

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

API NUMBER: 063 24601

Approval Date: 06/01/2016
Expiration Date: 12/01/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 6N Rge: 11E County: HUGHES
SPOT LOCATION: NE SW NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 875 2250

Lease Name: DIANA Well No: 3-34/27H Well will be 875 feet from nearest unit or lease boundary.

Operator Name: PETROQUEST ENERGY LLC Telephone: 3372320044; 9185615 OTC/OCC Number: 21466 0

PETROQUEST ENERGY LLC
1717 S BOULDER AVE STE 201
TULSA, OK 74119-4842

TRACTOR RANCH INC
P.O. BOX 2052
FORNEY TX 75126

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

Name	Depth	Name	Depth
1 WOODFORD	5800	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 649536 Location Exception Orders: 648486 Increased Density Orders: 648990
614645 649072

Pending CD Numbers:

Special Orders:

Total Depth: 12151 Ground Elevation: 777 **Surface Casing: 290** Depth to base of Treatable Water-Bearing FM: 240

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: SENORA

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: ON SITE
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: 1B
Liner required for Category: 1B
Pit Location is BED AQUIFER
Pit Location Formation: SENORA

PIT 3 INFORMATION

Type of Pit System: ON SITE
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: 3
Liner required for Category: 3
Pit Location is BED AQUIFER
Pit Location Formation: SENORA

HORIZONTAL HOLE 1

Sec 27 Twp 7N Rge 11E County HUGHES
Spot Location of End Point: SW NW SW SE
Feet From: SOUTH 1/4 Section Line: 800
Feet From: EAST 1/4 Section Line: 2520
Depth of Deviation: 5546
Radius of Turn: 573
Direction: 355
Total Length: 5705
Measured Total Depth: 12151
True Vertical Depth: 5940
End Point Location from Lease,
Unit, or Property Line: 800

Notes:

Table with 2 columns: Category, Description. Row 1: HYDRAULIC FRACTURING, 5/27/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

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Category	Description
INCREASED DENSITY - 648990	5/27/2016 - G75 - 34-7N-11E X614645 WDFD 4 WELLS PETROQUEST ENERGY, L.L.C. 1-25-2016
INCREASED DENSITY - 649072	5/27/2016 - G75 - 27-7N-11E X614645 WDFD 4 WELLS PETROQUEST ENERGY, L.L.C. 1-26-2016
LOCATION EXCEPTION - 648486	5/27/2016 - G75 - (I.O.) X614645 WDFD SHL (3-6N-11E) NCT 700 FNL, NCT 2100 FEL COMPL. INT. (34-7N-11E) NCT 165 FSL, NCT 0 FNL, NCT 2400 FEL COMPL. INT. (27-7N-11E) NCT 0 FSL, NCT 1700 FNL, NCT 2400 FEL PETROQUEST ENERGY, L.L.C. 1-11-2016
MEMO	5/27/2016 - G71 - PIT 2 & 3 - CONCRETE-LINED PIT PER OPERATOR REQUEST; PIT 3 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
SPACING - 614645	5/27/2016 - G75 - (640)(HOR) 27 & 34-7N-11E EST WDFD, OTHERS COMPL. INT. NLT 165' FNL & FSL, NLT 330' FEL & FWL
SPACING - 649536	5/27/2016 - G75 - (I.O.) 27 & 34-7N-11E EST MULTIUNIT HORIZONTAL WELL X614645 WDFD 40% 27-7N-11E 60% 34-7N-11E PETROQUEST ENERGY, L.L.C. 2-5-2016

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Office of the Conservation Division as to when Surface Casing will be run.

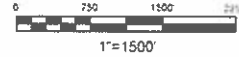


Well Location Plat

S.H.L. Sec. 3-6N-11E I.M.
B.H.L. Sec. 27-7N-11E I.M.

Operator : PETROQUEST ENERGY, LLC
Lease Name and No : DIANA #3-34/27H
Footage : 875' FNL - 2250' FEL GR. ELEVATION : 777' Good Site? YES
Section : 3 Township : 6N Range : 11E I.M.
County : Hughes State of Oklahoma
Alternate Loc. : N/A
Terrain at Loc. : Location fell in timber, ±305' East of an existing pipeline right of way.

API 063-24601

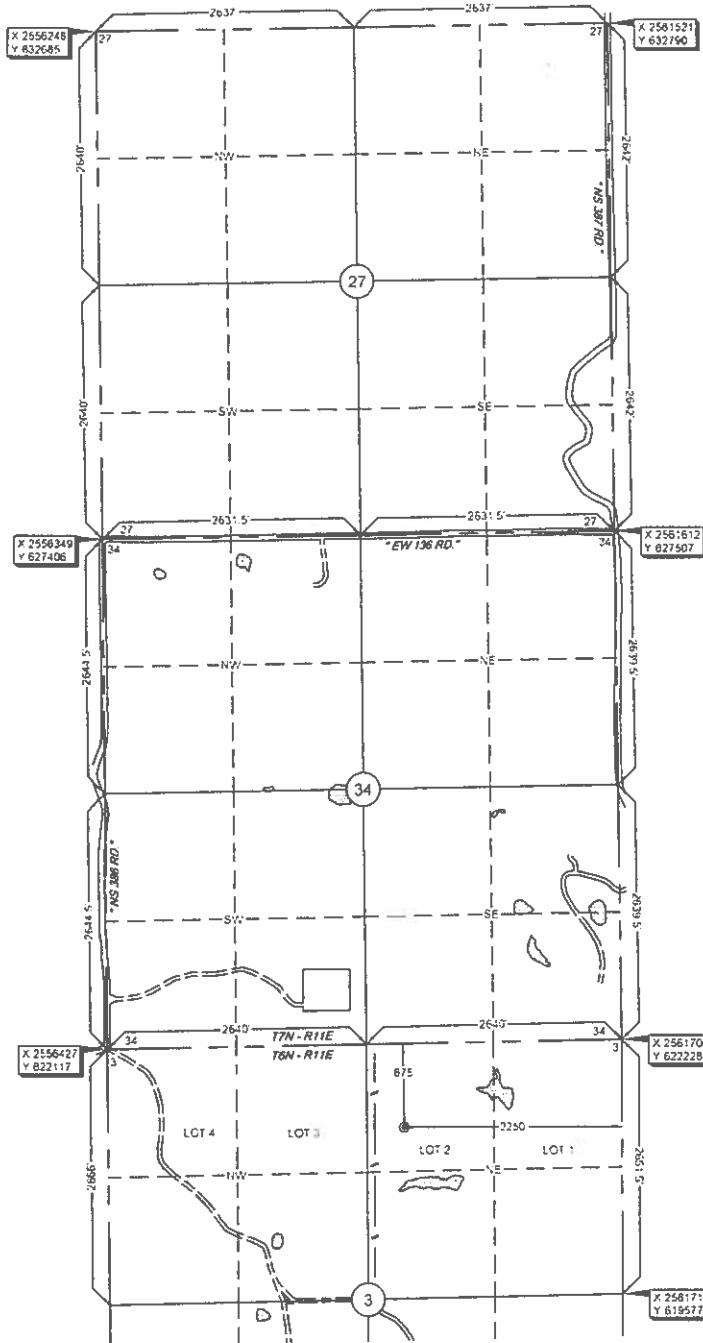


Accessibility : From the North.
Directions : From "K.K.'s Store" in the town of Lamar, OK, go ±5.0 miles South on "NS 387 Rd." and follow private drive to the location to the location in the Northeast Quarter of Section 3-6N-11E.

GPS DATUM
NAD - 27
OK SOUTH ZONE

Surface Hole Loc.:
Lat: 35°01'34.95"N
Lon: 96°07'52.67"W
X: 2559461
Y: 621306

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



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.

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.

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 5348
Expires June 30 2016

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

Invoice #5882-B
Date Staked 10/07/15 By ZD
Date Drawn 10/09/15 By KM
Lse. Nm Change 12/03/15 By KM
Reverse Well Order 01/07/16 By KM
Remove BHL 05/25/16 By KM

LANCE G. MATHIS 05/26/16
OK LPLS 1664

