



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program - Oil & Gas Section
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FORM 2
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MAR 08 2010

DEPT OF ENVIRONMENT & NATURAL
 RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL

Type of work: Drill New Well Reenter 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:
 State of South Dakota/ Gilbert Angus Ranch Lessee
 Name and Address of Drilling Contractor and Rig Number: Rainbow Drilling LLC
 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):
 NW 1/4 NE 1/4, Sec 16 T17N R4E, Harding Cnty, 906' FNL 1822' FEL, Lat 45deg 26'29.85", Lon 103deg 38' 04.77"
 If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit: 320
 Description of Spacing Unit: N/2 Sec 16, T17N R4E

Well Name and Number State 2-16	Elevation 3117.7	Field and Pool, or Wildcat Jump off	Proposed Depth and Formation 2200-Eagle/ Shannon
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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.
 Signature: Name (Print): March Kimmel Title: Manager Date: 3/1/10

FOR OFFICE USE ONLY
 Approved By: Title: Oil and Gas Supervisor
 Permit No. 1967 API No. 40 063 20704 Date Issued: March 24, 2010
 Conditions, if any, on attached page.