State Of New Mexico Energy, Minerals and Natural Resources Department

23-Sep-24

QUATRO OSOS E&P, LLC

Pre Enforcement Notification

25 Miles East of Roswell on US P.O. Box 1213 Roswell, NM 88202

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

[30-005-62313] FRANK P STATE #001

OGRID: 372241

P-21-10S-27E 330 FSL 330 FEL

Inspection DateType InspectionInspectorInspection No.9/23/2024Routine Inspection[RZH] Ronald HeueriRZH2426733911

Violation Title Corrective Action Due

cRZH2426761649 19.15.10.8 Safety Procedures for Drilling and Production Substandard Equipment and/or Needs Repair 12/22/2024

(Thief hatches open on tanks, One thief hatch cover is missing, Tank has rusted out areas and tank mesh covering needs repairs. This is the second write-up of the compliances.)

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.

Oil Conservation Division * 506 W. Texas Ave. * Artesia, NM 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * www.emnrd.nm.gov