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 1 1 2007
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 Ace. NewBraunfels TX 78130 Telephone (830) 626-7100

Name and Address of Surface Owner: Don Hett PO Box 395 Buffalo SD

Name and Address of Drilling Contractor and Rig Number: Elenburg Exploration Rig# 2 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):

SE SE Sec 24 T18N R3E (835' FSL, 505' FEL) Harding County, SD

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

Acres in Spacing (Drilling) Unit: 640

Description of Spacing Unit: SE SE Sec 24 T18N R3E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Spyglass 16-24	3048.7	Wildcat	4400' Muddy

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8	7	17	430	140sks"G"Cello2% HYield,3%CaC12	Surfac
2) 7 7/8	4 1/2	15.5,20,17#	4000'	3%CemExt 150sks"G"2%salt	
3)				260sksLiteCrete10%D44,25%D121.8%	
4)				D65,21sks"G"3%KCl.#%d167.5%	2036

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 4000', 12 mil pit liner in place. Anticipated spud date April 30th 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
[signature]	March Kimmel	General Partner	3/23/07

FOR OFFICE USE ONLY

Approved By: [signature] Title: Oil and Gas Supervisor

Permit No. 1825 API No. 40 063 20620 Date Issued: April 26, 2007

Conditions, if any, on attached page.