

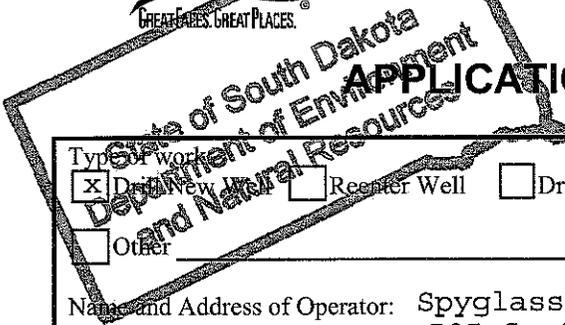


DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES  
 Minerals & Mining Program - Oil & Gas Section  
 2050 West Main, Suite #1, Rapid City, SD 57702-2493  
 Telephone: 605-394-2229, FAX: 605-394-5317

RECEIVED

MAR 08 2010

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY



**APPLICATION FOR PERMIT TO DRILL**

Type of work:  Drilling New Well  Re-enter Well  Drill Directional Well

Type of well:  Oil Well  Gas Well  Injection

Other \_\_\_\_\_  Other \_\_\_\_\_

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

Name and Address of Surface Owner: Mark & Vicky Heairet/ Charlotte Henderson  
 12356 Mackey Rd. Buffalo, SD 57720/ 430 Oriole, Spearfish, SD 57783

Name and Address of Drilling Contractor and Rig Number: Rainbow Drilling LLC Rig #1  
 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):  
 NW1/4 SE1/4, Sec 15 T17N R4E, Harding Cnty, 1475'FSL 2115'FEL, Lat 45deg 26'01.30", Lon 103deg 36' 54.93"  
 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 15, T17N R4E

Well Name and Number		Elevation	Field and Pool, or Wildcat		Proposed Depth and Formation
Heairet-Henderson 10-15		3178.70	Jump off		2200-Eagle/ Shannon
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth to surf
1) 9 7/8	7"	17#	400'	200sx ClassG 2% CaCl2, .25/sk	to surf
2)				Celloflake, 100% excess	
3) 6 1/4	4 1/2"	10.5#	2200'	105sx lite,tail w/125	to surf
4)				Class G Plus additives	

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 March 15th, 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.

March Kimmel Manager 3/1/10  
 Signature Name (Print) Title Date

**FOR OFFICE USE ONLY**

Approved By: \_\_\_\_\_ Title: Oil and Gas Supervisor

Permit No. 1966 API No. 40 063 20703 Date Issued: March 24, 2010

Conditions, if any, on attached page.