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

get Miner co log.

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APR 30 2004
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

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:
Scheier Exploration (dba Scheier LLC) 5109 South Daffodil Circle, Sioux Falls SD 57108

Name and Address of Surface Owner:
Mary A. Scheier, 44364 251st St., Salem SD 57058

Name and Address of Drilling Contractor and Rig Number:
Kaiser Drilling, 45550 193rd Street, Lake Norden SD 57248

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
SW NE SW SE, sec. #5, T103N - R54W (or 788' north of south line) McCook Co.

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

Acres in Spacing (Drilling) Unit
640 acres in Sec. 5

Description of Spacing Unit
no spacing set (as of this date)

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Scheier #1	1575' (approx)	wildcat	TD 50' into Niobrara fm., or poss. alternate Cret. rock unit, 450 - 650'

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 14.5	12"	39 #'	40'	- Set and cement by pump and plug w/ 28 sx cmt.	40'
2) 7 7/8	5"	11.5 #'	175'	- Set and cement by pump and plug w/ 35 sx Class 'C' Cmt.	175'
3) 4.5	4" slotted PVC liner	3.8 #'	175' to TD	- gravel pack between 4' and hole wall if needed.	
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. Proposed start date approx. May 20, 2004

Propose to drill and test gas bearing sediments of glacial out-wash or bedrock. At the first detection of gas, drilling of 7 7/8" hole will cease. And 5" production string will be set (expecting @175'). Cement will be then drilled-out, and 4.5" hole drilled to TD. If needed, 4" slotted PVC liner will be hung from base of 5" to TD. The total depth will be dependent on thickness of Niobrara and/or possible occurrence of deeper Cretaceous units. Hole will likely be logged by SDGS for operator.

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

Anthony K. Petres
Signature

Anthony K. Petres
Name (Print)

Consultant for SLLC
Title

4/30/04
Date

STATE OF SOUTH DAKOTA
DEPARTMENT OF GEOLOGICAL SURVEY
WESTERN FIELD OFFICE

FOR OFFICE USE ONLY

Approved By: Fred Steece
Title: Oil & Gas Supervisor

Permit No. 1709
API No. 40 087 20001
Date Issued: 05/06/04

Conditions, if any, on attached page.