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 St. New Braunfels TX, 78130 Telephone (830) 626-7100

Name and Address of Surface Owner: Scott Peterson 10919 Country Club Road Belle Frourche, SD. 57717

Name and Address of Drilling Contractor and Rig Number: ElenbergExploration #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):

NWSE Sec. 5 T17N, R4E 1976' FNL & 1982' FWL Harding County SD

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

Acres in Spacing (Drilling) Unit: 320

Description of Spacing Unit: NWSE Sec. 5 T17N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Peterson 6-5	3172.6'	Wildcat	2,200' 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)				125 sks 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. Anticipitated Spuid date May 1st, 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
	March Kimmel	General Partner	04/02/2007

FOR OFFICE USE ONLY

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

Permit No. 1826 API No. 40 063 20621 Date Issued: April 26, 2007

Conditions, if any, on attached page.