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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 \_\_\_\_\_

Name and Address of Operator: Peter K. Roosevelt  
 518 17th Street Suite 1140  
 Denver, CO 80202  
 Telephone 303-825-8606

Name and Address of Surface Owner:  
 Estate of Russel Heppner  
 P.O. Box 771, Edgemont, SD 57735

Name and Address of Drilling Contractor and Rig Number:

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): SW NE Section 31, T9S, R3E, Fall River, SD

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

Acres in Spacing (Drilling) Unit  
 40 acres

Description of Spacing Unit  
 SW NE Section 31

| Well Name and Number | Elevation  | Field and Pool, or Wildcat | Proposed Depth and Formation |
|----------------------|------------|----------------------------|------------------------------|
| 7-31 Heppner         | 3788.5 ft. | Wildcat                    | 2000 ft. Spearfish           |

| Size of Hole | Size of Casing | Weight per Foot | Depth    | Cementing Program (amount, type, additives)                          | Depth |
|--------------|----------------|-----------------|----------|--|-------|
| 1) 12 1/4    | 8 5/8          | 24#             | 120 ft.  | 125 sacks or sufficient to bring cement to surface, class 'G' cement |       |
| 2)           |                |                 |          |  |       |
| 3) 7 7/8     | 5 1/2          | 14#             | 2000 ft. | 3% Calcium Chloride, flocele   |       |
| 4)           |                |                 |          | 3) Sufficient cement to cover the Fall River                         |       |

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. Dril 12 1/4 surface hole and run 100 ft. of 8 5/8" casing and cement to the surface with good returns. Drill 7 7/8" hole to 2000 ft. or the top of the Spearfish, whichever is shallower. Log, evaluate, and run 5 1/2" casing to 2000 ft. or plug and abandon according to the rules of the state of S.D. Pit will be built with a 12ml liner.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

*Peter K. Roosevelt*   Peter K. Roosevelt   Operator   STATE GEOLOGICAL SURVEY   4/29/2005  
 Signature   Name (Print)   Title   Date

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Approved By: *Fred Wallace*   Title: Oil & Gas Supervisor

Permit No. 1738   API No. 40 047 20321   Date Issued: 05/11/05

Conditions, if any, on attached page.