegated authority under Part 11 of the *OGCA* to provide reasonable care and measures and may impose any terms and conditions necessary, if reasonable care and measures to prevent impairment or damage are not being provided in a manner satisfactory to the Regulator;

WHEREAS the Orphan Well Association is a delegated authority under Part 11 of the *OGCA*;

WHEREAS under section 105 of the *OGCA*, the AER may take any steps it considers necessary for the purposes of enforcement of an order made by it;

WHEREAS the AER may direct the Orphan Well Association to take over the management and control of wells and facilities, under section 105(1)(c) of the *OGCA*;

WHEREAS the Orphan Well Association may apply for the appointment of a receiver pursuant to section 106.1 of the *OGCA* and section 3(1)(b) of the Orphan Fund Delegated Administration Regulation;

WHEREAS the Working Interest Participants are working interest participants in the wells as identified in Appendix A, Table 1 and have a duty to provide reasonable care and measures where the licensee has failed or is unable to, in accordance with section 26.2 (2) of the *OGCA*;

THEREFORE, I, Blair Reilly, Director, Enforcement & Emergency Management, under sections 22, 25, 26.2, and 27 of the *OGCA* and sections 12, 22.1 and 23 of the *Pipeline Act*, do hereby order the following:

Outstanding Compliance Items

1. The Licensee shall submit to the AER a report of all work completed on the Licences to come into compliance with all previous Orders, by March 22, 2021.
2. The Licensee must immediately update AER of any change to its Corporate Status, Directors and Control Persons within one working day.

Suspension of Licences

3. All of the Licences in Appendix 1 are hereby suspended.

Licensee Abandonment Obligations

4. The Licensee shall submit an Abandonment Plan for the Licences listed in this AD Order 2021-004 by March 22, 2021 for Director review and approval.

5. The Licensee shall implement the Abandonment Plan, as authorized in writing by the AER Director.
6. The Licensee shall obtain written permission from the AER in advance of any entry onto the Sites on or after March 23, 2021.
 - a. Entry may be considered for the purpose of enabling the Licensee to conduct suspension and abandonment work as ordered and as per an approved Abandonment Plan;
7. The Licensee must notify the AER via email when the abandonment is completed including confirmation of surface abandonment and removal of cement pads, debris, and produced liquids associated with the wells or facilities.

Reasonable Care and Measures for the Sites by Working Interest Participants

8. The Working Interest Participants for Licences as listed in Appendix A, Table 1 in which they have interests shall immediately:
 - a. take action and confirm in writing that reasonable care and measures will be provided for the Site;
 - b. confirm that an emergency number will be posted, active, and initiate an immediate response when called;
 - c. shall ensure that operations authorized under the Licences are suspended unless otherwise directed in writing by the AER;
 - d. shall ensure all wells listed in Appendix A, Table 1 are shut in, sealed, locked and chained in a manner acceptable to the AER.
9. The Working Interest Participants, on or before March 30, 2021 shall submit to the satisfaction of the AER, a comprehensive Action Plan to demonstrate that reasonable care and measures are being taken to prevent impairment or damage at the Sites. The Action Plan shall include, at a minimum:
 - a. **Update the emergency number at the Sites:** The Working Interest Participants shall confirm in writing that an emergency number will be posted at the Sites. The confirmation must verify that the number is active and will initiate an immediate response when called for the wells and facilities identified in Appendix A of this Order;
 - b. **Provide emergency response contact information:** The Working Interest Participants shall identify all agents who are providing reasonable care and measures for the Sites on behalf of the Working Interest Participants, specifically:
 - i. Name of the emergency response contractor company
 - ii. Name of the spill response company
 - iii. Emergency 24-hour number posted at the Sites;

- c. **Specific actions to prevent impairment or damage to the Sites:** The Working Interest Participants will provide an Action Plan to address any risks on the site:
 - iv. All actions that will be taken to address off lease odours,
 - v. All actions that will be taken to address any substance releases that may occur,
 - vi. Description of frequency of site visits;
 - d. **Follow AER Directive:** The Working Interest Participants shall follow the requirements of *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*, when providing reasonable care and measures;
 - e. **Report any events of impairment or damage:** Should any events occur that result in impairment or damage of the Sites, or should the Working Interest Participants observe an impairment or damage to the Sites (e.g. surface casing vent flow, gas migration, release of substance) the Working Interest Participants will report these events or observations in accordance with AER regulations.
10. The Working Interest Participants shall implement the Action Plan, as authorized by the AER;
11. The Working Interest Participants shall continue to provide reasonable care and measures for the Sites, in accordance with the Action Plan, until surface abandonment of the Licences is complete, and abandonment data has been submitted to the AER via OneStop.

Abandonment of Sites by Working Interest Participants

The Working Interest Participants shall

- 12. Submit an Abandonment Plan to the AER by April 16, 2021, including a date by which abandonment of the Sites will be complete:
 - a. If there are multiple responsible Working Interest Participants for a Licence, the Working Interest Participants will identify which of the Working Interest Participants will be leading abandonment operations;
 - b. The Working Interest Participants may submit a Regulator Directed Transfer application to the AER, if they seek to become the licensee, in lieu of an Abandonment Plan. The Working Interest Participants must indicate their interest to pursue a Regulator Directed Transfer application on or before April 16, 2021;
- 13. Implement the Abandonment Plan, as authorized in writing by the AER;
- 14. Notify the AER via email when the abandonment is completed including confirmation of surface abandonment and removal of cement pads, debris, and produced liquids associated with the wells or facilities.

Reasonable Care and Measures for the Sites by the Orphan Well Association

15. The Orphan Well Association shall immediately confirm in writing that reasonable care and measures will be provided for the wells, facilities, well sites, facility sites, and pipelines identified in Appendix A Tables 2, 3 and 4 of this Order;
16. The Orphan Well Association shall immediately confirm in writing that an emergency number will be active and will initiate an immediate response when called for the wells, facilities, well sites, facility sites and pipelines identified in Appendix A Tables 2, 3 and 4 of this Order;
17. The Orphan Well Association shall, on or before March 30, 2021, provide to the AER the emergency response contact information for all agents who are providing reasonable care and measures on behalf of the Orphan Well Association for the Mojek wells, facilities, well sites, facility sites and pipelines, specifically:
 - i. Name of the emergency response contractor company,
 - ii. Name of the spill response company, and
 - iii. Emergency 24-hour number posted at the sites of the Licences;
18. The Orphan Well Association, shall on or before March 30, 2021, submit to the satisfaction of the AER, a comprehensive Action Plan to demonstrate that reasonable care and measures are being taken at all wells, facilities, well sites, facility sites, and pipelines, which shall include, at a minimum:
 - a. All actions that will be taken to contain the Substances and prevent the further release or migration of the Substances to the environment;
 - b. All actions that will be taken to address any outstanding Licensee noncompliances;
 - c. All actions that will be taken to ensure that *Directive 013 Suspension Requirements for Wells* requirements have been met for wells identified in Appendix A of this Order;
 - d. All actions that will be taken with any containment devices or equipment including, but not limited to, tanks, vessels, pipelines, lease piping, sumps, drains, tubs, containers, pits, or containment rings on any of wells, facilities, well sites, facility sites, to depressurize and empty (with all fluids removed and disposed of in a manner acceptable to the AER) and rendered safe in a manner acceptable to the AER;
 - e. All actions that will be taken to discontinue and leave in a safe condition, all pipelines and related infrastructure above ground;
 - f. All actions that will be taken to address off-lease odours;
 - g. All actions that will be taken to address any substance releases that may occur;
 - h. Frequency of site visits;
19. The Orphan Well Association shall implement the Action Plan as authorized until otherwise directed by the AER in writing;
20. All Mojek wells and facilities in Appendix A, Tables 2, 3 and 4 are to be suspended immediately, and all pipelines are to be discontinued immediately, in a manner acceptable to the AER, unless otherwise directed in writing by the AER Director:

- a. All wells listed in Appendix A Table 2 must be shut in, sealed, locked and chained in a manner acceptable to the AER; and
- b. All facilities and related infrastructure above ground, listed in Appendix A Table 3, must be shut in, sealed, locked and chained in a manner acceptable to the AER; and
- c. All pipelines, and related infrastructure above ground, listed in Appendix A Table 4 must be discontinued in a manner acceptable to the AER.

Submission of Plans and Records

21. All items to be submitted to the AER under this order shall be submitted to <redacted>;
22. All submissions of work completed shall be submitted in the format required by AER regulations, with respect to provision of reasonable care and measures, or the completion of abandonment.

Immediate Actions General

23. Where there are multiple responsible Working Interest Participants for a given licence, who have been directed to carry out work under the Order, the Working Interest Participants are responsible for coordinating the execution of the necessary operations amongst the Working Interest Participants, to ensure the requirements of the Order are met;
24. All Working Interest Participants are responsible for their proportionate share of costs associated with reasonable care and measures and abandonment of the Sites;
25. Under section 101 of the *OGCA*, section 28 of the *Pipeline Act*, the Working Interest Participants, and their agents, are entitled to have access to and may enter onto the land and any structures on the land for the purposes of providing reasonable care and measures to prevent impairment or damage, or carrying out the work, as contemplated in this Order;

Dated at the City of Cochrane in the Province of Alberta, the 16th day of March, 2021.

<original signed by>

Blair Reilly
Director, Enforcement & Emergency Management,
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 *OGCA*, *Pipeline Act*, 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, under Regulating Development: Regulatory Appeal Process.

AD Order 2021-004 – APPENDIX A

Table 1: Well Licences, Licensee and Working Interest Participants

Licence/ WM Approval	Well UWI	Entity Status	Surface Location	WIP Current Name	WIP Interest, %
W0358327	00/16-31-064-05W6/0	Issued	16-31-064-05W6	Baytex Energy Ltd.	30.00%
W0358327	00/16-31-064-05W6/0	Issued	16-31-064-05W6	Mojek Resources Inc.	70.00%
W0355103	00/05-28-064-05W6/0	Issued	05-28-064-05W6	Mojek Resources Inc.	70.00%
W0355103	00/05-28-064-05W6/0	Issued	05-28-064-05W6	Whitecap Resources Inc.	30.00%
W0343541	00/07-30-064-05W6/0	Issued	07-30-064-05W6	Mojek Resources Inc.	50.00%
W0343541	00/07-30-064-05W6/0	Issued	07-30-064-05W6	Whitecap Resources Inc.	50.00%
W0342576	00/12-16-064-05W6/0	Issued	12-16-064-05W6	Mojek Resources Inc.	70.00%
W0342576	00/12-16-064-05W6/0	Issued	12-16-064-05W6	Whitecap Resources Inc.	30.00%
W0334524	00/03-29-064-05W6/0	Issued	03-29-064-05W6	Mojek Resources Inc.	50.00%
W0334524	00/03-29-064-05W6/0	Issued	03-29-064-05W6	Whitecap Resources Inc.	50.00%
W0219257	00/16-19-064-05W6/0	Issued	16-19-064-05W6	Mojek Resources Inc.	50.00%
W0219257	00/16-19-064-05W6/0	Issued	16-19-064-05W6	Whitecap Resources Inc.	50.00%

Table 2: Well Licences, Licensee and Orphan Well Association

Licence/ WM Approval	Well UWI	Entity Status	Surface Location	WIP Current Name	WIP Interest, %
W0460675	00/04-17-082-03W6/0 02/03-18-082-03W6/2	Suspension	04-17-082-03W6	Mojek Resources Inc.	100.00%
W0458553	00/05-19-082-03W6/0	Issued	06-19-082-03W6	Mojek Resources Inc.	100.00%
W0373988	00/01-07-082-03W6/0	Issued	01-07-082-03W6	Mojek Resources Inc.	100.00%
W0373959	00/13-08-082-03W6/0	Suspension	13-08-082-03W6	Mojek Resources Inc.	100.00%
W0364715	00/09-07-082-03W6/0	Issued	09-07-082-03W6	Mojek Resources Inc.	100.00%
W0364519	02/05-08-082-03W6/0	Issued	05-08-082-03W6	Mojek Resources Inc.	100.00%
W0341708	00/14-18-082-03W6/0 00/14-18-082-03W6/2	Suspension	13-18-082-03W6	Mojek Resources Inc.	100.00%
W0329910	00/09-18-082-03W6/0	Amended	16-18-082-03W6	Mojek Resources Inc.	100.00%
W0320599	00/03-19-082-03W6/0	Issued	02-19-082-03W6	Mojek Resources Inc.	100.00%
W0319217	00/15-07-082-03W6/0	Issued	15-07-082-03W6	Mojek Resources Inc.	100.00%
W0317758	00/02-19-082-03W6/0	Issued	02-19-082-03W6	Mojek Resources Inc.	100.00%
W0317656	00/12-08-082-03W6/0	Issued	12-08-082-03W6	Mojek Resources Inc.	100.00%
W0317548	00/08-07-082-03W6/0	Suspension	06-07-082-03W6	Mojek Resources Inc.	100.00%
W0316249	00/06-07-082-03W6/0	Suspension	06-07-082-03W6	Mojek Resources Inc.	100.00%
W0315763	00/05-08-082-03W6/0	Suspension	05-08-082-03W6	Mojek Resources Inc.	100.00%
W0314016	00/08-24-082-04W6/0	Issued	08-24-082-04W6	Mojek Resources Inc.	100.00%
W0308476	00/03-18-082-03W6/0	Issued	06-18-082-03W6	Mojek Resources Inc.	100.00%
W0308475	00/06-19-082-03W6/0	Issued	06-19-082-03W6	Mojek Resources Inc.	100.00%
W0296097	00/07-18-082-03W6/0	Amended	05-17-082-03W6	Mojek Resources Inc.	100.00%
W0287483	00/08-18-082-03W6/0	Amended	16-07-082-03W6	Mojek Resources Inc.	100.00%
W0278057	00/05-17-082-03W6/0	Suspension	05-17-082-03W6	Mojek Resources Inc.	100.00%
W0230750	02/10-20-064-05W6/0	Suspension	10-20-064-05W6	Mojek Resources Inc.	100.00%

Table 3: Facility Licences, Licensee and Orphan Well Association

Licence/ WM Approval	Entity Status	Surface Location	WIP Current Name	WIP Interest, %
F32733	Amended	13-18-082-03W6	Mojek Resources Inc.	100.00%

Table 4: Pipeline Licences – Licensee and Orphan Well Association

Licence/ WM Approval	Segment/Installation	Entity Status	Surface Location	To Surface Location
P51688	S-1	Operating	13-18-082-03W6	02-19-082-03W6
P48191	S-1	Operating	12-16-064-05W6	05-16-064-05W6
P47912	S-2	Operating	10-16-064-05W6	07-16-064-05W6
P47912	S-3	Operating	03-29-064-05W6	10-16-064-05W6
P47912	S-4	Operating	07-30-064-05W6	03-29-064-05W6
P47912	S-5	Operating	16-19-064-05W6	03-29-064-05W6
P45828	S-1	Discontinued	16-21-082-03W6	15-22-082-03W6
P45676	S-2	Operating	16-18-082-03W6	15-18-082-03W6
P45676	S-3	Operating	16-18-082-03W6	16-18-082-03W6
P45523	S-1	Operating	13-18-082-03W6	08-24-082-04W6
P44674	S-1	Operating	12-19-082-03W6	06-19-082-03W6
P44674	S-2	Discontinued	14-24-082-04W6	12-19-082-03W6
P44549	S-1	Operating	05-08-082-03W6	12-08-082-03W6
P44549	S-2	Operating	12-08-082-03W6	13-18-082-03W6
P44549	S-3	Discontinued	06-07-082-03W6	15-07-082-03W6
P44549	S-4	Operating	06-07-082-03W6	15-07-082-03W6
P44549	S-5	Operating	15-07-082-03W6	13-08-082-03W6
P44549	S-6	Operating	06-18-082-03W6	15-18-082-03W6
P44549	S-7	Discontinued	02-19-082-03W6	15-18-082-03W6
P44549	S-8	Operating	03-19-082-03W6	15-18-082-03W6
P44549	S-9	Operating	06-19-082-03W6	03-19-082-03W6
P44549	S-10	Operating	12-08-082-03W6	15-07-082-03W6
P44549	S-11	Operating	09-07-082-03W6	15-07-082-03W6
P44549	S-12	Operating	13-08-082-03W6	15-07-082-03W6
P44549	S-13	Operating	01-07-082-03W6	05-08-082-03W6
P44549	S-14	Operating	04-17-082-03W6	05-17-082-03W6
P44549	S-15	Operating	04-17-082-03W6	05-17-082-03W6
P43775	S-1	Discontinued	15-22-082-03W6	13-21-082-03W6
P43775	S-2	Discontinued	13-21-082-03W6	13-20-082-03W6
P43775	S-3	Operating	13-18-082-03W6	05-17-082-03W6
P43775	S-4	Operating	05-17-082-03W6	05-17-082-03W6
P39776	S-2	Discontinued	05-08-082-03W6	05-17-082-03W6
P39776	S-4	Discontinued	12-19-082-03W6	03-19-082-03W6
P39776	S-6	Discontinued	01-07-082-03W6	05-08-082-03W6