

Administrative Penalty Director's Decision

Named Party: Taber Water Disposal Inc. **BA Code:** 0YH8

File No. 2024-050

Preliminary Penalty Assessment

Number of Contraventions Identified	Base Assessment Amount		Factor Variance(s)		Total Adjusted Amount
Contravention 1	\$3,500 x 56 occurrences:	\$196,000	+ \$2000 x 56 occurrences	\$112,000	\$280,000*
Contravention 2	\$3,500 x 37 occurrences:	\$129,500	+ \$2000 x 37 occurrences	\$74,000	\$185,000*
Total contraventions: 2	Total Base Assessment:	\$325,500	Total Variance:	\$ 186,000	\$465,000*

* The maximum penalty permitted by section 8.3(3) of the *Responsible Energy Development Act General Regulation* is \$5,000 per contravention for each day or part of a day on which the contravention occurred.

Preliminary Penalty Assessment: \$465,000

Director's Decision Summary

On September 11, 2026, I, Greg Jones, Senior Advisor, Regulatory Compliance for the Alberta Energy Regulator (AER), spoke with Mark Coney, President for Taber Water Disposal Inc. (Taber) to discuss the Preliminary Administrative Penalty Assessment (PA). Mr. Coney agreed to meeting in person to discuss the investigation findings and PA and also chose to respond in writing.

On September 18, 2026, I met with Taber to review the facts on which the PA was based, how the PA was calculated, and provide an opportunity for Taber to share with the AER any relevant information not previously submitted to be considered prior to making a final decision. I also considered information provided in Taber's written submissions provided to the AER on September 16, 21, and October 5, 2026.

The PA identified the following contraventions and penalty assessments.

CONTRAVENTION 1

On or about July 9, 2024, and continuing periodically to January 17, 2025, at 10-14-010-16W4 near Taber, Alberta, Taber Water Disposal Inc. did not comply with a term or condition of an approval granted under the OGCA.

Seriousness of Contravention: Major

<i>Responsible Energy Development Act General Regulation</i>				
BASE PENALTY TABLE				
Seriousness of Contravention				
Extent of actual or potential loss or damage				
		Major	Moderate	Minor
	Major	5000	3500	2500
	Moderate	3500	2500	1500
	Minor to None	2500	1500	1000
	None	1000	600	250

Approvals for the receipt of waste are necessary because wastes and the methods of handling, treatment, and disposal of wastes are varied and require technical expertise to ensure that the nature of the wastes being received are understood and that infrastructure and procedures are in place that are designed for handling specific types of wastes. There is an elevated potential to adversely affect the public and the environment due to the general nature of wastes. The potential impacts from receiving unapproved waste may not be realized until an unknown point of time in the future as different classes of disposal wells have different operational and monitoring requirements.

Failing to obtain an approval prevents regulatory oversight and the ability to ensure that the operator of waste facilities possess the necessary knowledge and infrastructure and procedures to handle wastes and perform monitoring and other activities to mitigate risks to the public and the environment, as appropriate for the types of wastes, proposed activities, and capabilities of a particular facility. Additionally, the operation of a Class 1b disposal well has additional liabilities associated with their operation, in comparison with Class II disposal well operation. A failure to adhere to the liability requirements poses a risk to the public and the environment by having no mitigation in place in the event that a licensee fails to fulfill their end-of-life obligations.

Taber previously had approval for the operation of a Class 1b disposal well but was restricted to only receiving Class II fluids at the 13-22 Site as of March 31, 2021, after failing to operate within requirements for a Class 1b disposal well. A subsequent Approval granted by AEPA was for storage, and not disposal, of wastes regulated by that agency. That Approval clearly stipulates that the licensing and regulation of the disposal well was under the authority of the AER. Further, Taber had the ability to apply to the AER to resume operation of a Class 1b disposal well, provided that it met the requirements for operation of that class of disposal well.

Extent of Actual or Potential Loss or Damage: Moderate

An AER subject matter expert cited potential adverse effects, including infrastructure damage, fires, explosions, wellbore corrosion, formation degradation, and underground water contamination. These potential adverse effects pose a significant risk to the public and the environment. Effects that occur below-ground are more difficult to detect, particularly in the absence of adequate and appropriate monitoring and mitigations being in place. Taber was not operating with the required approvals, and

therefore there wasn't an opportunity for the AER to ensure that the appropriate measures were taken and adhered to, such as environmental monitoring and liability mitigation.

The inability to test specific wastes after disposal into the well means that there is very little likelihood of being able to adequately assess the potential risks and to mitigate them. Adverse effects may not be evident until an unknown point of time in the future, however the investigation did not cite any specific wastes which are known to have caused adverse effects. Over the life of the well it is likely that a significant portion of the wastes disposed of were produced water or brine equivalents, which are recognized as posing a lower risk of adverse effects occurring, when compared to other wastes. The potential for adverse effects exists, but there is insufficient evidence to demonstrate the likelihood of serious adverse effects occurring.

As such, an assessment of Moderate is appropriate.

Base Assessment: \$3500 x 56 occurrences

CONTRAVENTION 2

On or about June 27, 2024, and continuing periodically to October 14, 2024, at 13-22-011-15W4, near Taber, Alberta, Taber Water Disposal Inc. did not comply with a term or condition of an approval granted under the OGCA.

Seriousness of Contravention: Major

Adherence to the waste management requirements is needed to regulate the successful management of energy resource activities for the protection of the environment, property, and human health. Essential to fulfilling this, is the requirement to operate within the limits of regulatory approvals and licences. The onus

is on the operator of a facility to ensure all required approvals are in place and operational requirements are satisfied, as well as to understand the limitations of the disposal methods of the facility and communicate this to the waste generator. By accepting unapproved substances, in this case unapproved waste, effective regulatory oversight by the AER cannot occur. The AER sets operational requirements for disposal facilities which are based upon the type of waste that can be accepted for disposal. When unapproved waste is received by a disposal facility, there is a potential for an increased risk of an adverse effect to the environment and human health, the full effects may not be known for some time as operational and environmental monitoring requirements are tied to the class of disposal well.

Accordingly, the seriousness of the contravention is assessed as Major.

Extent of Actual or Potential Loss or Damage: Moderate

<i>Responsible Energy Development Act General Regulation</i>				
BASE PENALTY TABLE				
Seriousness of Contravention				
Extent of actual or potential loss or damage		Major	Moderate	Minor
	Major	5000	3500	2500
	Moderate	3500	2500	1500
	Minor to None	2500	1500	1000
	None	1000	600	250

In development of a regulatory scheme, consideration is given to Alberta's environment, geology, and infrastructure to ensure regulatory oversight and the protection of the public and the environment. The restriction against accepting out-of-province wastes exists to prevent incompatible substances from being introduced into Alberta. The most relevant potential for loss or damage for this contravention is that the absence of an approval impairs the AER's ability to ensure that the proper treatment, containment, disposal, monitoring, and mitigation is in place for wastes which are unique to those generated out-of-province. The potential impacts from receiving wastes that a facility is prohibited from receiving may not be realized until an unknown point of time in the future, as different wastes have different operational and monitoring requirements.

An assessment of Moderate is appropriate.

Base Assessment: \$3500 x 37 occurrences

Factors Applicable to the Contraventions

See Appendix A: Factor Variances for a complete listing of the factors that may be considered to increase or decrease the amount determined using the applicable Base Penalty Table(s).

Factor from Appendix A	Amount Varied	Description/Comments
(a)	+\$1000	Accepting wastes without an approval, and in contravention of an Approval, directly impacts the ability of the AER to ensure the protection of the public and the environment, including mitigating liability risks. It is of particular importance to have regulatory oversight of the acceptance of wastes due to the varying nature of wastes and their associated risks. It is important that mitigations are in place for the specific wastes and operations of a licensee. \$500 added to each contravention.
(b)	+\$1000	Taber demonstrated a willful disregard of requirements by: • directing prohibited wastes to the 10-14 facility • Accepting out-of-province wastes without approval. • Disregarding AER correspondence that confirmed that WM219 was in effect and enforceable • Disregarding the statement in the AEPA Approval which stipulated that it did not authorize disposal of wastes

		Taber demonstrated negligence by: • failing to have procedures for refusing, testing, or requiring correction of documentation when hazardous indicators were present on a load of waste. • There was a lack of oversight of the facilities and inadequate evidence of proper training of Taber employees. • No testing, or inadequate testing, of waste loads, such as those from Volker Stevin. \$500 is added to each contravention
(c)	\$0	Factor not applied
(d)	+\$1000	Taber continued to operate in noncompliance with Approvals and ignored correspondence from the AER in 2024 regarding the applicability of WM219. Taber has not demonstrated any change to behaviour, improvements to training, or demonstrated regard towards requirements. \$500 added to each contravention.
(e)	\$0	Factor not applied
(f)	+\$1000	An economic benefit was derived for accepting wastes without approval, and for accepting wastes contrary to an Approval. This is not an assessment of the economic benefit amount, it is a recognition that an economic benefit was derived from the contraventions. \$500 added to each contravention.
(g)	\$0	Factor not applied.

Discussion

I have considered all submissions provided by Taber. Taber's submissions relate to the number of occurrences of contravention 1, the application of the variance factors, and the calculation of the penalty and economic benefit. Taber expressed agreement that it was noncompliant with Contravention 2 in its written submissions of September 16 and October 5, 2026, and during the meeting on September 18, 2026. For example, in the September 16, 2026, written submission, Taber stated:

“(Taber) does not contest the out-of-province counts (Contravention 2) and accepts responsibility for the acceptance of those loads.”

Clarification and Revisions to PA

With respect to the information previously provided to Taber in the PA, I would like to provide the following clarification and revisions:

- Where it is stated that Taber was in receipt of wastes, this should be interpreted to include disposal.
- Where “a failure to obtain an approval” is stated, that should be interpreted to mean failure to adhere to the conditions of an approval. The conditions of Taber’s approval were for the acceptance of only those wastes for which the approval stated, and Taber should have obtained a change to their existing approval prior to accepting those wastes that were outside of its existing AER approval.
- The bullet in the factor variance table respecting the application of factor (b) that states “Disregarding AER correspondence that confirmed that WM219 was in effect and enforceable” is only applicable to the application of that factor variance to contravention 2.
- The approvals that Taber was subject to included the Class II disposal approval scheme no. 7816A for the 10-14 location, Class 1b disposal approval scheme no. 10415B for the 13-22 location, and waste management approval WM219 for the 13-22 location.
- Contravention 2 also includes the location of 10-14-010-16W4
- An attachment to the PA that was provided to Taber was a spreadsheet summarizing the loads that are included in this decision. The spreadsheet incorrectly recorded the date of ticket number 1085959 as January 17, 2024. The correct date, as recorded on the ticket, is January 17, 2025. Therefore the ticket does not alter the decision.

Volker Stevin fluids

With respect to contravention 1, Taber disagreed with the inclusion of those loads that were accepted from Volker Stevin. Taber’s argument primarily relied upon a letter from the AER dated May 2, 2014, (the 2014 Letter) where the AER explained that it rescinded the inclusion of fluids that had been received by Taber from Volker Stevin from a high-risk enforcement action that was issued on November 20, 2013 (the 2013 HREA).

The rescission of the Volker Stevin fluids from the 2013 HREA was based on evidence that had been provided at that time, including fluid analysis, which led to the determination that the fluids received from Volker Stevin in 2013 were brine-equivalents which could be permitted for disposal in Taber’s class II disposal well and therefore removed them from the 2013 HREA. In Taber’s submissions, it characterized the 2014 Letter as a ruling, a pre-authorization, or as an approval from the AER for the acceptance of fluids from Volker Stevin by Taber. However, I note that this is a mischaracterization of the 2014 Letter contents, and is directly contradicted by a statement within the 2014 Letter stating:

“It is advised that for future operations, Taber should seek confirmation from the AER for fluids that may be considered as brine equivalents before disposing into Taber’s Class II well.”

In addition, the letter stated that there were fluids included in the 2013 HREA that were not removed because Taber did not provide the evidence requested. As part of the investigation into Contravention 1, Taber was requested multiple times to provide information, such as fluid analysis, that would support a finding that the fluids accepted by Taber were permitted to be disposed of. Taber made statements that the fluids from Volker Stevin were equivalent to those included in the 2013 HREA but did not provide any of the information, which it claimed was readily available, to verify those statements. The description of the Volker Stevin fluids in tickets 11-25 are not directly equivalent to those fluid descriptions from the 2013 HREA and so the applicability of the fluid analysis referenced in the 2014 Letter could also not be verified. Additionally, I am not prepared to accept the 2013 fluid analysis for verification of the characteristics of the Volker Stevin fluids referenced in tickets 11-25 due, in part, to the analysis being over 10 years old, and the absence of other information to support the relevance of that fluid analysis to those fluids referenced in tickets 11-25.

Despite the above, I am prepared to exercise discretion with regards to the inclusion of the Volker Stevin fluids in tickets 11-25 in contravention 1, due to what I believe may have been a mistake of fact on the part of Taber, in the belief that that the 2014 Letter constituted an acceptance by the AER for the disposal of fluids from Volker Stevin by Taber. Despite this being an erroneous belief on the part of Taber, I have chosen to exclude the fluids received from Volker Stevin and referenced in tickets 11-25, from this administrative penalty. In the future, however, I caution Taber that the 2014 Letter and this Director’s Decision does not constitute an acceptance of those fluids as being permitted, either previously or in the future, and that Taber must provide documentation that will independently verify its compliance with AER approvals, when requested by the AER.

Determination of which tickets should be included in contravention 1

Bill of lading 241018 was re-routed by an AER Inspector. This load is removed from the decision.

Taber’s submissions also argued that the AER should not solely rely on the *Transportation of Dangerous Goods Regulations* placards, or solely on the disposal rates it charged, or solely on the nature of the waste generators, to determine the true characteristics of those fluids which Taber disposed of. I note that in considering whether a waste should be included in contravention 1, a **combination** of many factors were considered, as detailed in the investigation. Taber also did not provide any reasonable explanation for the variance in disposal rates commensurate to the degree that the rates varied. Additionally, Taber has had the opportunity to provide evidence to demonstrate that it only accepted wastes which it was approved to dispose of, and the AER also made multiple requests to Taber to provide information to verify that Taber only accepted wastes which it was permitted to dispose of, and based on the information currently available, there is no compelling evidence demonstrating that Taber was authorized to dispose of the fluids identified in contravention 1.

Duplicate tickets

For those tickets that were identified as being applicable to each contravention, they have subsequently been removed from the application of contravention 1.

Assessment of adverse effect

Taber's submission is that no environmental harm resulted and that the wastes it received were not hazardous and therefore the assessment of moderate was not appropriate for the *Actual or Potential Loss or Damage* for both of the contraventions. However, Taber has not provided any compelling evidence to verify that it only disposed of fluids which it was permitted to receive and therefore posed no additional risk to the public or the environment, and evidence does exist that it disposed of fluids which it was not permitted to dispose of.

It is important to understand that a lack of evidence of adverse effects is not the same as evidence of no adverse effects having occurred, or which could still occur, as a result of Taber's noncompliances. The potential for adverse effects continues to exist for the reasons already detailed in the PA. Taber also did not provide evidence to refute the assertions made by AER subject matter experts as to the potential loss or damage that could result from the disposal of unapproved wastes, which are significant. The significance of the potential loss or damage supports an assessment of major, however the lack of evidence of adverse effects having occurred at this time mitigated an assessment of major, but was not significant enough to assess the potential loss or damage as being minor or none. The assessment of moderate is appropriate.

Seriousness of the contraventions and applicability of variance factors

Taber's assertions that it did not act with willful disregard are based, in part, on the closure of its application to the AER for an amendment to WM219, and the application of the AEPA approval for the storage of wastes. I note that the evidence does not support this submission, because Taber's application for an amendment to WM219 was closed due to Taber's failure to comply with conditions and not by rejection of the application by the AER, and that the AEPA approval clearly stipulates that disposal must be pursuant to AER requirements. Taber asserted that the identification of the 13-22 well in the PA was evidence of confusion as to the application of AER requirements to disposal of fluids due to the AEPA approved facility being located at the same surface location but did not provide evidence that the existence of the 13-22 well at the same surface location as the AEPA approved facility led to any misapplication of requirements by the AER, or a reasonable confusion on the part of Taber as to the application of AER requirements for disposal.

Taber claims that its statements made to the AER Investigator were misunderstood or heavily relied upon for a finding of willful disregard, but this is not supported by the evidence. The finding of willful disregard was based on a combination of factors as identified in the factor variance table. The finding is also not based on the AER's previous treatment of the Site, as cited in Taber's written submission.

Taber stated in its September 16, 2026, submission that it followed common industry practice to verify the source of incoming fluids by relying on waste generators' characterization and manifests. However, during the September 18, 2026, meeting Taber contradicted that statement by expressing its frustration

with the insistence of operators to provide waste manifests and stating that it was aware of AER enforcement against another waste receiver for similar contraventions which had been posted on the AER's external website. The onus is on Taber, and not on waste generators, to ensure compliance with Taber's approval. It is recognized that waste generators are required to characterize and classify wastes but it is incumbent upon Taber to verify that it is accepting only those fluids which it is permitted to receive and dispose of. Further, Taber is required to verify that the characteristics of fluids from recurrent waste generators continues to have those characteristics which it is permitted to receive for disposal, and to provide documentation to that effect when requested by the AER.

Taber has not provided compelling evidence in its submissions that it had regard for AER requirements, that it took any reasonable actions to prevent contravening requirements, or to mitigate the identified contraventions. The lack of oversight, training, and procedures was also considered in the decision and in the evaluation of Taber's actions to mitigate and prevent noncompliance. Taber's submission that the volume of contraventions identified, relative to the amount of wastes it received, is reasonable and evidence of a functioning verification practice is not accepted and is considered instead to be evidence of a failure on the part of Taber to have a functioning verification practice.

I do not accept Taber's submission that the suspension of operations should be considered a mitigating factor because the suspension of operations was not voluntary and was imposed upon Taber by the AER for noncompliance with requirements, and nonaction by Taber to prevent recurrence of noncompliances. Taber did not demonstrate that it took all reasonable steps to prevent noncompliance, even after the imposition of the suspension order and concerns raised by a third-party compliance monitor.

Taber's submission that the application of factor (f) is duplicative due the assessment of an economic benefit amount is rejected. The application of factor (f) and the assessment of an economic benefit are required by two separate legislative provisions. Application of factor (f) is not an assessment of the economic benefit amount; it is a recognition that an economic benefit was derived from contravention 1.

Final Penalty Decision

I, Greg Jones, Senior Advisor, Regulatory Compliance for the AER, have fully considered all of the information collected in the investigation, the verbal submissions presented to me by Taber in the September 18, 2026, meeting, as well as all written submissions sent to me by Taber.

In conclusion, I am of the opinion that contraventions 1 and 2 did occur, are supported by the evidence, and that there was a lack of due diligence on the part of Taber.

I am adjusting the amount of occurrences of contravention 1 by excluding the Volker Stevin fluids (tickets 11-25), the load referenced by Bill of Lading 241018, and the tickets which are duplicates of those captured within contravention 2, reducing the total amount of occurrences of contravention 1 to 38.

I am of the opinion that variance factors (a), (b), (d), and (f) are relevant to each contravention and agree with their assessment in the preliminary assessment.

The final assessment, therefore, results in the following table and final penalty assessment:

Contravention	Base Penalty Table Amount (BP)	Factor Adjustment (FA)	Factor Adjusted Amount (BP+FA)	Occurrences	Total Penalty Amount
Contravention 1	\$3,500	+\$2,000	\$5,000*	38	\$190,000
Contravention 2	\$3,500	+\$2,000	\$5,000*	37	\$185,000
Total Penalty Amount:					\$375,000

* The maximum penalty permitted by section 8.3(3) of the *Responsible Energy Development Act General Regulation* is \$5,000 per contravention for each day or part of a day on which the contravention occurred.

FINAL PENALTY ASSESSMENT: \$375,000

ECONOMIC BENEFIT ASSESSMENT

Preliminary Economic Benefit Assessment

	Unauthorized Disposal (Appendix A)	Out of Province (Appendix B)	Total
Gross Revenue	\$55,251	\$48,481	\$103,732
Interest Benefit	\$4,903	\$4,418	\$9,321
Total Economic Benefit	\$60,154	\$52,899	\$113,053

Director's Decision Summary

On September 11, 2026, I, Greg Jones, Senior Advisor, Regulatory Compliance for the Alberta Energy Regulator (AER), spoke with Mark Coney, President for Taber Water Disposal Inc. (Taber) to discuss the Preliminary Administrative Penalty Assessment (PA). Mr. Coney agreed to meeting in person to discuss the investigation findings and PA and also chose to respond in writing.

On September 18, 2026, I met with Taber to review the facts on which the PA was based, how the PA was calculated, and provide an opportunity for Taber to share with the AER any relevant information not previously submitted to be considered prior to making a final decision. I also considered information provided in Taber's written submissions provided to the AER on September 16, 21, and October 5, 2026.

The PA identified the following counts and economic benefit assessments:

CONTRAVENTION 1

On or about July 9, 2024, and continuing periodically to January 17, 2025, at 10-14-010-16W4 near Taber, Alberta, Taber Water Disposal Inc. did not comply with a term or condition of an approval granted under the OGCA.

CONTRAVENTION 2

On or about June 27, 2024, and continuing periodically to October 14, 2024, at 13-22-011-15W4, near Taber, Alberta, Taber Water Disposal Inc. did not comply with a term or condition of an approval granted under the OGCA.

Economic Benefit from conducting an activity without authorization

Taber was prohibited from accepting industrial and oilfield waste for disposal at their 10-14 site and therefore, all disposal fees paid by 12 separate generators over the course of 7 months to Taber for disposal should be considered a total proceeds economic benefit.

Taber was prohibited from accepting any out of province fluid for disposal at their 13-22 site and therefore, all disposal fees paid by 2 separate generators over the course of 5 months to Taber for disposal should be considered a total proceeds economic benefit.

Methodology

The AER Economic Benefit Assessment Guide explains that a *Total Proceeds/Revenue Received (Gross Profit)* economic benefit methodology is appropriate for noncompliances pertaining to conducting an activity without authorization, where the activity would never have been authorized in full or in part, and to conducting an activity in excess of a limit or standard. Allowing adjustments for costs would allow a portion of the overall revenue, unlawfully received, to continue to directly or indirectly support the unauthorized activity.

The AER determined that the type of economic benefit derived from the acceptance of wastes without approval, and for accepting wastes which it received in contravention of its existing Approval, is *Total Proceeds/Revenue Received (Gross Profit)*.

The AER Economic Benefit Assessment Guide also explains that the “time value of money,” also known as interest, of the economic benefit may also be assessed as this money can constitute very real economic benefit gains for regulated parties. In cases involving economic benefit, the funds available to a regulated party either act as an offset to its cost of capital or, where these funds are not needed as capital, can be reinvested in other profit-making activities.

Calculation

The economic benefit calculation is based on the total proceeds/revenue received (gross profit) and includes a time value of money calculation for tipping fees associated with waste received periodically by Taber from June 2024 through January 2025, with interest calculated to the end of October 2027.

To account for the time value of money, the economic benefit calculation includes a conservative estimate of the interest income that could have been earned on the gross revenue received for each transaction. This estimate was based on the applicable Canadian risk-free interest rate over the relevant period, as proxied by the average yield on one-to-three-year Government of Canada marketable bonds.¹

Since the relevant period differs by transaction, a separate interest calculation was performed for each ticket.² This means that the applicable annual interest rates vary slightly by transaction, but are all within 10 basis points of 2.75%. The future value of each transaction was calculated using the following formula:

¹ Bank of Canada, *Selected Bond Yields*, Government of Canada Marketable Bonds, Average Yield: 1 to 3 Year, available at: <https://www.bankofcanada.ca/rates/interest-rates/canadian-bonds/>

² The relevant period for each transaction runs from the date of the ticket to 1 September 2026. Note, however, that the Bank of Canada has held interest rates constant since December 2025, and announced on 2 September 2026 that

$$FV = PV \times \left(1 + \frac{r}{12}\right)^m$$

Where:

- FV = future value
- PV = gross revenue received from the unauthorized activity (historical value)
- r = applicable annual interest rate, based on the average yield of one-to-three-year Government of Canada marketable bonds
- m = number of months between the transaction date and the end date

The **interest benefit** for each transaction was calculated as the difference between the transaction's future value and the original gross revenue. The interest benefit for each transaction is therefore:

$$\text{Interest Benefit} = FV - PV$$

The **total economic benefit** was then determined as:

$$\text{Total Economic Benefit} = PV + \text{Interest Benefit}$$

Discussion

Taber's submissions primarily related to the number of occurrences, and the subsequent calculation of the economic benefit derived from the occurrences, and of contravention 1. Taber expressed agreement that it was noncompliance with contravention 2 in its written submissions of September 16 and October 5, 2026, and during the meeting on September 18, 2026. For example, in the September 16, 2026, written submission, Taber stated:

“(Taber) does not contest the out-of-province counts (Contravention 2) and accepts responsibility for the acceptance of those loads.”

Corrections to PA

Bill of lading 241018 was re-routed by an AER Inspector. This load is removed from the decision.

Location 10-14-010-16W4 should also have been included in the contravention description.

In preparation of this decision, it was discovered that an error had been made and that the interest was being calculated up to October 2027 but should have been calculated to October 2026 (the time that the decision is issued). The correction has been made in this decision.

the hold will continue until at least December 2026. As such, we do not anticipate that the risk-free rate will vary significantly for the remainder of the year.

Volker Stevin fluids

With respect to contravention 1, Taber disagreed with the inclusion of those loads that were accepted from Volker Stevin. Taber's argument primarily relied upon a letter from the AER dated May 2, 2014, (the 2014 Letter) where the AER explained that it rescinded the inclusion of fluids that had been received by Taber from Volker Stevin from a high-risk enforcement action that was issued on November 20, 2013 (the 2013 HREA).

The rescission of the Volker Stevin fluids from the 2013 HREA was based on evidence that had been provided at that time, including fluid analysis, which led to the determination that the fluids received from Volker Stevin in 2013 were brine-equivalents which could be permitted for disposal in Taber's class II disposal well and therefore removed them from the 2013 HREA. In Taber's submissions it characterized the 2014 Letter as a ruling, a pre-authorization, or as an approval from the AER for the acceptance of fluids from Volker Stevin by Taber. However, I note that this is a mischaracterization of the 2014 Letter contents, and is directly contradicted by a statement within the 2014 Letter stating:

"It is advised that for future operations, Taber should seek confirmation from the AER for fluids that may be considered as brine equivalents before disposing into Taber's Class II well."

In addition, the letter stated that there were fluids included in the 2013 HREA that were not removed because Taber did not provide the evidence requested. As part of the investigation into Contravention 1, Taber was requested multiple times to provide information, such as fluid analysis, that would support a finding that the fluids accepted by Taber were permitted to be disposed of. Taber made statements that the fluids from Volker Stevin were equivalent to those included in the 2013 HREA but did not provide any of the information, which it claimed was readily available, to verify those statements. The description of the Volker Stevin fluids in tickets 11-25 are not directly equivalent to those fluid descriptions from the 2013 HREA and so the applicability of the fluid analysis referenced in the 2014 Letter could also not be verified. Additionally, I am not prepared to accept the 2013 fluid analysis for verification of the characteristics of the Volker Stevin fluids referenced in tickets 11-25 due, in part, to the analysis being over 10 years old, and the absence of other information to support the relevance of that fluid analysis to those fluids referenced in tickets 11-25.

Despite the above, I am prepared to exercise discretion with regards to the inclusion of the Volker Stevin fluids in tickets 11-25 in calculation of the economic benefits for contravention 1, due to what I believe may have been a mistake of fact on the part of Taber, in the belief that that the 2014 Letter constituted an acceptance by the AER for the disposal of fluids from Volker Stevin by Taber. Despite this being an erroneous belief on the part of Taber, I have chosen to exclude the fluids received from Volker Stevin and referenced in tickets 11-25, from the economic benefit calculation. In the future, however, I caution Taber that the 2014 Letter and this Director's Decision do not constitute an acceptance of those fluids as being permitted, either previously or in the future, and that Taber must provide documentation that will independently verify its compliance with AER approvals, when requested by the AER.

Duplicate tickets

For those tickets that were identified as being applicable to each contravention, the duplicates have subsequently been removed from the economic benefit calculation.

Methodology

The methodology used for the calculation of economic benefit was developed in consideration of legislation, case law, models used by other regulatory agencies, and other factors. The economic benefit derived by Taber was assessed based on the merits of this case. Taber has expressed general disagreement with the methodology used but has not provided any compelling argument against the application of an economic benefit assessment and has not proposed an alternative methodology that is supported by legislation or case law.

Final Decision on Economic Benefit

I, Greg Jones, Senior Advisor, Regulatory Compliance, for the AER have fully considered the facts and supporting documented evidence that Taber is in receipt of proceeds derived directly or indirectly from the contraventions described above.

In deciding on applying an amount for economic benefit, consideration is given to:

1. The necessity in deterring similar contraventions for regulated parties operating in the same regulated sphere;
2. Will it remove the economic benefit that resulted from the contraventions; and
3. Will it educate the regulated party to encourage future compliance (deterred from future contravention and ensuring no economic incentive to avoid compliance).

I am adjusting the economic benefit amount by excluding the Volker Stevin fluids (tickets 11-25) and the tickets which are duplicates of those captured within contravention 2. With these adjustments applied, the cost estimates for Taber are reasonable and reflect a fair assessment of the economic benefit derived from the noncompliances.

	Unauthorized Disposal (Appendix A)	Out of Province (Appendix B)	Total
Gross Revenue	\$22,605	\$48,481	\$71,086

Interest Benefit	\$1,328	\$2,950	\$4,278
Total Economic Benefit	\$23,933	\$51,431	\$75,364

FINAL ECONOMIC BENEFIT ASSESSMENT: \$75,364

FINAL ADMINISTRATIVE PENALTY ASSESSMENT [\$375,000 + \$75,364: **\$450,364**

Date: October 16, 2026

Director's Signature: _____ <Original signed by> _____
 Greg Jones, Senior Advisor, Regulatory Compliance, AER

APPENDIX A: FACTOR VARIANCES

Factors	<i>REDA General Regulation</i> (Energy Enactments)
(a)	the importance to the regulatory scheme of compliance with the provision that was contravened;
(b)	the degree of willfulness or negligence, if any, on the part of any person responsible for the contravention;
(c)	any steps taken by a person responsible for the contravention to avoid or limit the extent of any actual loss or damage that resulted or any potential loss or damage that may reasonably be expected to result from the contravention;
(d)	any steps taken by a person responsible for the contravention to prevent its recurrence;
(e)	any previous contravention of a provision prescribed by section 8.1 by a person responsible for the contravention;
(f)	whether a person responsible for the contravention derived or is likely to derive any economic benefit from the contravention;
(g)	any other factor that, in the opinion of the Regulator, is relevant.