

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
SAMSON RESOURCES CORPORATION, <i>et al.</i> , ¹)	Case No. 15-11934 (CSS)
)	
Debtors.)	(Jointly Administered)
)	

**DECLARATION OF MICHAEL O’HARA
IN SUPPORT OF THE DEBTORS’ MOTION FOR ENTRY OF AN
ORDER (I) ESTABLISHING BIDDING PROCEDURES AND GRANTING
RELATED RELIEF AND (II) APPROVING THE SALE OF CERTAIN ASSETS
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

I, Michael O’Hara hereby declare under penalty of perjury:

1. I am above 18 years of age, and I am competent to testify. I am a Partner at PJT Partners LP (“PJT”). PJT is an investment banking firm with its principal office located at 280 Park Avenue, New York, New York 10017. Since joining PJT, I have provided restructuring advice within the context of chapter 11 restructurings, out-of-court restructurings, and distressed transactions, including transactions involving the marketing and sale of oil and gas assets. I am generally familiar with the above-captioned debtors’ (collectively, the “Debtors”)² day-to-day operations, business, financial affairs, and books and records.

2. I submit this declaration to support the relief requested in the *Debtors’ Motion for Entry of an Order (I) Establishing Bidding Procedures and Granting Related Relief and*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation’s corporate headquarters and the Debtors’ service address is: Two West Second Street, Tulsa, Oklahoma 74103.

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion (as defined herein).

(II) Approving the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests [Docket No. 1322] (the “Motion”). Unless otherwise indicated, all facts set forth in this declaration are based upon (a) my personal knowledge of the Debtors’ operations and financial performance, (b) my attendance and oversight of the sale process, including work done by my team members at PJT which I discussed with them, (c) information learned from my review of relevant financial and operational data regarding the Debtors, (d) information received from members of the Debtors’ management or their advisors, and (e) my past experience advising distressed companies and their stakeholders.

3. I am authorized to submit this declaration on behalf of the Debtors, and, if I were called upon to testify, I could and would testify competently to the facts set forth herein.

Qualifications

4. I am a Partner in PJT’s Restructuring and Special Situations Group and one of the Partners leading PJT’s engagement as the Debtors’ investment banker. I have more than 18 years’ experience in investment banking, focusing particularly in distressed and special situations. Prior to PJT’s spin out from Blackstone, from 2006 to 2015, I held several positions in the Restructuring & Reorganization Group of Blackstone, most recently as a Managing Director. Before that, I worked in the M&A groups of Wasserstein Parella & Co. and Stephens Inc. I hold a bachelor of science in business administration from Georgetown University and an MBA from Columbia Business School. I have considerable experience advising financially distressed companies and their stakeholders in chapter 11 restructurings, out-of-court workouts, and other distressed transactions. I have maintained a particularly active practice in the energy sector since the onset of the current downturn in commodity markets in late 2014 and am familiar with the valuation of oil and gas assets. My representative energy-related transactions include Samson Resources, Energy Future Holdings, Quicksilver Resources,

New Gulf Resources, Ultra Petroleum Corporation, Chaparral Energy, Atlas Resources, Triangle Petroleum, Rockpile and Connacher Oil and Gas. My representative non-energy-related transactions include AbitibiBowater, AIG, Delphi, Lehman Brothers, Travelport, the Hellenic Republic and Washington Mutual, among others.

5. PJT is a global advisory-focused investment bank. PJT's team of senior professionals deliver a wide array of strategic advisory, restructuring, special situations and fund placement and capital market services to corporations, financial sponsors, institutional investors, and governments around the world. The core services of the RSSG group, in which I work, include advising companies, creditors, and financial sponsors on recapitalization, reorganizations, exchange offers, debt repurchases, capital raises, and distressed mergers and acquisitions.

The Marketing Process

6. By the Motion, the Debtors seek authority to sell certain Assets pursuant to multiple Sale Transactions, as further described in the Motion. The Sale Transactions are the result of ongoing restructuring negotiations and are an important step towards maximizing value for all stakeholders.

7. Prior to the petition date, the Debtors engaged in months-long restructuring negotiations with a group of second lien lenders and a group of senior noteholders. Ultimately, the Debtors, in consultation with PJT and the Debtors' other advisors, determined that the execution risk associated with the out of court noteholder-led transaction made the transaction unworkable, and negotiations terminated in late July 2015. The Debtors and their advisors continued discussions with a group of second lien lenders and filed these cases after successfully negotiating a restructuring support agreement with second lien lenders.

8. Post-filing developments, however, made the proposed restructuring transaction unworkable around early January 2016. Most notable among these was a continued (and very significant) decline in the prices of natural gas and oil and a widening of credit spreads. In addition, the Debtors missed multiple milestones under the restructuring support agreement. As a result, the second lien lenders that had agreed to backstop the Debtors' proposed \$450 million rights offering, in January 2016 indicated they could no longer pursue the negotiated restructuring.

9. Following discussions with the first lien lenders, and as part of a reformulation of the plan of reorganization, the Debtors began marketing their assets. Working with a dedicated M&A group at PJT, led by Keith Lord and Zachary Rigoni, the Debtors divided their assets into multiple asset packages to facilitate bids on all or a portion of their business:

- East Texas;
- Mid-Con East (Anadarko);
- Mid-Con West (Anadarko);
- Mid-Con Central (Anadarko);
- Powder River;
- Green River;
- San Juan;
- Williston; and
- Permian Minerals.

10. Beginning in February 2016, the Debtors and PJT sent preliminary materials to over 550 potentially interested parties. Of these parties, approximately 194 executed nondisclosure agreements with the Debtors and obtained access to a virtual data room. The Debtors received indications of interest from 51 individual bidders that accounted for 77 asset

package bids during the first round of the sale process. Each of the asset packages received indications of interest from multiple bidders.

11. The Debtors and PJT analyzed the bids received and PJT reached out to approximately 35 bidders regarding a second round of bidding, delivering management presentations on each of the asset packages. This second round concluded on August 2, 2016 and August 22, 2016, when the Debtors and PJT received stalking horse bids for certain of their asset packages. The Debtors did not receive attractive bids for all nine asset packages. However, each of the asset packages to be sold pursuant to the Motion received two or more second round bids.

12. In the weeks following receipt of the stalking horse bids, the Debtors and PJT engaged in further negotiations with the bidders regarding the terms of their stalking horse bids and negotiated final terms for certain of the bids. On September 6, 2016, the Debtors filed the Motion, with stalking horse agreements for each of the Williston, San Juan, and West Anadarko asset packages attached thereto. Subsequently, on September 16, 2016, the Debtors filed a supplement to the Motion, with stalking horse agreements for each of the East Anadarko, Central Anadarko, and Permian Minerals asset packages attached thereto. The aggregate purchase price pursuant to all Stalking Horse Agreements was over \$630 million.

The Bid Protections

13. The Debtors' initial form asset purchase agreement did not contain any bid protections. However, each stalking horse bidder insisted upon the inclusion of certain bid protections, including a Breakup Fee and Expense Reimbursement. The Bid Protections for each of the six Stalking Horse Agreements executed by the Debtors were negotiated on an arm's length basis.

14. On September 27, 2016, the Debtors sought Court approval of Bidding Procedures and the Stalking Horse Agreements, including the Bid Protections. At that hearing, the Court approved the Bidding Procedures and each of the Stalking Horse agreements, with certain adjustments to the timing of payment of the Bid Protections contained in certain of the Stalking Horse Agreements.

15. Pursuant to the Bidding Procedures, the Bid Deadline for higher or otherwise better offers than the Stalking Horse Bids was set as October 4, 2016. No qualified bids (beyond the stalking horse bidders) were received for the East Anadarko, West Anadarko, Central Anadarko, Williston, and San Juan asset packages. Accordingly, the terms of the Stalking Horse Agreements related to such asset packages reflect the highest and best available bid for those asset packages.

16. The winning bidders and final bids for each of the six asset packages are:

- East Anadarko: Rebellion Energy, LLC (\$152,450,000)
- West Anadarko: Tecolote Holdings, LLC (\$131,065,300)
- Central Anadarko: Fairway Resources Partners III, LLC (\$132,033,000)
- Williston: Resource Energy Can-AM LLC (\$75,000,000)
- San Juan: Southern Ute Indian Tribe, d/b/a/ Red Willow Production Company (\$115,500,000)
- Permian: Stone Hill Mineral Holdings, LLC (\$51,700,000)

The Auction

17. The Debtors received four Qualified Bids (including the stalking horse bid) for the Permian Minerals on or before the Bid Deadline. The Debtors and PJT analyzed the Qualified Bids received and determined that the Qualified Bid submitted by TD Minerals, LLC was highest and best, and therefore would be the Baseline Bid at the Auction. PJT

communicated this information, along with the Bid Documents related to the TD Minerals, LLC bid to all Qualified Bidders, including the Permian Minerals Stalking Horse Bidder, that timely submitted Qualified Bids for the Permian Assets.

18. The Debtors and PJT conducted the Auction for the Permian Minerals on October 10, 2016. Following 37 rounds of bidding at the Auction, the Debtors declared Stone Hill Minerals Holdings, LLC as the Successful Bidder for the Permian Minerals, with the highest and best bid of \$51,700,000.00, and Saxet Minerals, LLC as the Backup Bidder, with a bid of \$51,500,000.00.

Conclusion

19. Based on these circumstances, I believe that the Debtors engaged in a robust marketing process for all six asset packages, that the terms of the Stalking Horse Agreements for the East Anadarko, West Anadarko, Central Anadarko, Williston, and San Juan asset packages reflect the highest and best available bid for such assets, and that the Auction was conducted in accordance with the Bidding Procedures and achieved the highest or otherwise best bid for the Permian Minerals.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Wilmington, Delaware
Dated: October 13, 2016

/s/ Michael O'Hara
Michael O'Hara
Partner
PJT Partners, LP