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 - 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 _____

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Name and Address of Operator: Spyglass Cedar Creek LP 595 S. Castell Ave, New Braunfels, Texas
Telephone: (830) 626-7100

Name and Address of Surface Owner: State of South Dakota

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 NW Sec 35 T18N R4E (990'FNL, 990 FWL) Harding County, SD

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

Acres in Spacing (Drilling) Unit: 40

Description of Spacing Unit: NW NW Sec 35 T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Spyglass State 4-35	3030.4	Wildcat	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	430	200 sks, Class g 2% CaC12	Surf
2) 6 1/4	4 1/2	10.5	2200	.25 #/SK celloflake, 100% excess	2200
3)				105 sks, Lite 1500, 2%CaCl, .25	to
4)				125sks G 1% CaCi, .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 in place. Anticipated Spud date January 18, 2007.

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	General Partner	12/28/2006

FOR OFFICE USE ONLY

Approved By: Fred W Steece Title: Oil and Gas Supervisor

Permit No. 1814 API No. 40 063 20614 Date Issued: January 11, 2007

Conditions, if any, on attached page.