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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APR 25 2006
DEPT OF ENVIRONMENT & NATURAL RESOURCES

APPLICATION FOR PERMIT TO DRILL

SOUTH DAKOTA STATE GEOLOGICAL SURVEY RECEIVED OFFICE

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: GPE Energy Inc.

Telephone: (720) 895-1941

Name and Address of Surface Owner:
SD Dept-School&Public Land 500 E. Capitol, Pierre, SD 57501-5070

Name and Address of Drilling Contractor and Rig Number:
Conquest Energy Services P.O. Box 1581 Gillette, WY 82717 Rig #14

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
NW NW, 990' FNL, 990' FWL, Sec 32 T19N-R2E, Harding Cty, Lat 45°57'15.27" N, Long 103°91'13.82" W

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

Acres in Spacing (Drilling) Unit: 640

Description of Spacing Unit: Section 32, T 19N R 2E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Gold Point State #32-1	3,152	Wildcat	Niobrara, 2800' TD

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12-1/4"	9-5/8"	36	300	163 sx Class G, 3% $CaCl_2$ celloflake to surface	
2) 8-3/4"	5-1/2"	15.5	2800	145 sx 50% Poz-50% CLASS C Type 3 w/2% bentonite	to 2200'
3)				ALL-1/4 lb/sx celloflake	
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 well with conventional rotary tools and water-based mud, starting early May 2006.
Evaluate well for completion based on drilling shows and logs.
Pit will be lined with 12-mil plastic.

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
J. Steinhauser	Jack Steinhauser	President	4-21-06

FOR OFFICE USE ONLY

Approved By: Fred V. Steece Title: Oil and Gas Supervisor

Permit No. 1778 API No. 40 063 20604 Date Issued: May 11, 2006

Conditions, if any, on attached page.