

**SUGARBERRY OIL & GAS CORPORATION**

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2013 JUN 26 A 10: 57

June 25, 2013

Via Federal Express

New Mexico Oil Conservation Division  
Attn: David Brooks, Attorney-at-Law  
1220 South St. Francis Drive  
Santa Fe, NM 87505

*Case 15035*

Re: Request for Designations of Non-Standard Project Areas  
By COG Operating LLC  
Gunner 8 Federal Wells  
Lea County, NM

Dear Sir or Madam:

Sugarberry Oil & Gas Corporation, individually, and as Agent on behalf of Katy Pipeline and Production Corporation (collectively SOG) wishes to protest the non-standard project areas, which have been proposed by COG Operating LLC (COG) under the following lands:

Township 26 South, Range 34 East  
Section 5: S/2, S/2N/2, NE/4NE/4  
Section 8: All  
Lea County, New Mexico

The wells on which we have received a notice from COG of non-standard project areas are the Gunner 8 Federal #5H and #6H. It is our understanding that the #8H well has already been drilled with no notification of a non-standard project area, which well is currently draining our minerals and those of the other mineral owners not included in the spacing unit.

If COG's request is granted, SOG's mineral interest in the N/2NW/4 and the NW/4NE/4 of Section 5 will be cut out of the proposed units. Therefore, we would be adversely affected with no possibly of our minerals being drilled with north/south laterals for a Bone Springs location.

SOG plans to file a protest to COG's request for the reasons stated above.

Thank you and please advise if you have any questions or concerns.

Sincerely yours,



Sue Raby, CPL  
Land Manager

Copies to the following:

Chesapeake Exploration, LLC  
P.O. Box 18496  
Oklahoma City, OK 73154

Devon Energy Production Company LP  
20 North Broadway  
Oklahoma City, OK 73102

Chevron U.S.A Inc.  
1400 Smith Street, Room #43028  
Houston, TX 77002

EOG Resources, Inc.  
4000 N. Big Spring, Suite 500  
Midland, TX 79705

Southwest petroleum Land Services, LLC  
Attn: Mr. Jim Schultz  
100 N. Penn  
Roswell, NM 88203

Yates Brothers  
Attn: Mr. Jim Ball  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

Warren J. Bates  
P.O. Box 1387  
Ada, OK 74820

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Fay Bel Monsen  
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3406 Shadow Springs Court  
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