DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

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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:
[X] Drill New Well [ ] Recenter Well [ ] Drill Directional Well
[ ] Deepen _____

Type of well:
[ ] Oil Well [X] 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 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: 320

Description of Spacing Unit: 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% CaC12	surf
2)				.25# SK Celloflake, 100% Excess	2200'
3)6 1/4"	4 1/2"	10.5#	2200'	105 SKS, Lite 1500, 2% CaCL .25	to
4)				125 SKS g 1% CaCl, 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	Name (Print)	Title	Date
	March Kimmel	Partner	5/26/2010

FOR OFFICE USE ONLY

Approved By: _____ Title: Oil and Gas Supervisor

Permit No. 1975 API No. 40 063 20711 Date Issued: June 11, 2010

Conditions, if any, on attached page.