



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

State of South Dakota  
 Department of Environment  
 and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of well:  Deep Well  Reenter 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  
 New Braunfels TX 78130  
 Telephone 830-626-7100

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):  
 NW1/4 SW1/4, Sec 16 T17N R4E, Harding Cnty, 1875'FSL 1009'FWL, Lat 45deg 26'05.19", Lon 103deg 38' 39.02"  
 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 16, T17N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State 12-16	3140.60	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.

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

FOR OFFICE USE ONLY

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

Permit No. 1968 API No. 40 063 20705 Date Issued: March 24, 2010

Conditions, if any, on attached page.