

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 121 24723

Approval Date: 11/24/2014
Expiration Date: 05/24/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 7N Rge: 17E County: PITTSBURG
SPOT LOCATION: SE SE SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 225 1350

Lease Name: LIPSKA Well No: 3-28H Well will be 225 feet from nearest unit or lease boundary.
Operator Name: PETROQUEST ENERGY LLC Telephone: 3372327028; 9185615 OTC/OCC Number: 21466 0

PETROQUEST ENERGY LLC
400 E KALISTE SALOOM RD STE 6000
LAFAYETTE, LA 70508-8523

FREDDIE E. BROWNE
3471 E. HEREFORD LN.
MCALESTER OK 74501

Formation(s) (Permit Valid for Listed Formations Only):

Name	Depth	Name	Depth
1 WOODFORD	8490	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 569207 Location Exception Orders: 632081 Increased Density Orders: 632432

Pending CD Numbers:

Special Orders:

Total Depth: 13625 Ground Elevation: 662 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 50

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: AIR

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- B. Solidification of pit contents.

E. Haul to Commercial pit facility: Sec. 19 Twn. 8N Rng. 5E Cnty. 125 Order No: 274874

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

PIT 3 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 28 Twp 7N Rge 17E County PITTSBURG

Spot Location of End Point: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 880

Depth of Deviation: 7608

Radius of Turn: 358

Direction: 178

Total Length: 5283

Measured Total Depth: 13625

True Vertical Depth: 8490

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category	Description
DEEP SURFACE CASING	11/3/2014 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 632432	11/19/2014 - G72 - 28-07N-17E X 569207 WDFD, 2 WELLS PETROQUEST ENERGY, L.L.C. 10/30/2014

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
LOCATION EXCEPTION - 632081	11/19/2014 - G72 - 28-07N-17E (E.O.) X 569207 WDFD, OTHERS SHL NCT 225 FSL NCT 1350 FEL 21-7N-17E, COMP INT. NCT 165 FNL NCT 165 FSL NCT 330 FEL, PETROQUEST ENERGY, L.L.C. 10/6/2014
MEMO	11/3/2014 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 569207	11/19/2014 - G72 - (640) 28-07N-17E VAC 46096 ATOKBA, VAC 115934 ATOKU, ATOKM, ATOKL. EXT 552601 ATOK, WPCK, UNVL, JFRS, WDFD, EST MSSP, VIOL

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District
Office of the Conservation Division as to when Surface Casing will be run.

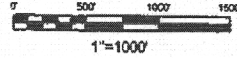


Well Location Plat

Sec. 21-7N-17E I.M.

121-24723

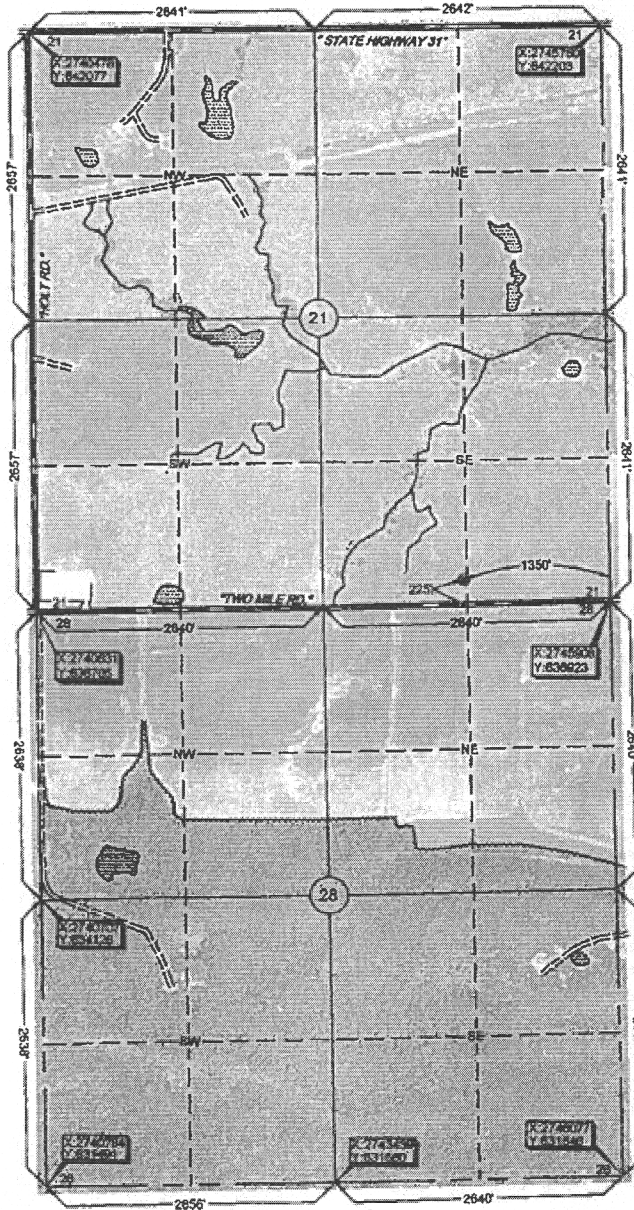
Operator: PETROQUEST ENERGY, LLC
 Lease Name and No.: LIPSKA #3-28H
 Footage: 225' FSL - 1350' FEL GR. ELEVATION: 662' Good Site? YES
 Section: 21 Township: 7N Range: 17E I.M.
 County: Pittsburg State of Oklahoma
 Alternate Loc.: N/A
 Terrain at Loc.: Stake fell in open pasture, 65' North of E-W R/W fence, ±40' North of future Petroquest P/L.



GPS DATUM
 NAD - 27
 OK SOUTH ZONE

Surface Hole Loc.:
 Lat: 35°03'31.71"N
 Lon: 95°30'43.11"W
 X: 2744553
 Y: 637108

Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.



NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.

Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.

survey and plat by
Arkoma Surveying and Mapping, PLLC
 P.O. Box 238 Wilburton, OK 74578
 Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. S348
 Expires June 30, 2016

Invoice #4899-B
 Date Staked: 09/12/14 By: B.M.
 Date Drawn: 09/12/14 By: E.D.

Certification:
 This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Stan Drannon 9/15/14
 STAN DRANNON OK LPLS 1672

