SD EForm - 0437 V1

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
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FORM 2

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JUL 20 2009
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

State of South Dakota
Department of Environment and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of work:
☑ Drill New Well ☐ Reenter 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, TX 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):

NW NE Sec 27 T18N R4E, Harding Cnty, 1632'FEL 1231'FNL, Lat 45deg 29'55.10", Lon 103deg 36'48.11"

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 27, T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State #2-27	~~3026.5~~ GL 3028.2	Faulkner Creek	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'	200sx Class G 2% CaCl2, .25#/sk Celloflake 100% excess	to surf
2)					
3) 6 1/4"	4 1/2"	10.5#	2200'	105sx Lite tail w/ 125 Class G plus additives	to surf
4)					

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	Name (Print)	Title	Date
	Kevin Sellers	Partner	07/02/2009

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Approved By: Fred McKee Title: Oil and Gas Supervisor

Permit No. 1950 API No. 40 063 20694 Date Issued: August 19, 2009

Conditions, if any, on attached page.