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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MAY 15 2006
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

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

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

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Name and Address of Operator: Spyglass Cedar Creek LP 353 Mill St, New Brunsfles, TX 78130 Telephone (830) 626-7445

Name and Address of Surface Owner: State of South Dakota

Name and Address of Drilling Contractor and Rig Number: Patterson Drilling, 1512 Larimer St. Denver, CO 80202 Rig #464

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): NW SE Sec 27 T19N R4E 1560' FSL 1880' FEL Harding County, SD

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

Acres in Spacing (Drilling) Unit: 40

Description of Spacing Unit: SE 1/4 Sec 27 T19N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State 10-27	2918	Wildcat	6200 Minnelusa

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12 1/4	8 5/8	32#	800	PLC & Tail Prem W/additive	800' 1/
2) 7 7/8	5 1/2	15.5,20,17	6200	PLC & Tail Prem W/additive	6200"
3)					
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 to @ 6,200 in the Minnelusa, Standard pit line in place.
Drilling date approx. June 5, 2006

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): Duane Estelle Title: Spec. Limited Partner Date: 5/12/06

FOR OFFICE USE ONLY

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

Permit No. 1789 API No. 40 063 20609 Date Issued: 7/24/2006

Conditions, if any, on attached page.

1/ See details on Sundry Notice filed as a supplement - FVS