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

RECEIVED
JUL 06 2010
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

State of South Dakota Department of Environment and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of Work:
[x] Drill New Well [ ] Reenter Well [ ] Drill Directional Well
[ ] Other _____

Type of well:
[ ] Oil Well [x] Gas Well [ ] Injection
[ ] Other _____

Name and Address of Operator: Spyglass Cedar Creek LP
595 S. Castell
New Braunfels TX 78130
Telephone 830-626-7100

Name and Address of Surface Owner:
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
1) 9 7/8	7"	17#	400'	200sx ClassG 2% CaCl2,.25/sk Celloflake, 100% excess	to surf
2)					
3) 6 1/4	4 1/2"	10.5#	2200'	105sx lite,tail w/125 Class G Plus additives	to surf
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 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	Name (Print)	Title	Date
	March Kimmel	Manager	7/2/10

FOR OFFICE USE ONLY

Approved By: _____ Title: Oil and Gas Supervisor

Permit No. 1978 API No. 40 063 20714 Date Issued: July 9, 2010

Conditions, if any, on attached page.