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

FORM 2

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SEP 7 2006
DEPT OF ENVIRONMENT & NATURAL RESOURCES - ROOD

APPLICATION FOR PERMIT TO DRILL

Type of work:
☑ Drill New Well ☐ Reenter Well ☐ Drill Directional Well
☐ Other _____

Type of well:
☑ Oil Well ☐ Gas Well ☐ Injection
☐ Other _____

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

Name and Address of Surface Owner:
State of South Dakota

Name and Address of Drilling Contractor and Rig Number:
Western Star Drilling, 1407 W Dakota Pkwy Williston, ND 58801 Rig#25

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
NENW Sec. 30 T18N R4E 660' FNL & 1980' FWL Harding County, S.D.

If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit
40

Description of Spacing Unit
NENW Sec. 30 T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State 3-30	3080.4'	WILDCAT	6,200 Minnelusa

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 2 1/4	8 5/8"	32#	800'	140sks"C"Cello2% HYield,3%CaCl2	Surfac
2) 7 7/8	5 1/2"	15.5,20,17#	6200'	,3%CemExt 150sks"G"2%salt	
3)				260sksLitecrete10%D44,25%D121.8%	
4)				D65,215sks"G"3%KCl.3%D167.5%	2036'

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 @6200'. Standard 12 mil thick pit liners in place. Drill date approx. Sept. 18th, 2006.

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)	Title	Date
	Kevin Sellers	General Partner	09/05/2006

FOR OFFICE USE ONLY

Approved By: _____ Title: Oil and Gas Supervisor

Permit No. 1793 API No. 40 063 20611 Date Issued: September 15, 2006

Conditions, if any, on attached page.