



JAN 2 2007

DEPT OF ENVIRONMENT & NATURAL  
 RESOURCES - RCRO

## 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    595 S. Castell Ave, New Braunfels, Texas    (830) 626-7100

Name and Address of Surface Owner:  
 State of South Dakota

Name and Address of Drilling Contractor and Rig Number:  
 Eleburg 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):

NW NW Sec 35 T18N R4E (990'FNL, 990 FWL) Harding County, SD

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

Acres in Spacing (Drilling) Unit  
 40

Description of Spacing Unit  
 NW NW Sec 35 T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Spyglass State 4-35	3030.4	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	430	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)				125sks G 1% CaCi, .7% CFL, .25#/sk	Surf

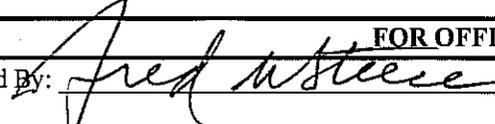
Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.

Drill with Fresh Water mud to 2200', 12 mil pit liner in place. Anticipated Spud date January 18, 2007.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

    Kevin Sellers    General Partner    12/28/2006  
 Signature    Name (Print)    Title    Date

**FOR OFFICE USE ONLY**

Approved By:     Title: Oil and Gas Supervisor

Permit No. 1814    API No. 40 063 20614    Date Issued: January 11, 2007

Conditions, if any, on attached page.