



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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JUL 06 2010

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

**APPLICATION FOR PERMIT TO DRILL**

Type of well:  
 Oil Well     Gas Well     Injection  
 Re-enter Well     Drill Directional Well  
 Other \_\_\_\_\_  
 Other \_\_\_\_\_

Name and Address of Operator: **Spyglass Cedar Creek LP**  
 595 S. Castell  
 Telephone: 830-626-7100

Name and Address of Surface Owner:  
 New Braunfels TX 78130  
 Gilbert Angus Ranch

Name and Address of Drilling Contractor and Rig Number: **Rainbow Drilling LLC**  
 PO Box 353 Evansville, WY 82636

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):  
 NE1/4 NE1/4, Sec 34 T18N R4E, Harding Cnty, 695' FNL 925' FEL, Lat 45deg 29'.08.26", Lon 103deg 36' 38.19"  
 If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit: 320      Description of Spacing Unit: N/2 Sec 34, T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Gilbert 1-34	3053.2	Jump off	2200-Eagle/ Shannon

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth to surf
1) 9 7/8	7"	17#	400'	200sx ClassG 2% CaCl <sub>2</sub> , .25/sk	to surf
2)				Celloflake, 100% excess	
3) 6 1/4	4 1/2"	10.5#	2200'	105sx lite,tail w/125	to surf
4)				Class G Plus additives	

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. Anticipated spud July 10th, 2010.

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: *[Signature]*      Name (Print): March Kimmel      Title: Manager      Date: 7/2/10

**FOR OFFICE USE ONLY**

Approved By: *[Signature]*      Title: Oil and Gas Supervisor  
 Permit No. 1978      API No. 40 063 20714      Date Issued: July 9, 2010  
 Conditions, if any, on attached page.