

State Of New Mexico
Energy, Minerals and Natural Resources Department

21-Jan-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

[30-045-28760] GALLEGOS CANYON UNIT #418

OGRID: 329736

L-13-28N-12W 2470 FSL 845 FWL

| Inspection Date | Type Inspection | Inspector | Inspection No. |
|--|--|--------------------|-----------------------|
| 1/21/2026 | Routine Inspection | [JVH] Jason Heslop | iJVH262146192 |
| Violation | Title | | Corrective Action Due |
| cJVH262157148 19.15.16.8 Sign on Wells Illegible or Unreadable | | | 4/21/2026 |
| | <i>(The well sign cannot be read due to dry weeds around it. Please remove the weeds so the well can be identified by the well sign.)</i> | | |
| cJVH262157149 19.15.29 Releases Surface Leaks/Spills | | | 4/21/2026 |
| | <i>(There is a significant staining by the day barrel, by the PJ. The day barrel containment is full. Please clean up the oil stain on the grounds and empty the containment.)</i> | | |

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.