

**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 ALAN B. MILLER IN
SUPPORT OF CONFIRMATION OF DEBTORS' JOINT
CHAPTER 11 PLAN OF REORGANIZATION**

I, Alan B. Miller, declare as follows:

1. I am the independent director of each of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). Prior to my appointment as independent director on the date of the commencement of the Debtors' chapter 11 cases, I did not have any relationship whatsoever with any of the Debtors or the other members of their boards of directors or their executive management team.

2. I have submitted a declaration previously in these chapter 11 cases, the *Declaration of Alan B. Miller in Support of Debtors' Objection to Acting United States Trustee's Motion for an Order Directing the Appointment of an Examiner* [Docket No. 532]. I have also submitted a sealed report detailing the conclusions of an investigation I conducted into certain potential estate claims and causes of action, and reviewed a report prepared by Kirkland & Ellis LLP analyzing such claims. I am authorized to submit this declaration in support of

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.

confirmation of the Debtors' chapter 11 plan of reorganization (as amended, supplemented, and/or modified from time to time, the "Plan").

3. Except where specifically noted, the statements in this declaration are based on my personal knowledge of the Debtors' operations and finances, information learned from my review of relevant documents, and information I have received from members of the Debtors' management team or the Debtors' advisors. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

Background

4. I co-founded the Business Finance & Restructuring Department of Weil Gotshal & Manges LLP, where I was a senior partner (and later senior counsel) for nearly 40 years. Since 2006, I have served as a director to more than 20 companies and as a mediator and liquidation trustee in multiple matters. Further, I have previously served as special counsel to investigate and prepare certain causes of action for the benefit of the liquidation trust in connection with the chapter 11 cases of Collins & Aikman Corporation and their debtor affiliates. I have held my position as the Debtors' independent director since September 2015 and engaged the law firm of Skadden, Arps, Slate, Meagher & Flom LLP to advise me and assist in my review of certain matters in these chapter 11 cases.

5. In my role as independent director, I have been involved in various aspects of the Debtors' chapter 11 cases, including board meetings and conferences regarding the appropriateness of the releases and settlements in the Plan and the fairness of any plan or plans proposed by the Debtors or other parties. I was tasked with independently investigating certain potential estate claims and causes of action that could be brought by the Debtors against various parties in interest in these cases. In connection with that investigation, I reviewed, along with my independent counsel, thousands of documents and interviewed numerous individuals. In

addition, I attended and participated in settlement conferences and days of mediation among the key parties in these cases, including the Debtors, the creditors' committee, the first lien agent, the second lien agent, and a steering committee of second lien lenders. As a result of the foregoing, I am intimately aware of the history of these chapter 11 cases and the negotiations regarding the terms of the Plan.

I. The Debtors' and Their Advisors' Restructuring Efforts Have Culminated in a Plan of Reorganization Supported by All Key Stakeholders.

6. The Plan is the culmination of the Debtors' successful restructuring efforts, including months of settlement negotiations and a mediation process undertaken by the primary creditor constituents in these chapter 11 cases. As a result of this diligent work, the Plan is supported by the first lien agent, first lien lenders, second lien steering committee (representing over 70 percent of all second lien claims), the creditors' committee, and certain of the sponsors. In light of the valuemaximizing transactions embodied in the Plan and the broad support it carries, I, along with the Debtors, believe the Plan represents the best available alternative to resolve these chapter 11 cases and reorganize the Debtors' remaining business.

7. The Plan reflects the terms of a global settlement among the Debtors and their key stakeholders, as set forth in a settlement stipulation by the Debtors, the creditors' committee, a steering committee of first lien lenders, and certain of the Debtors' common equity owners, as well as a plan support agreement between the Debtors and certain second lien lenders.

A. The Debtors' Chapter 11 Filing and Restructuring Negotiations

8. Prior to the petition date, the Debtors negotiated and agreed upon a transaction with certain of their second lien lenders. For several reasons, including a further decline in natural gas and oil prices following the petition date, the transaction became unworkable. The Debtors subsequently have engaged in extensive good faith discussions and negotiations with all

key constituencies in an effort to achieve consensus on a value-maximizing alternative restructuring.

9. Beginning in early 2016, the Debtors commenced discussions with creditors regarding a new restructuring transaction. In September and November 2016, the Debtors led multiple settlement conferences among the Debtors, the first lien agent, the second lien agent, second lien steering committee, and the committee. In addition, the Debtors filed a motion to appoint a mediator. The requested mediation was approved by order of the Court on December 6, 2016 [Docket No. 1718]. Then, on December 6, 2016, December 8, 2016, and December 19, 2016, these same parties engaged in mediation with the Honorable Judge Kevin Gross serving as mediator. During the mediation, the parties exchanged several settlement proposals, but no agreement was reached. As a result, on December 21, 2016, Judge Gross terminated the mediation.

B. The Debtors' Global Settlement

10. Following the mediation and using the settlement framework established during the course of mediation, the parties continued settlement discussions. Ultimately, the parties reached agreement on all terms of the Plan, which provides for a global settlement made possible by significant contributions from the Debtors, the second lien lenders, the first lien lenders, and certain of the Debtors' common equity owners, all as set forth in the Plan and the settlement stipulation among certain of the parties.

11. The Plan and settlement were heavily negotiated, deliver significant value to all creditors, and maintain the Debtors as a going concern. Specifically, the Plan and settlement contain the following key terms:

- a. holders of general unsecured claims (other than unsecured second lien deficiency claims and sponsor claims) will be the beneficiaries of a trust, which will receive and distribute the proceeds of a cash settlement payment of \$168.5 million (or

\$180 million plus 10 percent interest until fully funded, if the full \$168.5 million is not paid in the trust before June 30, 2017);

- b. prior to confirmation of the Plan, the Debtors set aside approximately \$100 million in cash, which cash will ultimately be used, pursuant to the confirmed Plan, to satisfy a portion of the settlement payment to the trust for the benefit of general unsecured creditors;
- c. if the Debtors have not made the full settlement payment to the trust for the benefit of general unsecured creditors by April 15, 2017, the parties will propose marketing and sale procedures, pursuant to which, subject to Court approval, the Debtors may sell assets to raise any additional capital from net proceeds necessary to fully fund any remaining outstanding balance of the settlement payment;
- d. to the extent necessary to fully fund the settlement payment, the Debtors will sell additional assets as needed, and any net proceeds of such asset sales shall first be paid to the trust up to the full amount of any remaining settlement payment (*provided* that the Debtors and/or the second lien lenders shall have the option, each in their respective sole discretion, to pay cash sufficient to fully fund the settlement payment without the need to consummate any asset sales);
- e. the Debtors' second lien lenders will receive substantially all of the new equity in the reorganized Debtors and will fund a rights offering of \$60 million (backstopped by certain second lien lenders) to fund the settlement payment for unsecured creditors, other obligations under the Plan, and other expenses of the reorganized Debtors going forward;
- f. the Debtors' first lien lenders will receive a full recovery in cash and new secured debt; to this end, the Debtors paid down on January 19, 2017 \$670 million of the principal loan obligations under their first lien credit facility; and
- g. parties including the Debtors' first lien lenders, the Debtors' second lien lenders, certain of the Debtors' equity owners, the committee, and certain other stakeholders and related parties will receive the full benefit of releases of potential claims or causes of action of the Debtors and certain third parties.

C. The Debtors Have Proposed the Plan in Good Faith and Not by Any Means Forbidden by Law

12. I believe that the Plan was proposed in good faith. As outlined above, the Plan is supported by the Debtors' key stakeholders, and is the product of extensive collaboration among all of the parties. It is also my belief that the Plan complies with bankruptcy and applicable nonbankruptcy law. Therefore, it is my opinion that the Plan has been proposed in good faith,

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has a high likelihood of success, and will achieve a result consistent with the objectives and purposes of the Bankruptcy Code.

II. The Settlements, Releases, and Injunctions in the Plan Are Appropriate

13. The Plan includes certain release, exculpation, and injunction provisions, all of which are integral to the overall global settlement and all of which are appropriate, reasonable, and supported by good consideration.

A. The Plan's Debtor Release and Third Party Release Are Necessary and Appropriate.

14. Article VIII.E of the Plan provides for debtor releases and Article VIII.F of the Plan provides for certain third party releases. The releases are the product of arm's-length negotiations, are in exchange for substantial consideration, and were critical to obtaining support for the Plan from various parties in interest. Specifically, certain sponsors, the first lien lenders, and the second lien lenders (and all of their advisors, employees, representatives, and other related parties) in particular have provided valuable consideration for releases under the Plan, including by, among other things:

- in the case of such sponsors, preserving the Debtors' valuable tax attributes and agreeing to waive or assign the sponsor management fee claims;
- in the case of the first lien lenders, agreeing to commit to fund the Debtors' new exit RBL facility (and agreement to include important concessions in the terms of the exit RBL facility); and
- in the case of the second lien lenders, agreeing to fund (through the Plan's rights offering) the necessary new money investment to fund the settlement payment for unsecured creditors (and other obligations of the Debtors under the Plan and going forward), as well as agreeing to receive a recovery comprised of equity in a reorganized business.

15. Without the contributions by each of these parties, the Plan and the global settlement contemplated thereby would not be possible.

B. The Plan's Exculpation Provisions Are Necessary and Appropriate.

16. Under Article VIII.G of the Plan, the Debtors seek protection for certain estate fiduciaries in these cases, including the Debtors, the reorganized Debtors, and the creditors' committee.

17. In addition, the Plan provides for a limited exculpation for the second lien agent and the backstop parties related to their work in connection with the issuance and distribution of the new common stock (including in connection with the Plan rights offering).

18. As described above, each of these exculpated parties played a critical role in the negotiation and formulation of the Plan and global settlement. The exculpation has been narrowly tailored to the estate fiduciaries in these cases and to those creditors (the second lien agent and backstop parties) whose assistance was critical to the issuance of new securities under the Plan. The prospect of the exculpation provision aligned these parties' interests with the exercise of sound business judgment and value-maximization. For these reasons, I believe the exculpation provision is appropriate and should be approved.

C. The Injunction Requested by the Plan Is Appropriate and Should Be Approved.

19. Article VIII.H of the Plan implements an injunction regarding the Plan's release and exculpation provisions described above, in part, by permanently enjoining all entities from commencing or maintaining any action against the Debtors, the reorganized Debtors, the released parties, or the exculpated parties on account of or in connection with or with respect to any claims or interests that are discharged, released, exculpated or settlement under the Plan.

20. The injunction is necessary to effectuate the releases contained in the Plan and to protect the Debtors from any potential litigation based on events that occurred prior to the final effective date of the Plan. Any such actions could hinder the Debtors' efforts to fulfill their

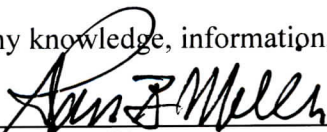
responsibilities under the Plan effectively, and undermine their efforts to maximize value for all holders of claims and interests. Accordingly, the injunction provision is appropriate and should be approved.

III. Conclusion

21. The Plan and global settlement are the result of month's-long negotiations and include important and significant contributions from the Debtors, certain of the sponsors, the first lien lenders, the second lien lenders, the creditors' committee, and other key constituencies. Furthermore, the Plan and related global settlement represent a good faith compromise of all claims and potential causes of action in these cases. Without the settlements and compromises embodied in the Plan, a consensual plan of reorganization likely would not have been possible in these cases. Accordingly, the Plan (including the settlements, compromises, and releases contained therein) is proposed and is being pursued in good faith and should be confirmed.

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: February 9, 2017



Alan B. Miller
Independent Director of
Samson Resources Corporation
and each of the other Debtors