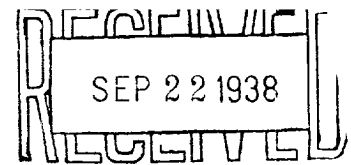


MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico



NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Hobbs, New Mexico

Sept. 20th, 1938

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Place

Date

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as

Shell Petroleum Corporation L.E. Grizzell

Well No. 3 in SE/4-SE/4

of Sec. 8, T. 22-S, R. 37-E, N. M. P. M., Penrose Field, Lea County.
N. The well is 660 feet (N.) of the South line and 660 feet (E.) (W.) of the East line of Sec. 8

Company or Operator

Lease

R. 37-E, N. M. P. M.,

Penrose

Field, Lea

County.

The well is 660 feet (N.) of the South line and 660 feet

(E.) (W.) of the East line of Sec. 8

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. Assignment No.

If patented land the owner is L. E. Grizzell

Address Eunice, New Mexico

If government land the permittee is

Address

The lessee is Shell Petroleum Corporation

Address Box 2099, Houston, Texas

AREA 640 ACRES
LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows:

Rotary tools to total depth

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows:

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Sacks Cement
11"	8-5/8"	28#	New SS	1250'	Cement	500 Sack
7 1/4"	5 1/2"	14#	New SS	3600'	Cement	150 Sack

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 3600 feet.

Additional information:

DUPLICATE

Approved _____, 19____
except as follows:

Sincerely yours,

Shell Petroleum Corporation

Company, or Operator

By *E. L. Ramsey*
Position District Superintendent

Send communication regarding well to

Name Shell Petroleum Corporation

Address Dr. 1457 - Hobbs, New Mexico

OIL CONSERVATION COMMISSION,

By *Joe W. Weller*

Title Oil & Gas Inspector

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of the Corporation has the honor to acknowledge the receipt of the report of the Management and the report of the Audit Committee for the year ended December 31, 1999.

The Management's report is a comprehensive statement of the Corporation's performance during the year and is a valuable tool for the Board in its oversight of the Corporation's operations.

The Audit Committee's report provides an independent assessment of the Corporation's financial statements and internal controls, and is an essential component of the Corporation's financial reporting process.

The Board of Directors has reviewed the reports of the Management and the Audit Committee and has concluded that the Corporation's financial statements are fairly presented and that the Corporation's internal controls are effective.

The Board of Directors has also reviewed the Corporation's performance during the year and has concluded that the Corporation has achieved its strategic objectives and that its financial performance is satisfactory.

The Board of Directors has also reviewed the Corporation's risk management program and has concluded that the Corporation's risk management program is effective and that the Corporation's risk exposure is within acceptable limits.

The Board of Directors has also reviewed the Corporation's compensation program and has concluded that the Corporation's compensation program is fair and reasonable and that it is consistent with the Corporation's long-term interests.

The Board of Directors has also reviewed the Corporation's corporate governance program and has concluded that the Corporation's corporate governance program is effective and that it is consistent with the Corporation's long-term interests.

The Board of Directors has also reviewed the Corporation's environmental, social, and governance (ESG) program and has concluded that the Corporation's ESG program is effective and that it is consistent with the Corporation's long-term interests.

The Board of Directors has also reviewed the Corporation's diversity and inclusion program and has concluded that the Corporation's diversity and inclusion program is effective and that it is consistent with the Corporation's long-term interests.

Respectfully,
Chairman of the Board
President
Vice President
Secretary
Treasurer
Director

The Board of Directors of the Corporation has the honor to acknowledge the receipt of the report of the Management and the report of the Audit Committee for the year ended December 31, 1999.

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