



State of South Dakota
 Department of Environment
 and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of work: Drill New Well Re-enter 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: Donn & Billie Hett P.O. Box 395 Buffalo, SD 57720

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):
 NWSW Sec19 T18NR4E, Harding Cnty, 1073'FWL 1899'FSL, Lat= 45.50724167* Lone= 103.6849278*
 If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit: 320 Description of Spacing Unit: S/2 Sec 19 T18N R4E

Well Name and Number		Elevation	Field and Pool, or Wildcat		Proposed Depth and Formation
State 12-19		3068.2'	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.

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

FOR OFFICE USE ONLY

Approved By: Title: Supervisor

Permit No. 1893 API No. 40 063 20665 Date Issued: October 30, 2008

Conditions, if any, on attached page.