

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

API NUMBER: 121 24725

Approval Date: 12/17/2014
Expiration Date: 06/17/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 7N Rge: 17E County: PITTSBURG
SPOT LOCATION: SW SW SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 215 1585

Lease Name: SHANNON Well No: 2-27H Well will be 215 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

KOLBY ETCHISON
P.O. BOX 490
QUINTON OK 74561

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:

Increased Density Orders: 633370

Pending CD Numbers: 201407328

Special Orders:

Total Depth: 13636

Ground Elevation: 660

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 40

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 BED AQUIFER

Pit Location Formation: SAVANNA

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 BED AQUIFER

Pit Location Formation: SAVANNA

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 BED AQUIFER

Pit Location Formation: SAVANNA

HORIZONTAL HOLE 1

Sec 27 Twp 7N Rge 17E County PITTSBURG

Spot Location of End Point: S2 S2 S2 S2

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 2640

Depth of Deviation: 7618

Radius of Turn: 575

Direction: 170

Total Length: 5115

Measured Total Depth: 13636

True Vertical Depth: 8620

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

Notes:

Category	Description
DEEP SURFACE CASING	12/16/2014 - G76 - 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 - 633370	12/16/2014 - G91 - 27-7N-17E X569207 WDFD 2 WELLS PETROQUEST ENERGY, LLC. 11-21-2014

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Category	Description
MEMO	12/16/2014 - G76 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201407328	12/16/2014 - G91 - (I.O.) 27-7N-17E X569207 WDFD, OTHERS XOTHER SHL NCT 200 FSL, NCT 1500 FWL 22-7N-17E COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 2300 FEL NO OP. NAMED REC. 10-27-2014 (JOHNSON)
SPACING - 569207	12/16/2014 - G91 - (640) 27-7N-17E VAC OTHERS EXT 552601 WDFD, OTHERS EST OTHERS

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