

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

[30-045-07040] GALLEGOS CANYON UNIT #159

OGRID: 329736

F-31-28N-12W 1765 FNL 1585 FWL

| Inspection Date | Type Inspection | Inspector | Inspection No. |
|-----------------|--|-----------------------|-----------------------|
| 2/4/2026 | Routine Inspection | [TV] Thomas Vermersch | iTV263553780 |
| Violation | Title | | Corrective Action Due |
| cTV263566529 | 19.15.29 Releases Surface Leaks/Spills | | 5/5/2026 |
| | <i>(There is some rust colored staining near the meter that is approximately 10'X12' and runs approximately 47' to the north/northeast towards location. Was this a reportable release? Please have staining removed and cleaned up.)</i> | | |
| cTV263566530 | 19.15.29 Releases Surface Leaks/Spills | | 5/5/2026 |
| | <i>(There is some staining around the wellhead and pumpjack that needs cleaned up.)</i> | | |
| cTV263566531 | 19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Requirements (Construction, Operations or Closure) | | 5/5/2026 |
| | <i>(The below grade tank contains a hydrocarbon substance that needs removed.)</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.