



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES  
 Minerals & Mining Program - Oil & Gas Section  
 2050 West Main, Suite #1, Rapid City, SD 57702-2493  
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FORM 2

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JUL 20 2009

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL

Type of work:  
 Drill New Well  Re-enter Well  Drill Directional Well  
 Other \_\_\_\_\_

Type of well:  
 Oil Well  Gas Well  Injection  
 Other \_\_\_\_\_

Name and Address of Operator: Spyglass Cedar Creek, LP 595 S. Castell Ave., New Braunfels, Texas 78130 Telephone (830) 626-7100

Name and Address of Surface Owner: Gilbert Angus Ranch P.O. Box 166, Buffalo, SD 57720

Name and Address of Drilling Contractor and Rig Number: Elenburg Exploration Rig 8 1910 N. Loop, Casper, WY 82602

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):

SW NE Sec 35, T18N-R4E, Harding, SD 1933'FEL, 1362' FNL, Lat 45 29' 01.65", Long 103 35' 38.28"

If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit: 320 Description of Spacing Unit: N/2 Sec 35, T18N-R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Spyglass State #7-35	3014.5 GL	Faulkner Creek	2200' - Eagle/Shannon

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth to surf
1) 9-7/8"	7"	17#	400'	200sx Class G 2% CaCl <sub>2</sub> , .25#/sk	to surf
2)				Celloflake, 100% excess	to surf
3) 6-1/4"	4-1/2"	10.5#	2200'	105 sx Lite, tail w/ 125 Class G plus additives	to surf
4)					to surf

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.

Drill with fresh water mud to 2200'. 12 mil pit liner. Anticipated spud July 31, 2009.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Signature: [Signature] Name (Print): Kevin Sellers Title: Partner Date: 7-2-2009

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Approved By: [Signature] Title: Oil and Gas Supervisor  
 Permit No. 1949 API No. 40 063 20693 Date Issued: August 4, 2009  
 Conditions, if any, on attached page.