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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OCT 2 2 2008
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

State of South Dakota
Department of Environment
and Natural Resources

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

Name and Address of Surface Owner: Gilbert Angus Ranch P.O. Box 166 Buffalo, SD 57720

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

NWNW Sec15 T18N R4E, Harding Cnty, 730'FWL 875'FNL, lat=45deg31'42.96"N lon=103deg37'29.05"W

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 15 T18N R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Salmen 4-15	3021.6'	Wildcat	220 Eagle/Shannon

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8	7	17	400	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)				125 sks G1% 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 October 28 2008.

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
[signature]	Kevin Sellers	Partner	10/21/2008

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Approved By: [signature] Title: O&G Supervisor

Permit No. 1895 API No. 40 063 20667 Date Issued: October 30, 2008

Conditions, if any, on attached page.