

**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)
)	
)	Re: Docket No. 1322

**DECLARATION OF JOHN STUART 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, John Stuart, hereby declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury:

1. I am above 18 years of age, and I am competent to testify. I am a Managing Director with Alvarez & Marsal (“A&M”), a financial advisory firm that maintains an office at 2100 Ross Avenue, 21st Floor, Dallas, Texas 75201. I have served as the Chief Restructuring Officer (“CRO”) for the above-captioned debtors’ (collectively, the “Debtors”)² since December 10, 2015 [Docket No. 462].

2. I submit this declaration 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* [Docket No. 1322]

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).

(the “Motion”), which seeks approval of the sale of certain of the Debtors’ assets, including the West Anadarko, East Anadarko, Central Anadarko, Permian Minerals, San Juan, and Williston asset packages.

3. The statements in this Declaration are, except where specifically noted, based upon (a) my personal knowledge of the Debtors’ operations and financial performance, (b) information learned from my review of relevant financial and operational data regarding the Debtors, (c) information received from members of the Debtors’ management or other A&M employees, and (d) my past experience advising distressed companies and their stakeholders. I am not being compensated specifically for this testimony other than through payments received by A&M as a professional retained by the Debtors. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

Qualifications

4. A&M is a global advisory firm. In that role, A&M offers a wide variety of performance improvement, restructuring and turnaround, private equity services, tax, disputes and investigations, valuation, interim and crisis management, and regulatory/risk compliance services. A&M currently employs more than 500 professionals, who have extensive experience in providing financial advisory services to financially distressed companies and to creditors, equity holders, and other constituencies in reorganization proceedings and complex financial restructurings, both in and out of court. A&M has been engaged in connection with the restructuring of, among other companies, Energy Future Holdings, Lear Corporation, Blockbuster Inc., Vitro America, LLC, and Hawker Beechcraft Corporation.

5. As noted above, I am currently the CRO for the Debtors and a Managing Director in the Dallas office of A&M. I have spent my career as a restructuring specialist and a portfolio manager. Prior to joining A&M, I served as Portfolio Manager and Head of Portfolio Company Strategy at Highland Capital Management, LP (“Highland”), an asset management firm in Dallas, with more than \$35 billion under management, specializing in alternative investment strategies. Prior to that time, I was a founding member and Managing Director at Barrier Advisors and have also worked as a Manager in the corporate recovery group of Arthur Andersen and a Senior Associate with PricewaterhouseCoopers. I hold an MBA from Rice University and a bachelor’s degree from the University of Oklahoma. I am a CFA charterholder and Certified Restructuring and Insolvency Advisor (CIRA).

6. A&M has rendered financial advisory services to the Debtors in connection with their restructuring efforts. In advising the Debtors, A&M has developed a great deal of institutional knowledge regarding the Debtors’ business, finances, operations, and systems. I am very familiar with the Debtors’ business, finances, operations, and systems.

Sale Transactions

7. Following extensive negotiations with the Debtors’ key constituencies, and in conjunction with negotiation of a plan of reorganization, the Debtors agreed to market substantially all of their assets. Following such marketing process, the Debtors received binding bids for six individual asset packages, including the East Anadarko, Central Anadarko, West Anadarko, Williston, San Juan, and Permian Minerals asset packages. In light of the binding bids received, the Debtors determined that it was in the best interest of the Debtors and all parties in interest to consummate the Sale Transactions outside of a plan of reorganization. Consummation of such sales does not dictate the outcome of the Debtors’ reorganization, as the

ultimate reorganization of the Debtors remains subject to ongoing negotiation as of the date hereof.

8. I believe that the asset purchase agreement of each of the six Successful Bidders represents a fair and reasonable offer to purchase the Debtors' assets under the circumstances of the chapter 11 cases. No other entity or group of entities has offered to purchase the East Anadarko, Central Anadarko, West Anadarko, Williston, or San Juan asset packages for greater economic value than the Successful Bidders for such asset packages. With respect to the Permian Minerals, I believe that the 37 rounds of Overbids that led to selection of the Stone Hill Minerals Holdings, LLC as the Successful Bidder of the Permian Minerals, with a purchase price of \$51,700,000.00, demonstrates that the Debtors received a fair and reasonable offer for the Permian Minerals Assets.

9. Approval of the sale of the Debtors' assets to the proposed purchasers and the consummation of the Sale Transactions are in the best interests of the Debtors, their creditors, their estates, and other parties in interest.

10. All of the Successful Bidders are third-parties and none is a Debtor or an affiliate of a Debtor.

11. The consideration provided by the six Successful Bidders pursuant to the asset purchase agreements is fair and adequate and constitutes reasonably equivalent value and fair consideration for the Debtors' assets.

Assumption and Assignment of Executory Contracts and Unexpired Leases

12. Certain of the Debtors' executory contracts and unexpired leases are necessary to the operation of the Debtors' business. The contracts and leases being assigned by the Debtors to the respective buyers are an integral part of the assets being purchased. Accordingly, the

assumption and assignment of these executory contracts and unexpired leases is integral to the sale and is in the best interests of the Debtors and their estates, creditors, and other parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Debtors.

13. As set forth in the Notice of Designated Contracts [Docket No. 1484], with limited exceptions of certain midstream obligations, the Debtors do not believe that any cures are owed with respect to the assigned leases and contracts.

Corporate Authority

14. The Assets constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541 of the Bankruptcy Code. The Debtors (i) have full corporate power and authority to execute the transactions described above, (ii) the transactions have been duly and validly authorized by all necessary corporate action, (iii) and require no consents or approvals, other than those expressly provided for in the transaction documents to consummate such transactions.

The Sale Objections

15. The Debtors received objections to the Sale Orders from the following parties: Chesapeake Operating, LLC [Docket No. 1485], EnerVest Operating LLC [Docket No. 1486], SAP America [Docket No. 1488], J-W Power Company [Docket No. 1490], Seitel [Docket No. 1489], TGS Geological Products and Services [Docket No. 1459], and Cabot Oil & Gas Corporation [Docket No. 1491]. The Debtors reached out to each of these parties and have proposed to resolve these objections by placing supplemental language in the Sale Orders.

Conclusion

16. Given all of the circumstances of the chapter 11 cases and the adequacy and fair value of the purchase price under the asset purchase agreement, I believe that the sale constitutes a reasonable and sound exercise of the Debtors' business judgment and should be approved.

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.

Dated: October 14, 2016

Respectfully submitted,

/s/ John Stuart

John Stuart
Managing Director
Alvarez & Marsal