

SUGARBERRY OIL & GAS CORPORATION

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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. 4th Street
Artesia, NM 88210

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

Peder Monsen
5623 Indian Circle
Houston, TX 77056-1006

Fay Bel Monsen
515 Houston Ave.
Houston, TX 77007-7706

Marc T. Wray
4 Serpentine Court
Savenoaka, Kent TN 113XR
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Andrew Wray
3406 Shadow Springs Court
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