

| | | |
|--|---|---|
| Well Name: GALLEGOS CANYON UNIT | Well Location: T29N / R12W / SEC 33 / SESW / 36.67845 / -108.10757 | County or Parish/State: SAN JUAN / NM |
| Well Number: 328 | Type of Well: INJECTION - ENHANCED RECOVERY | Allottee or Tribe Name: EASTERN NAVAJO |
| Lease Number: I149IND8486 | Unit or CA Name: GCU-FRUITLAND SANDS - C | Unit or CA Number: NMNM78391I |
| US Well Number: 3004524735 | Operator: SIMCOE LLC | |

Subsequent Report

Sundry ID: 2864709

| | |
|--|--|
| Type of Submission: Subsequent Report | Type of Action: Workover Operations |
| Date Sundry Submitted: 07/22/2025 | Time Sundry Submitted: 01:49 |
| Date Operation Actually Began: 03/24/2025 | |

Actual Procedure: null

SR Attachments

Actual Procedure

RE__EXTERNAL__GCU_328_SWD__3004524735__Request_to_P_A_FS_Formation_20250722134902.pdf

Re__GCU_328_SWD_20250722134902.pdf

Re__EXTERNAL__GCU_328_SWD__3004524735__Squeeze_Work_20250722134902.pdf

Re__GCU_328__Request_for_Rig_Work_20250722134902.pdf

2025_07_17_MIT_GCU_328_IKAV_20250722134659.pdf

GCU_328_SWD_WBD_20250722134658.pdf

GALLEGOS_CANYON_UNIT_328_SR_20250722134657.pdf

Received by OCD: 9/9/2025 9:34:28 AM

Page 2 of 27

| | | |
|---------------------------------|--|--|
| Well Name: GALLEGOS CANYON UNIT | Well Location: T29N / R12W / SEC 33 / SESW / 36.67845 / -108.10757 | County or Parish/State: SAN JUAN / NM |
| Well Number: 328 | Type of Well: INJECTION - ENHANCED RECOVERY | Allottee or Tribe Name: EASTERN NAVAJO |
| Lease Number: I149IND8486 | Unit or CA Name: GCU-FRUITLAND SANDS - C | Unit or CA Number: NMNM78391I |
| US Well Number: 3004524735 | Operator: SIMCOE LLC | |

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: CHRISTY KOST

Signed on: JUL 22, 2025 01:49 PM

Name: SIMCOE LLC

Title: Permitting Agent

Street Address: 1199 MAIN AVE STE 101

City: DURANGOState: CO

Phone: (719) 251-7733

Email address: CHRISTY.KOST@IKAVENERGY.COM

Field

Representative Name:

Street Address:

City:State:Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Accepted

Disposition Date: 07/24/2025

Signature: Matthew Kade

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

| | |
|---|------------------------------|
| 5. Lease Serial No. | |
| 6. If Indian, Allottee or Tribe Name | |
| 7. If Unit of CA/Agreement, Name and/or No. | |
| 8. Well Name and No. | |
| 9. API Well No. | |
| 10. Field and Pool or Exploratory Area | 11. Country or Parish, State |

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

3a. Address 3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other | |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

| | |
|---|-------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | Title |
| Signature | Date |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|------|
| Approved by | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | |

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 1070 FSL / 1520 FWL / TWSP: 29N / RANGE: 12W / SECTION: 33 / LAT: 36.67845 / LONG: -108.10757 (TVD: 0 feet, MD: 0 feet)

BHL: SESW / 1070 FSL / 1520 FWL / TWSP: 29N / SECTION: / LAT: 36.67845 / LONG: 108.10757 (TVD: 0 feet, MD: 0 feet)

Submit a Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-045-24735 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Gallegos Canyon Unit |
| 8. Well Number 328 |
| 9. OGRID Number |
| 10. Pool name or Wildcat 329736 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,394', GL |

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
SIMCOE LLC

3. Address of Operator
1199 Main Ave, Suite 101, Durango, CO 81301

4. Well Location

Unit Letter N : 1,070 feet from the South line and 1,520 feet from the West line
Section 33 Township 29N Range 12W NMPM San Juan County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SIMCOE LLC squeezed off the upper FS perms in the GCU 328 SWD and turned it into a conventional SWD. See attached SR for job details.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Christy Kost TITLE Regulatory Analyst DATE 9/9/2025

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

From: [Moticha M. Franklin](#)
To: [Joseph Schnitzler](#)
Cc: [Christy Kost](#); [Kayla T. Bluehorse](#)
Subject: Re: GCU 328 - Request for Rig Work
Date: Monday, February 24, 2025 9:56:29 AM
Attachments: [image001.jpg](#)

Good morning Joseph,

Everything looks good. Just let me know when you all plan to do an MIT and I will make arrangements to get out there to do the MIT.

Please feel free to contact us if there are any questions or concerns.

Thank you.

Moticha M. Franklin

Environmental Specialist

Underground Injection Control Program

Navajo Nation Environmental Protection Agency

P.O. Box 1999

Shiprock, New Mexico 87420

Phone: (505) 368-1031

Fax: (505) 368-1042

Email: moticha.franklin@navajo-nsn.gov

From: Kayla T. Bluehorse <kayla.bluehorse@navajo-nsn.gov>

Sent: Friday, February 21, 2025 1:52:06 PM

To: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>

Cc: Christy Kost <Christy.Kost@lkavenergy.com>

Subject: Re: GCU 328 - Request for Rig Work

Good afternoon Mr. Schnitzler,

Ms. Franklin is out of the office today and will return on Monday 2/24/25 to review the procedure and she will contact you as soon as she can. Have a great weekend!

Thank you and have a great day,

Kayla Bluehorse | Sr. Office Specialist

Underground Injection Control Program

Navajo Nation Environmental Protection Agency

Phone: (505) 368-1040/1041

Fax: (505) 368-1042

Email: kayla.bluehorse@navajo-nsn.gov

From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Friday, February 21, 2025 1:32 PM
To: Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>
Cc: Kayla T. Bluehorse <kayla.bluehorse@navajo-nsn.gov>; Christy Kost <Christy.Kost@Ikavenergy.com>
Subject: GCU 328 - Request for Rig Work

Good Afternoon Moticha

Simcoe believes there is a hole in the injection tubing on the GCU 328 (3004524735). I have attached a current wellbore diagram and procedure to this email, which we believe will fix the issue and return the well to injection & production in a timely manner. Can you please review the documents and let us know if NNEPA approves of the work or has any questions or qualms about it? Once we receive NNEPA approval, we will also have to submit to BLM and NMOCD. I'm happy to answer any questions.

Joey Schnitzler – Production Engineer
IKAV Energy Inc.
Phone: (281) 743-7504
Email: joseph.schnitzler@ikavenergy.com



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WARNING: External email. Please verify sender before opening attachments or clicking on links.

From: [Kade, Matthew H](#)
To: [Joseph Schnitzler](#); [Durham, John, EMNRD](#); [Rennick, Kenneth G](#); [Moticha M. Franklin](#)
Cc: [Christy Kost](#)
Subject: Re: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work
Date: Wednesday, July 9, 2025 3:35:26 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[Outlook-rw05mix4.png](#)
[Outlook-xtqab41a.png](#)

The BLM approves of pumping another plug across that zone.

Thanks,

Matthew Kade

Petroleum Engineer | Bureau of Land Management

Farmington Field Office | 6251 College Blvd., Suite A / Farmington, NM 87402

Office: 505-564-7736



From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Wednesday, July 9, 2025 2:45 PM
To: Durham, John, EMNRD <john.durham@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>
Cc: Christy Kost <Christy.Kost@ikavenergy.com>
Subject: RE: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

Good Afternoon

We are still leaking at a small rate on the GCU 328 FS perfs. We propose a 20 sk, 12 ppg, 1.33 yield MC-500 balanced plug from 960-1075', which we will hesitate from surface. Hopefully this will address the problem once and for all. Please let me know if you have any questions

Joey Schnitzler – Production Engineer

IKAV Energy Inc.

Phone: (281) 743-7504

Email: joseph.schnitzler@ikavenergy.com



From: Durham, John, EMNRD <john.durham@emnrd.nm.gov>
Sent: Monday, July 7, 2025 4:14 PM
To: Kade, Matthew H <mkade@blm.gov>; Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>; Rennick, Kenneth G <krennick@blm.gov>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>
Cc: Christy Kost <Christy.Kost@lkavenergy.com>
Subject: Re: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

The NMOCD approves you moving forward with this operation, please submit these documents to ocdonline.

Respectfully
John Durham

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From: Kade, Matthew H <mkade@blm.gov>
Sent: Monday, July 7, 2025 4:07:18 PM
To: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>; Durham, John, EMNRD <john.durham@emnrd.nm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>
Cc: Christy Kost <Christy.Kost@lkavenergy.com>
Subject: Re: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

You don't often get email from mkade@blm.gov. [Learn why this is important](#)

The BLM approves of moving forward with the Type 3 neat cement squeeze.

Thanks,
Matthew Kade
Petroleum Engineer | Bureau of Land Management
Farmington Field Office | 6251 College Blvd., Suite A / Farmington, NM 87402
Office: 505-564-7736



From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Monday, July 7, 2025 4:02 PM
To: Durham, John, EMNRD <john.durham@emnrd.nm.gov>; Kade, Matthew H <mkade@blm.gov>; Rennick, Kenneth G <krennick@blm.gov>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>
Cc: Christy Kost <Christy.Kost@ikavenergy.com>
Subject: Re: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

Good Afternoon

On Thursday we pumped our cement job, and after drilling out today, we are losing 2 psi/min after testing the perms to 1000 psi, which won't pass MIT per NNEPA standards. We are proposing pumped a 100' balanced plug from 960-1060' of 17 sx Type 3 neat cement and then hesitating it from surface. Please let me know if you are good with this and call if you have any questions

Joey Schnitzler

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From: Durham, John, EMNRD <john.durham@emnrd.nm.gov>
Sent: Thursday, June 26, 2025 3:39:35 PM
To: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Subject: RE: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

You are approved to move forward on the squeeze job. Please submit a subsequent report to the NMOCD as well.

Respectfully
John Durham

From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Thursday, June 26, 2025 1:20 PM
To: Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>; Kade, Matthew H <mkade@blm.gov>; Durham, John, EMNRD <john.durham@emnrd.nm.gov>
Cc: Christy Kost <Christy.Kost@ikavenergy.com>
Subject: [EXTERNAL] GCU 328 SWD (3004524735) - Squeeze Work

You don't often get email from joseph.schnitzler@ikavenergy.com. [Learn why this is important](#)

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Moticha/Matt/John

As you know, we've been working on the GCU 328 SWD well in the last couple months. I previously requested permission to squeeze the upper FS zone. At the time, we did NOT move forward with that operation, as we found issues with the brand new packer we ran. We have been trying to kick off production on the upper FS zone but it now seems futile. I am requesting permission again to move back to that well, squeeze and plug off the upper FS zone and turn the well into a normal SWD well, which will give us the ability to conduct a normal MIT as well. I've attached a subsequent report of all operations to date, a proposed procedure, a current wellbore diagram, and a proposed wellbore diagram. Please let me know if you have any questions and are good with the work

Joey Schnitzler – Production Engineer

IKAV Energy Inc.

Phone: (281) 743-7504

Email: joseph.schnitzler@ikavenergy.com



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From: [Kuehling, Monica, EMNRD](#)
To: [Kade, Matthew H](#); [Joseph Schnitzler](#); [Moticha M. Franklin](#)
Cc: [Kayla T. Bluehorse](#); [Keleigh J. Lee](#); [Christy Kost](#)
Subject: RE: [EXTERNAL] GCU 328 SWD (3004524735) - Request to P&A FS Formation
Date: Wednesday, May 14, 2025 3:00:06 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.jpg](#)

NMOCD approves for record.

Thank you

Monica Kuehling
Compliance Officer Supervisor
Deputy Oil and Gas Inspector
New Mexico Oil Conservation Division
North District
Cell Phone: 505-320-0243
Email - monica.kuehling@emnrd.nm.gov

From: Kade, Matthew H <mkade@blm.gov>
Sent: Wednesday, May 14, 2025 2:58 PM
To: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>; Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Cc: Kayla T. Bluehorse <kayla.bluehorse@navajo-nsn.gov>; Keleigh J. Lee <keleigh.lee@navajo-nsn.gov>; Christy Kost <Christy.Kost@ikavenergy.com>
Subject: Re: [EXTERNAL] GCU 328 SWD (3004524735) - Request to P&A FS Formation

Good afternoon Joey,

The BLM approves of the procedure for plugging off the Fruitland Sand. Please do submit a formal NOI with the procedure and wellbore diagram.

Thanks,

Matthew Kade
Petroleum Engineer | Bureau of Land Management

Farmington Field Office | 6251 College Blvd., Suite A / Farmington, NM 87402
Office: 505-564-7736



From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Wednesday, May 14, 2025 10:29 AM
To: Moticha M. Franklin <moticha.franklin@navajo-nsn.gov>; Kade, Matthew H <mkade@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>
Cc: Kayla T. Bluehorse <kayla.bluehorse@navajo-nsn.gov>; Keleigh J. Lee <keleigh.lee@navajo-nsn.gov>; Christy Kost <Christy.Kost@ikavenergy.com>
Subject: [EXTERNAL] GCU 328 SWD (3004524735) - Request to P&A FS Formation

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Good Morning

We have been working on the GCU 328 SWD (NNEPA jurisdiction) for some time. I've attached a summary of our operations thus far. Due to our complications, we are requesting approval to squeeze off the FS perforations and turn this well into a normal injection well (no producing formation). Having the FS perfs open during this job is complicating our repair and possibly sending mixed signals during our testing. Below is our cementing plan for the Fruitland Sand squeeze job (as well as a proposed WBD after the squeeze). Please let me know if you have any questions and approve of this work. We can follow up with a formal NOI if you'd like, but I'm going this route initially to save time since the rig is currently on location.

Cementing plan – Set 7” RBP at 1200’. Set 50 sx Class G balanced plug from 820-1080’.
POOH and hesitate squeeze cement into FS perforations. Drill out cement and pressure test casing to 1000 psi. POOH RBP. LD work string. LD old production string. RIH injection tubing. Conduct MIT. Commence injection operations

Joey Schnitzler – Production Engineer
IKAV Energy Inc.

Phone: (281) 743-7504

Email: joseph.schnitzler@ikavenergy.com



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From: [Moticha M. Franklin](#)
To: [Joseph Schnitzler](#); [Kayla T. Bluehorse](#); [Keleigh J. Lee](#)
Subject: Re: GCU 328 SWD
Date: Thursday, May 8, 2025 3:29:18 PM

Joey,

NNEPA - UIC approves your news plans.

Please send the new schematic with the new packer placement.

Thank you and have a great day!

Moticha M. Franklin
Environmental Specialist
Underground Injection Control Program
Navajo Nation Environmental Protection Agency
P.O. Box 1999
Shiprock, New Mexico 87420
Phone: (505) 368-1031
Fax: (505) 368-1042
Email: moticha.franklin@navajo-nns.gov

From: Joseph Schnitzler <joseph.schnitzler@ikavenergy.com>
Sent: Thursday, May 8, 2025 2:28 PM
To: Moticha M. Franklin <moticha.franklin@navajo-nns.gov>; Kayla T. Bluehorse <kayla.bluehorse@navajo-nns.gov>; Keleigh J. Lee <keleigh.lee@navajo-nns.gov>
Subject: [EXTERNAL]GCU 328 SWD

Hi Moticha

This email sums up our phone call from earlier. We have tested our casing from surface to the top Fruitland perf and it held good. We also tested our casing from the bottom Fruitland perf to 2792'. So it's the packer that is leaking. We'd like to propose setting a new packer at 2792' and leaving the existing packer at 2805' in the well. This new packer is 13' higher than the old one. We believe this is the simplest and fastest way To fix the well. Please let me know if NNEPA approves of this plan.

Note - below is an EPA reg I found that states packers need to be 75' within the top injection perf

§ 147.2920Operating requirements for wells authorized by permit.(a) For new Class II wells, injection shall be through adequate tubing and packer. Packer shall be run on the tubing and set inside the casing within 75 feet of the top of the injection interval. For existing Class II, wells, injection shall be through adequate tubing and packer, or according to alternative

operating requirements approved by the Regional Administrator, as necessary to prevent the movement of fluid into a USDW.

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GALLEGOS CANYON UNIT 328 – 3004524735

N SEC 33 T29N R12W – LAT 36.67861, LONG -108.10813

SAN JUAN COUNTY, NEW MEXICO

3/24/25 – MIRU service rig. MIRU WL. RIH 1.68" GR down injection tubing to 2790'. Set 1.5" CIBP at 2785'. Set 1.5" CIBP at 860'. RD WL. NDWH, NUBOP.

3/25/25 – POOH production tubing. Stung out of packer and LD injection tubing. Tubing parted 4' above packer. PU work string and 5 3/4" overshot, tagged at 2623'. Couldn't get down to fish. POOH. RIH 4 11/16" overshot, tagged at same depth. POOH.

3/26/25 – RIH 6 1/4" bit and string mill to 2625'. Drilled 4' and then fell through. RIH to 2796', circulated hole. POOH. RIH 5 3/4" overshot, latched onto fish, POOH w/ 4' fish and seal assembly.

3/27/25 – RIH w/ redressed seal assembly on work string, stung into packer at 2805'. Confirmed no flow on backside. LD work string.

3/28/25 – RIH new injection tubing (2 3/8" J55 w/ Permian Enterprises IPC1505 coating and slimhole collars) w/ preset plug. Stung into packer, landed tubing.

3/31/25 – RIH production tubing to 2705', circulated out fluid and spotted 60 bbls of packer fluid on top of the packer. LD tubing to 1065' and landed it. ND BOP, NUWH. Pumped 10 bbls fluid into injection tubing on top of plug. RDMO service rig

4/1/25 – MIRU slickline. Retrieved preset plug out of injection tubing. RDMO slickline.

4/2/25 – MIRU acid truck. Pump 5 bbl 2% KCL down injection string. Pump 1000 gal 15% HCL down injection string at 600 psi. Flush w/ 15 bbl 2% KCL down injection string at 600 psi. RDMO acid truck

5/5/25 – MIRU rig. NDWH, NUBOP. POOH production tubing. Stung out of packer and POOH w/ injection tubing and seal assembly.

5/6/25 – RIH 7" casing scraper and work string to 2800'. POOH scraper. RIH new seal assembly and tubing, unable to get past 2802' (top of packer at 2805'). POOH. Try again, same results. POOH.

5/7/25 – RIH tubing to 2800'. RU air package, unloaded hole, POOH. RIH seal assembly w/ plug, tubing. Latched into packer at 2805'. Rotated off setting tool. POOH. RIH 7" packer, set at 1100'. Tested casing below to 800 psi, didn't hold. RIH to 1600' and set packer, pressure tested casing below to 800 psi, didn't hold. RIH to 2770' and set packer, tested

casing and packer below, didn't hold pressure. POOH to 1000' and set packer, tested casing above to 815 psi, held good. POOH

5/8/25 – RIH 7" RBP and packer. Set RBP at 2792', set packer at 2770'. Tested casing to 800 psi, held good. POOH packer and set at 1101'. Tested casing between packer and RBP to 850 psi, held good. RIH and retrieved RBP, POOH RBP and packer. RIH retrieving head, latched seal assembly at 2805', released seal assembly. POOH. Received approval from NNEPA to set new packer at 2792'.

5/9/25 – RIH new packer and BHA (18' 2.375" IPC MS, 1.43" ID stainless steel R nipple, 4' 2.375" IPC pup jt, crossover, 7" AS1-X nickel coated retrievable packer, on-off tool, crossover, 6' 2.375" IPC pup jt, 1.50" stainless steel F nipple s/ pre-set slickline plug, 2.375" IPC tubing to surface). Set packer at 2792'. NU offset spool, RIH production tubing and work string to 2784', displaced 70 bbl packer fluid down production tubing. LD work string. Land production tubing at 1065'. NDBOP, NUWH. Pressure test WH hanger and seals to 2500 psi.

5/12/25 – RU SL, retrieved plug in F nipple at 2780'. RU rig pump to wellhead flowline, establish injection down injection tubing at 1 BPM. At the beginning of the injection test, injection tubing pressure was 334 psi, annulus was 0 psi. At the end of the injection test, injection tubing pressure was 800 psi, annulus was 390 psi. RIH and set 1.43" R plug in R nipple. Pressure tested tubing and plug to 860 psi, held good. Retrieved plug in nipple. RD SL

5/13/25 – Established injection down production tubing at 1.5 BPM. At the beginning of the injection test, production tubing pressure was 134 psi and injection tubing pressure was 293 psi. At the end of the test, production tubing pressure was 615 psi, and the injection tubing pressure was 300 psi. RU SL, set plug in R nipple. Tested tubing and plug to 950 psi, held good. NDWH, NUBOP. POOH production tubing. Released on-off tool, POOH injection tubing.

5/14/25 – PU 7" packer, RIH to 2774' and set. Pressure tested injection packer and plug to 1000 psi, lost 60 psi in 30 minutes. Conducted negative test for 15 minutes, pressure built up to 309 psi. POOH test packer. RIH tubing, engage injection packer at 2792'. Negative tested tubing for 30 minutes, passed. Pressured up plug to 11 psi, lost 2 psi/min. Negative tested casing for 30 minutes, pressure built up to 88 psi in 30 minutes.

5/15/25 – POOH slickline plug at 2801'. POOH tubing and AS1-X packer. RIH different AS1X packer, set at 1200' Established injection rate into MV perfs at 1 BPM and 750 psi, no pressure on casing. RIH packer, set at 2792'. Establish injection rate into MV perfs at 1 BPM and 879 psi, no pressure on casing. POOH packer.

5/16/25 – RIH injection tubing and nicked coated injection packer, land injection packer at 2792'. Establish injection rate of 1 BPM at 850 psi, no pressure on casing. RIH production tubing w/ EOT at 1065'. NDBOP, NUWH. Test WH seals to 2500 psi good.

5/19/25 – Established injection rate down injection tubing for 45 minutes, no pressure on casing. RDMO

5/21/25 – MIRU swab rig. Swabbed FS zone

5/22/25 – Swabbed FS zone.

5/23/25 - Swabbed FS zone.

5/27/25 - Swabbed FS zone.

5/28/25 - Swabbed FS zone.

5/29/25 - Swabbed FS zone.

5/30/25 - Swabbed FS zone.

6/2/25 - Swabbed FS zone.

6/3/25 - Swabbed FS zone.

6/4/25 - Swabbed FS zone.

6/6/25 - Swabbed FS zone.

6/9/25 - Swabbed FS zone.

6/10/25 - Swabbed FS zone.

6/11/25 - Swabbed FS zone.

6/12/25 - Swabbed FS zone.

6/13/25 - Swabbed FS zone.

6/16/25 - Swabbed FS zone.

6/17/25 - Swabbed FS zone.

6/18/25 - Swabbed FS zone.

6/19/25 - Swabbed FS zone.

6/20/25 - Swabbed FS zone.

6/23/25 - Swabbed FS zone.

6/24/25 - Swabbed FS zone.

6/25/25 - Swabbed FS zone.

6/26/25 - Swabbed FS zone.

6/27/25 - Swabbed FS zone. RDMO swab rig. RU slickline. Set plug in 1.43" nipple. Blew tubing dead. RD slickline.

6/30/25 - MIRU service rig. NDWH, NUBOP.

7/1/25 - LD production tubing. Released on/off tool, POOH tubing. RIH 7" RBP, 7" packer, and work string. Set RBP at 1200'. Set packer at 1168', pressure tested RBP to 1500 psi, held good. LD 3 stands, set packer and established injection rate into FS perms at 1.5 BPM at 500 psi. POOH packer. Dumped 15 gal sand onto RBP. RIH 7" packer, set at 905'. Pressure tested casing above packer to 850 psi, held good.

7/2/25 - Pumped 110 sx Glass G 15.8#, 1.15 yield cement into FS perms from 1033-1052'. Displaced w/ 5.5 bbls. Hesitate squeezed 0.5 bbl, pressured up to 1000 psi.

7/7/25 - RIH 6.25" bit. Tagged TOC at 960'. Drilled cement from 960-1055'. Pressure tested casing to 1010 psi, failed. POOH bit.

7/8/25 - RIH tubing to 1060'. Spotted 17 sx Type 3 14.6# 1.35 yield cement balanced plug from 960-1060'. Displaced w/ 3 bbls. POOH tubing. Hesitate squeezed 0.5 bbl at 1200 psi.

7/9/25 - RIH 6.25" bit. Tagged TOC at 978'. Drilled cement from 978-1060'. Pressure tested casing to 1000 psi, failed. POOH bit.

7/10/25 - RIH tubing to 1075'. Spotted 25 sx MC-500 12# 1.33 yield cement balanced plug from 960-1075'. POOH tubing. Hesitate squeezed 0.5 bbl at 1450 psi.

7/14/25 - RIH 6.25" bit. Tagged TOC at 945'. Drilled out cement from 945-1075'. Pressure tested casing to 1000 psi, held good. POOH tubing.

7/15/25 - Changed out WH. RIH retrieving head to 1190'. Circulated clean fluid in wellbore. Engaged and released RBP. LD tubing and RBP.

7/16/25 - RIH injection tubing to just above packer. Circulated packer fluid in wellbore. Engaged tubing onto packer, landed tubing on hanger w/ 7K in compressor. NDBOP, NUWH. Tested WH and tubing, held good. RU slickline, attempted to fish slickline plug, unsuccessful.

7/17/25 - Conducted MIT to 900 psi for 30 minutes w/ NNEPA UIC witness onsite, passed. Conducted kill check, passed. RDMO rig. Attempted to fish slickline plug, unsuccessful.

7/18/25 – Fished out slickline plug.

ANNULAR PRESSURE TEST

(Mechanical Integrity Test)

Operator: Simcoe / IKAVDate of Test: 07/17/2025Well Name: Gallegos Canyon Unit 328

EPA Permit No.: _____

Location: SE/SW Sec. 33 T29N R12WTribal Lease No.: 1.149.IND.8486County & State: San Juan County, NMContinuous Recorder: YES ☒ No ☐Pressure Gauge: YES ☒ No ☐Bradenhead Opened: YES ☒ No ☐Fluid Flow: YES ☐ No ☒ If Yes, Type _____

| <u>TIME</u> | <u>ANNULUS PRESSURE (PSI)</u> | <u>TUBING PRESSURE (PSI)</u> |
|--------------|------------------------------------|------------------------------|
| 8:20 (4 min) | Chart (2000) 945 950 | 77.9 |
| 8:25 | 945 | 77.9 |
| 8:30 | 945 | 77.9 |
| 8:35 | 945 | 77.9 |
| 8:40 | 945 | 77.7 |
| 8:45 | 945 | 77.3 |
| 8:50 | 945 | 76.9 |

MAX. INJECTION PRESSURE: 1000 (PSI)MAX. ALLOWABLE PRESSURE CHANGE: ± 48 (PSI) [Test Pressure × 0.05]REMARKS: PASSED ☒ FAILED ☐ IF FAILED, CEASE INJECTION UNTIL WELL PASSES MIT [40 CFR § 144.21 (c)(6)].

W/O on the well; Procedure sent to NNEPA-UIC on the well;
MIT to RTI; Plug still in place

Tbg: 0
Csg: 0
Btt: 0 } prior to test

MIT PASSED

Joseph Schnitzler
COMPANY REPRESENTATIVE (Print & Sign)

7-17-25

Date

Motiche Franklin
INSPECTOR (Print & Sign)

07/17/2025

Date

NAVAJO NATION ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF INSPECTION

NAVAJO UNDERGROUND INJECTION CONTROL

PO Box 1999

Shiprock, New Mexico 87420-1999

Firm To Be Inspected

Simcoe / I KAV

Date 07/17/2025

Notice of inspection is hereby given according to the Navajo Nation

Hour 8AM-9AM

Safe Drinking Water Act (Section 801)

Reason For Inspection:

For the purpose of inspection records. Files, papers, processes, controls and facilities, and obtaining samples to determine whether the person subject to an applicable underground injection control program has acted or is acting in compliance with the Navajo Nation Safe Drinking Act and any applicable permit or rule.

Gallegos Canyon Unit 328

SE/SW Sec. 33 T29N R12W

1.149. IND. 8486

San Juan County, NM

-w/o on the well; Procedures were sent to NNEPA-UC. J. Schnitzler
Kept NNEPA-UC updated ~~of~~ throughout the process. Were unable
to remove plug. NNEPA-UC approved to do MIT with plug still in place ~~at~~
07/16/2025.
MIT to Return to injection.

Tbg: 0, plug in place

Csg: 0

BH: 0

} prior to test

MIT PASSED

-Packer (New) @ 2792'

Tubing: ~2800'

* witness kill-test: 975, hand 980; panel 960 (max. injection pressure 1000)
gauge

Receipt of the Notice of Inspection is hereby acknowledged.

Firm Representative

John [Signature]

Date

7-17-25

Inspector

M. Frankel NNEPA-UC

NNEPA (White)

OPERATOR (Yellow)

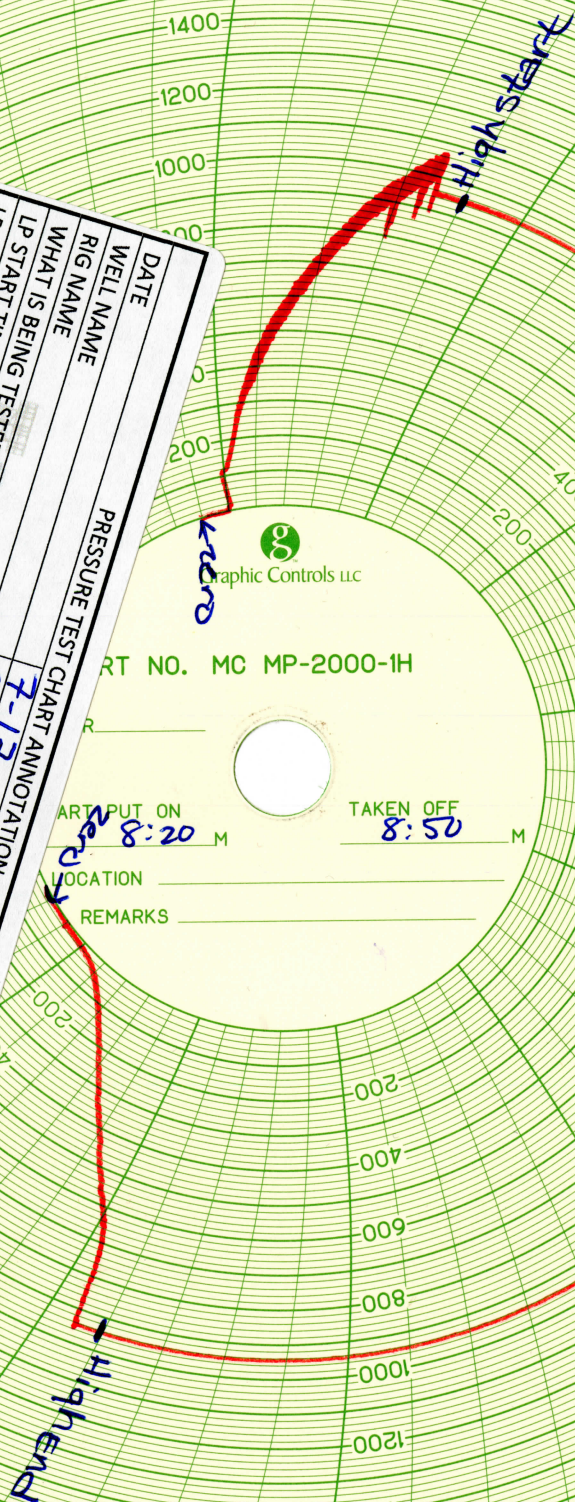
| | |
|-----------------------------|--|
| DATE | |
| WELL NAME | |
| RIG NAME | |
| WHAT IS BEING TESTED | |
| LP START TIME AND PRESSURE | |
| LP END TIME AND PRESSURE | |
| LP FALL OFF IN 5 MINUTES | |
| HP PASS OR FAIL | |
| HP START TIME AND PRESSURE | |
| HP END TIME AND PRESSURE | |
| HP FALL OFF IN 5 MINUTES | |
| TEST EQUIP CALIBRATION DATE | |
| TESTER NAME/SIGNATURE | |
| RIP OP. NAME/SIGNATURE | |
| WSL NAME/SIGNATURE | |
| COMMENTS: | |

7-17-25
GCL#328
AUS#840
MIT

8:20 A.M.
8:50 A.M.
12:55

3-24-25
HIGH TECH RENTAL TOOLS
Troy Romero
T. Romero

945000
945000



MIT PASSED

07/17/2025

Mark K. NREPA-UC

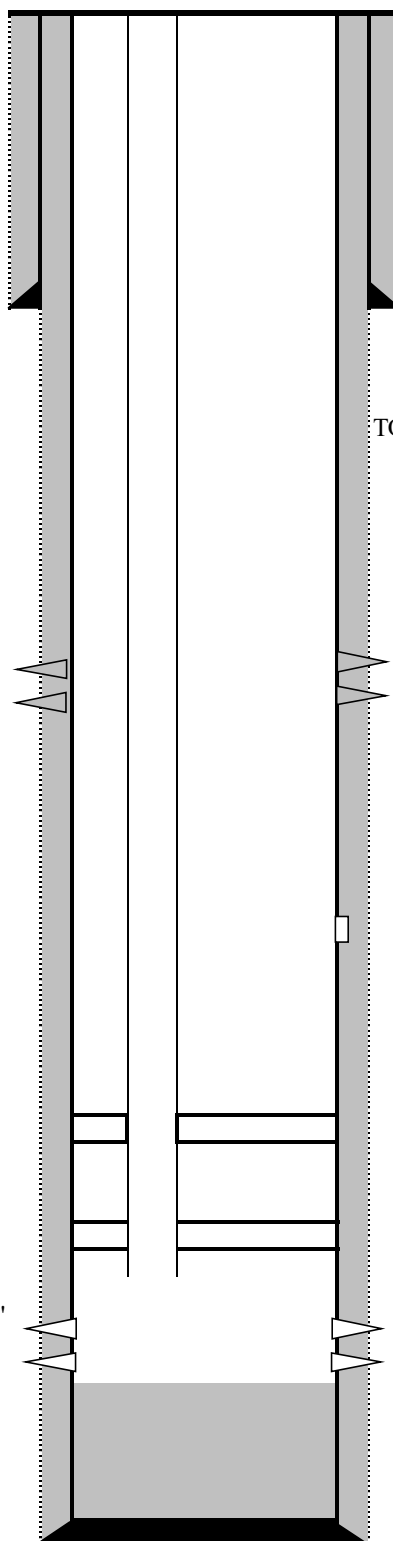
GL 5394'
KB: 13'**GCU 328**

SWD/FS

API # 30-045-2473500

Unit N Sec 33 Twn 29N Rge 12W

San Juan County, NM



TOC: Circulated to surface

Surface Casing Data

9-5/8" 32.4# @ 277'

w/ 275 sxs

cmt to sfc

TOC: Surface. Had good returns

Fruitland Sand Perfs

1033' - 1052'

Squeezed off
July 2025

Long string Tubing Details

| | |
|--------------------------|-------|
| Tubing Hanger | 13' |
| 2 3/8" PE1505 IPC Tubing | 13.5' |
| 1.5" ID SS F Nipple | 2780' |
| 2 3/8" PE1505 IPC Tubing | 2781' |
| Nickel coated x over | 2787' |
| On-Off Tool | 2788' |
| 7" nickel coated packer | 2789' |
| Nickel coated x over | 2797' |
| 2 3/8" PE1505 IPC Tubing | 2798' |
| 1.43 ID SS R Nipple | 2801' |
| 2 3/8" PE1505 IPC Tubing | 2802' |

DV tool @ 1564'

New nickled coated 7" AS1-X packer @ 2792'

Old Baker Retrieval D pkr @ 2805'

2-3/8" long string @ 2820'
2 3/8" J55 4.7# EUE 8 RD w/ SHC
Permian Enterprises 1505 IPC coating

Mesaverde Perforations

2852-3797'

Mesa Verde Perfs

2852' - 58'
2862' - 88'
2894' - 2916'
2924' - 32'
2936' - 48'
3010' - 3019'
3114' - 26'
3158' - 65'
3170' - 75'
3340' - 54'
3487' - 96'
3512' - 22'
3532' - 36'
3546' - 50'
3604' - 26'
3760' - 78'
3784' - 97'

(419 holes total)

PBTB = 4055'
4085'**Production Casing Data**

8 3/4" hole

7" - 23#, 8rth, R4, SS, ST&C @ 4085'

Stage 1: 600 sx

Stage 2: 400 sx

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 504147

CONDITIONS

| | |
|---|--|
| Operator: SIMCOE LLC 1199 Main Ave., Suite 101 Durango, CO 81301 | OGRID: 329736 |
| | Action Number: 504147 |
| | Action Type: [C-103] Sub. Workover (C-103R) |

CONDITIONS

| Created By | Condition | Condition Date |
|----------------|----------------------|----------------|
| andrew.fordyce | Accepted for record. | 9/15/2025 |