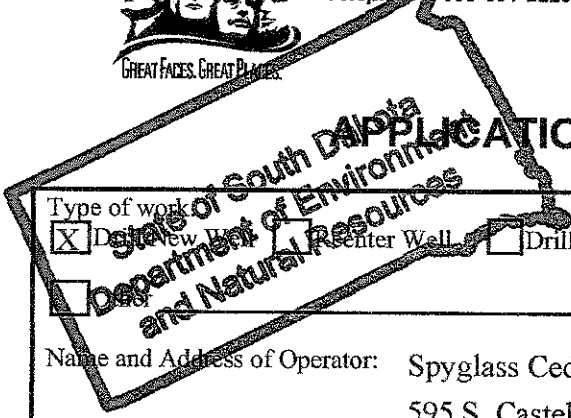




JUN 02 2010

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY



APPLICATION FOR PERMIT TO DRILL

Type of work:
 Discover Well Re-enter Well Drill Directional Well

Type of well:
 Oil Well Gas Well Injection
 Other _____

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

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

Name and Address of Drilling Contractor and Rig Number:
Rainbow Drilling LLC, PO Box 353, Evansville, WY 82636

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

SW SW, Sec 10, T17N R4E, Harding Cnty, 790' FSL 790' FWL, Lat = 45 degrees 26' 46.610", Lon = 103 degrees 37' 28.139"

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

Acres in Spacing (Drilling) Unit	Description of Spacing Unit
320	S 1/2 Sec 10 T17N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Gilbert 13-10	3105.9	Jumpoff	2200' Eagle/Shannon

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8"	7"	17#	400'	200 sks Class g 2% CaCl ₂	surf
2)				.25# SK Celloflake, 100% Excess	2200'
3) 6 1/4"	4 1/2"	10.5#	2200'	105 SKS, Lite 1500, 2% CaCl ₂ .25	to
4)				125 SKS g 1% CaCl ₂ , 7% CFL, .25#/sk	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 June 10, 2010.

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] March Kimmel Partner 5/26/2010
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By [Signature] Title: Oil and Gas Supervisor
 Permit No. 1975 API No. 40 063 20711 Date Issued: June 11, 2010
 Conditions, if any, on attached page.