

**State Of New Mexico**  
**Energy, Minerals and Natural Resources Department**

04-Feb-26

**SIMCOE LLC**

1199 Main Ave., Suite 101  
Durango, CO 81301

**Pre Enforcement Notification**

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the Compliance Officer copied on this letter, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

*INSPECTION DETAIL SECTION*

[30-045-06965] GALLEGOS CANYON UNIT #137

OGRID: 329736

P-36-28N-13W 850 FSL 790 FEL

**Inspection Date**

2/4/2026

**Type Inspection**

Routine Inspection

**Inspector**

[TV] Thomas Vermersch

**Inspection No.**

iTV263548585

**Violation**

**Title**

**Corrective  
Action Due**

cTV263566430 19.15.29 Releases Surface Leaks/Spills

5/5/2026

*(There is some staining around the well and under the unload line to the below grade tank. Hydrocarbons have ran off the cement and soaked into the ground. Please have all staining removed and cleaned up. )*

cTV263566431 19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Requirements  
(Construction, Operations or Closure)

5/5/2026

*(The below grade tank contains a hydrocarbon substance that needs removed. )*

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

**Note:** Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.