



APPLICATION FOR PERMIT TO DRILL

Type of work:
 Drill New Well Re-Drill Well Drill Directional Well
 Other _____

Type of well:
 Oil Well Gas Well Injection
 Other _____

Name and Address of Operator: **Spyglass Cedar Creek, LP.** 595 S. Castell Ave., New Braunfels, Texas 78130 Telephone: (830) 626-7100

Name and Address of Surface Owner:
 State of South Dakota

Name and Address of Drilling Contractor and Rig Number:
Elenburg Exploration Rig 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):
 SE SWSE Sec22 T18NR4E, Harding Cnty, 990'FSL 1250'FEL, Lat = 45°30' 17.04"N Lone = 103°36' 42.78"W
 If Directional, top of pay and bottom hole location from nearest lines of section:

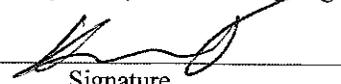
Acres in Spacing (Drilling) Unit	Description of Spacing Unit
320	S/2 Sec 22 T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State 16-22	3016.7'	Wildcat	2200 Eagle/Shannon

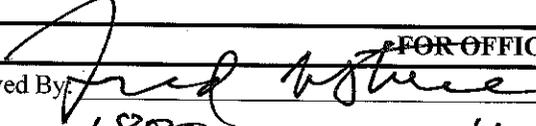
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8	7	17	400	200 sks, Class g 2% CaC12	surf
2) 6 1/4	4 1/2	10.5	2200	.25#SK Celloflake, 100% excess	2200
3)				105 SKS, Lite 1500, 2%CaCl. .25	to
4)				125 sks G1% CaCi, 7%CFL, .25#/sk	surf

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 in place. Anticipated spud date October 6, 2008.

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

 Kevin Sellers Partner 09/26/2008
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By:  Title: O&G Supervisor
 Permit No. 1888 API No. 40063 20660 Date Issued: 10/10/08
 Conditions, if any, on attached page.