IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SAMSON RESOURCES CORPORATION, *et al.*,[1]	)	Case No. 15-11934 (CSS)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 1882**

DECLARATION OF JOHN L. STUART, CHIEF RESTRUCTURING OFFICER AND INTERIM CHIEF FINANCIAL OFFICER, IN SUPPORT OF CONFIRMATION OF THE GLOBAL SETTLEMENT JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SAMSON RESOURCES CORPORATION AND ITS DEBTOR AFFILIATES

I, John L. Stuart, hereby declare under penalty of perjury as follows to the best of my knowledge, information, and belief:

1. I submit this declaration in support of confirmation of the *Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* dated as of January 13, 2017 [Docket No. 1882] (as the same may be amended from time to time in accordance with its terms, the "Plan").

2. The statements in this declaration are, except where specifically noted, based on my personal knowledge or opinion, on information that I have received from the Debtors' employees or advisors, or employees of Alvarez & Marsal North America, LLC ("A&M") working directly with me or under my supervision, direction, or control, or from the Debtors' books and records maintained in the ordinary course of their businesses. If I were called upon to

[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.

testify, I could and would competently testify to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

Professional Background and Qualifications

3. 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. During my time at A&M, I have 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.

4. I am currently the CRO and interim CFO 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 in the corporate recovery groups of both Arthur Andersen 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).

5. 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.

The Plan

6. Relying on information from the Debtors' advisors and my own personal knowledge, I have reviewed the Plan and related materials. My testimony below that the Plan should be confirmed is informed by this knowledge. Specifically, I believe (a) the Plan is feasible and should be confirmed, (b) the Management Incentive Plan and the first-quarter Performance Award Program are appropriate and should be approved, (c) the Debtors assumption and rejection of certain executory contracts and unexpired leases is appropriate, and (d) entrance into the exit financing facility is the best interests of the Debtors, their estates, and all holders of claims and interests.

I. The Plan Is Feasible.

7. It is my understanding that section 1129(a)(11) of the Bankruptcy Code requires that the Court determine that Confirmation is not likely to be followed by the liquidation or further financial reorganization of the Debtors. The Debtors prepared financial projections (the "Financial Projections") from December 31, 2017 through December 31, 2021, which are attached as **Exhibit A** hereto as well as Exhibit D to the disclosure statement to the Plan. The Financial Projections were developed in connection with the development of the Plan and for purposes of assessing the Plan's feasibility. The Financial Projections are premised on numerous assumptions, which are described in detail in **Exhibit A** hereto, including the methodology described therein, the assumption that the Plan will be consummated on or around February 28, 2017, the sale of certain asset packages, the Debtors' ability to collect certain receivables

included in its financial statements and books and records (i.e., ordinary course receivables, tax refunds, reconciled or settled accounts between the Debtors and counterparties, etc.), general business and economic conditions, reorganization assumptions, operating and financial assumptions, and prevailing market and industry conditions.

8. I believe that the Financial Projections were prepared in good faith and reflect reasonable estimates and judgments of the Debtors as to the Debtors' future operating and financial performance as of the date of the Financial Projections' preparation. Additionally, as of the final effective date of the Plan the Debtors' enterprise value will exceed their total indebtedness, providing a significant equity cushion.

9. I believe that with the restructuring of the Debtors' funded indebtedness pursuant to the Plan, and a reorganization of the Debtors' operations, the Debtors will emerge as a financially healthier company. The plan contemplates the creation of a trust for the benefit of unsecured creditors and a separation of the remaining business (owned by the second lien lenders and financed in part by the first lien lenders under the exit facility) from the trust. The reorganized Debtors will retain their remaining business and continue ordinary operations related thereto. The Financial Projections reflect the reorganized Debtors' financial statements and anticipated cash flows, including from cash flows from existing receivables. As reflected in the Financial Projections, and based on the Debtors' proposed post-emergence capital structure and anticipated cash flows (including cash flows from existing receivables), it is my opinion that the reorganized Debtors will have sufficient liquidity and cash flow to (a) make all payments and other distributions required under the Plan, (b) satisfy ongoing obligations, and (c) maintain their business operations on and after the "Final Effective Date" under the Plan on a going-forward basis.

10. I am aware that there are certain purported secured and priority claims in excess of $80 billion that have been filed against the Debtors. The Debtors dispute the vast majority of these claims. Based on my personal knowledge and in consultation with the Debtors' employees and managers, including Lisa Johnson, I have determined that these claims are unlikely to result in a meaningful recovery and do not diminish the feasibility of the Plan.

11. After emerging from bankruptcy with a significantly deleveraged capital structure, reduced interest burden and cost structure, and having secured valuable exit financing, it is my opinion that the Debtors will be better positioned to compete in the oil and gas industry going forward. The Debtors, with the assistance of their advisors, have analyzed their ability to meet their obligations under the Plan and going forward, and the facts and Financial Projections indicate that confirmation and consummation of the Plan is not likely to be followed by liquidation or the need for further reorganization. I understand that, based on this indication, the Plan is "feasible" under the Bankruptcy Code and applicable bankruptcy law and believe that the Plan should be confirmed.

II. The Plan Complies with the Applicable Provisions of the Bankruptcy Code.

12. I understand that section 1123 of the Bankruptcy Code requires that the Plan contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the Plan, and any successor to such officer, director, or trustee. The procedures set forth in the Plan for the selection of directors and officers of the Reorganized Debtors are consistent with the interests of creditors and equity security holders as well as with public policy.

13. I understand that the Plan complies with section 1129(d) of the Bankruptcy Code as the Reorganized Debtors intend to, and the Plan provides for, satisfaction of all tax obligations

owed by the Debtors following the effective date of the Plan and that the principal purpose of the Plan is not to avoid such tax obligations.

III. The Plan Contains Adequate Means for Implementation.

14. In addition, I believe that the Plan contains adequate means for its implementation, including, among other things, (a) the restructuring transactions; (b) the exit facility; (c) the rights offering; (d) the good-faith compromise and treatment of all claims as set forth in the Plan; (e) the monetization of existing prepetition commodity hedges and entrance into new commodity hedges; (f) continued corporate existence; (g) the vesting of assets in the reorganized Debtors; (h) the cancellation of existing securities; (i) the general authority for all corporate and limited liability company (as applicable) action necessary to effectuate the Plan; (j) the new organizational documents; (k) the appointment of the directors and officers of the reorganized Debtors; (l) the issuance of the new common stock; (m) the preservation of causes of action; (n) the release of avoidance actions except those avoidance actions set forth in the Plan supplement as Reorganized Debtor Retained Causes of Action or Settlement Trust Retained Causes of Action; (o) the exemption from certain taxes and fees to the extent provided in the Plan; and (p) the transfer of the settlement trust assets.

15. In addition, the Debtors have access to commodity hedging arrangements which will reduce the volatility of pricing post-emergence. Moreover, the reorganized Debtors will have, immediately upon the effective date of the Plan, sufficient cash to make all payments required on the final effective date pursuant to the terms of the Plan. Additionally, the Reorganized Debtors will have access to additional liquidity from proceeds of non-producing assets, such as acreage, machinery, and equipment that will improve their post-emergence liquidity profile, which when combined with post-emergence free cashflow is expected to reduce the risk from borrowing-base redeterminations under their exit RBL credit facility.

IV. Incentive Programs.

16. I understand that the Plan contemplates the adoption of the Management Incentive Plan, which will be a post-emergence incentive program for the benefit of management of the reorganized Debtors and the new board of reorganized Samson. The general terms of the proposed Management Incentive Plan were described in the Plan and Plan supplement. Pursuant to the Plan, the Management Incentive Plan will be negotiated by the Debtors and the second lien steering committee. If the Management Incentive Plan is an equity-based award plan, up to 10 percent of the new common stock (on a fully diluted basis) shall be reserved for awards to management of the reorganized Debtors and the new board of the reorganized parent. The form and timing of additional Management Incentive Plan grants, if any, will be determined by the compensation committee of the new board of the reorganized parent. Based upon my understanding of those terms, the proposed Management Incentive Plan will be designed to protect enterprise value post-emergence by aligning management's interests with that of the Debtors' owners. I believe a Management Incentive Program is appropriate, reasonable, and in the best interests of the Debtors' estates.

17. I am also familiar with the Performance Award Program, the performance metrics, targets, and award opportunities for the first calendar quarter of 2017 as set forth in Exhibit H to the disclosure statement. It is my understanding that on the confirmation date, the reorganized Debtors shall pay a prorated portion of the award opportunities for the first quarter of 2017, with (a) the Debtors' performance under each performance metric measured as of January 31, 2017, against performance targets prorated as of such date and (b) award opportunities prorated as the Confirmation Date.

18. The Performance Award Program was designed to focus the Debtors' senior management's attention on specific, objective goals that are in the best interest of stakeholders.

These goals were designed to maximize the value of the Debtors' business as they navigate the restructuring process during a period of time when there are challenges to managing an oil and gas company and material uncertainties as to when the Debtors will emerge from bankruptcy. I believe that all parties have benefitted from the critical leadership provided by the Debtors' senior officers. To that end, the Debtors worked diligently with their advisors to create metrics, targets, and award opportunities for the first quarter of 2017 Performance Award Program that are reasonable, appropriately incentivizing, and fully justified by the facts and circumstances of these cases. The Performance Award Program targets for the first quarter of 2017 require the participants' best efforts—not easy-to-achieve milestones—and align the interests of the participants with those of the Debtors' stakeholders. By linking compensation to metrics that drive production volumes and control expenditures, the Performance Award Program appropriately incentivized the participants to achieve strong operational results in a cost-effective manner.

19. The Performance Award Program was developed by the Debtors, in consultation with their advisors, and the terms, conditions, and payment structures were negotiated with the Debtors' key stakeholders. The Performance Award Program was negotiated at arm's-length and in good faith. Accordingly, I believe that the Performance Award Program is appropriate, and the payments thereunder should be approved.

V. Assumption and Rejection of Executory Contracts and Unexpired Leases.

20. I understand that the Debtors will be assuming certain executory contracts and unexpired leases pursuant to the Plan, including certain executory contracts and unexpired leases listed **Exhibit B** to the Plan supplement. Based on the Financial Projections, I believe that the reorganized Debtors will have the financial wherewithal necessary to perform their obligations in connection with any assumed executory contracts or unexpired leases, including (a) the payment

of the cure amounts required under the Plan and (b) future performance under any such assumed contracts and leases.

21. Additionally, I understand that the Debtors will be rejecting certain executory contracts and unexpired leases listed on the schedule of rejected executory contracts and leases included in the Plan supplement. These contracts and leases are either no longer necessary or beneficial to the Debtors and their estates. I believe it is a reasonable exercise of the Debtors' business judgment to reject these contracts and leases.

VI. The Exit Facility.

22. The Debtors engaged in extensive good-faith, arm's-length negotiations regarding the economics and the key terms of their exit financing credit facility. Among other things, the exit facility shall provide for a revolving credit facility with aggregate principal commitments of $280 million and a maturity date such that the term of the exit facility, measured from the final effective date, shall be 30 months. The exit facility shall consist of a reserve-based, first-lien revolving credit facility. The terms and conditions of the exit facility are fair and reasonable and include significant concessions made by the first lien lenders in connection with the Debtors' global settlement with creditors in these cases. I believe that entry into the exit facility and related documents is in the best interests of the Debtors, their estates, and all of the Debtors' creditors. I further believe that the Debtors have exercised reasonable business judgment in determining to enter into the exit facility.

Conclusion

23. For the reasons set forth herein, the Plan satisfies the applicable confirmation requirements 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: February 10, 2017

John L. Stuart
Chief Restructuring Officer and Interim Chief Financial Officer
Samson Resources Corporation

Exhibit A

Financial Projections

I. FINANCIAL PROJECTIONS

For purposes of demonstrating feasibility of the Plan, the Debtors have prepared the forecasted, post-reorganized, consolidated balance sheet, income statement and statement of cash flows (the "Financial Projections") for the periods ending December 31, 2017 through December 31, 2021 (the "Projection Period"). The Financial Projections were prepared based on a number of assumptions made by the Company's management as to the future performance of Reorganized Samson, and reflect management's judgement and expectations regarding its future operations and financial position.

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond management's control, incident to the exploration for and development, production, gathering and sale of oil, natural gas and natural gas liquids. Factors that may cause actual results to differ from expected results include, but are not limited to:

(i) fluctuations in oil and natural gas prices and the Company's ability to hedge against movements in prices;

(ii) the uncertainty inherent in estimating reserves, future net revenues and discounted future cash flows;

(iii) the timing and amount of future production of oil and natural gas;

(iv) changes in the availability and cost of capital;

(v) environmental, drilling and other operating risks, including liability claims as a result of oil and natural gas operations;

(vi) proved and unproved drilling locations and future drilling plans; and

(vii) the effects of existing and future laws and governmental regulations, including environmental, hydraulic fracturing and climate change regulation.

Should one or more of the risks or uncertainties referenced above occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the Financial Projections. Further, new factors could cause actual results to differ materially from those described in the Financial Projections, and it is not possible to predict all such factors, or to the extent to which any such factor or combination of factors may cause actual results to differ from those contained in the Financial Projections. The Financial Projections herein are not, and must not be viewed as, a representation of fact, prediction or guaranty of the Company's future performance.

The Financial Projections have not been audited or reviewed by a registered independent accounting firm, and were not prepared with a view toward compliance with the guidelines of the Securities and Exchange Commission, the American Institute of Certified Public Accountants, or the Financial Accounting Standards Board ("FASB"), particularly for reorganization accounting.

II. ACCOUNTING POLICIES

The Financial Projections have been prepared using accounting policies that are materially consistent with those applied in the Debtors' historical financial statements (GAAP consolidated basis). The Financial Projections do not reflect the formal implementation of reorganization accounting pursuant to FASB Accounting Standards Codification Topic 852, *Reorganizations* ("ASC 852"). Overall, the implementation of ASC 852 is not anticipated to have a material impact on the underlying economics of the Plan.

III. GENERAL ASSUMPTIONS

a. Methodology

The Financial Projections were prepared using a bottoms-up approach at the business unit level incorporating multiple sources of information. The Financial Projections are inclusive of the Debtors' restructuring initiatives in 2015, 2016 and 2017.

b. Plan Consummation

The Financial Projections assume that the Plan will be consummated on or around February 28, 2017.

c. Asset Sales

The Financial Projections assume the sale of certain asset packages pursuant to 11 U.S.C. Section 363. Specifically, the Financial Projections assume the sale of the Debtors' Midcontinent East, Midcontinent Central, Midcontinent West, San Juan, Williston and Permian business units (collectively, the "Asset Sales"). The assumed net proceeds for the Asset Sales are approximately $615 million, inclusive of an estimated $47 million of total purchase price adjustments which are assumed to be deducted from the total gross proceeds, attributable to accounting adjustments for the time period between the effective date and closing date of the Asset Sales.

IV. ADJUSTED DECEMBER 31, 2016 BALANCE SHEET AND REORGANIZED PRO FORMA BALANCE SHEET FOR THE PERIODS ENDING DECEMBER 31, 2017 THROUGH DECEMBER 31, 2021

The adjusted January 31, 2017 balance sheet was prepared utilizing the June 30, 2016 balance sheet and projected results of operations and cash flows over the projected period to the assumed emergence date of January 31, 2017.[1] Actual balances may vary from those reflected in the adjusted balance sheet due to variances in projections and potential changes in cash needed to consummate the Plan. The reorganized pro forma balance sheets for the periods ending December 31, 2017 through December 31, 2021 contain certain pro forma adjustments as a result of consummation of the Plan. The reorganized pro forma balance sheets include the debt and other obligations of the Company that remain outstanding after the Effective Date that will be paid in the ordinary course of operations. The estimated pro forma adjustments regarding the equity value of Reorganized Samson, its assets, or estimates of its liabilities as of the Effective Date will be based upon the fair value of its assets and liabilities as of that date, which could be materially different than the values assumed in the foregoing estimates.[2]

($ in millions)	Pre-Reorg	Discharge		Adjustments	New Money / Paydown		Post-Reorg					
	1/31/2017	Debt	Equity	Reorg	Exit RBL	Pre Petition RBL	1/31/2017	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
		(A)	*(A)*	*(B)*	*(C)*	*(C)*						
CONSOLIDATED BALANCE SHEET												
CURRENT ASSETS												
Cash and Cash Equivalents	736.5	-	-	-	275.0	(942.8)	68.7	10.0	10.0	10.0	10.0	10.0
Accounts Receivable, Net	34.1	-	-	-	-	-	34.1	24.5	34.5	36.8	49.4	53.8
Net Derivative Assets	-	-	-	-	-	-	-	-	-	-	-	-
Prepaids & Other	8.3	-	-	-	-	-	8.3	8.5	8.5	8.5	8.5	8.5
TOTAL CURRENT ASSETS	778.8	-	-	-	275.0	(942.8)	111.0	43.0	53.1	55.4	68.0	72.3
NON CURRENT ASSETS												
Gross Oil and Gas Properties (Full Cost Method)	12,424.8						464.6	495.7	565.4	635.5	717.4	799.9
Less: Accumulated DD&A / Impairment	(12,210.7)						-	(44.5)	(97.3)	(153.3)	(213.0)	(276.2)
Net Oil and Gas Properties (Full Cost Method)	214.0	-	-	250.6	-	-	464.6	451.2	468.0	482.2	504.4	523.7
Gross Other Property, Plant and Equipment	362.8						20.0	20.0	20.0	20.0	20.0	20.0
Less: Accumulated Depreciation	(142.8)						-	(2.2)	(4.6)	(7.0)	(9.4)	(11.8)
Net Other Property, Plant and Equipment	220.0	-	-	(200.0)	-	-	20.0	17.8	15.4	13.0	10.6	8.2
Deferred Charges	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Asset	21.7	-	-	(21.7)	-	-	-	0.9	-	-	-	-
Other Long Term Assets	23.0	-	-	-	-	-	23.0	23.0	23.0	23.0	23.0	23.0
TOTAL NON CURRENT ASSETS	478.7	-	-	28.9	-	-	507.7	492.9	506.5	518.2	538.0	554.9
TOTAL ASSETS	1,257.6	-	-	28.9	275.0	(942.8)	618.7	536.0	559.5	573.6	606.0	627.2
CURRENT LIABILITIES												
Liabilities Subject to Compromise (LSTC)	364.5	-	-	(364.5)	-	-	-	-	-	-	-	-
Accounts Payable	18.4	-	-	-	-	-	18.4	4.7	6.5	6.4	8.0	8.0
Accrued Liabilities	83.0	-	-	(34.9)	-	-	48.1	51.7	55.6	55.5	59.3	60.4
Oil And Gas Revenues Held For Distribution	22.3	-	-	(8.0)	-	-	14.3	13.6	16.8	18.5	23.4	26.6
TOTAL CURRENT LIABILITIES	488.1	-	-	(407.3)	-	-	80.8	69.9	78.9	80.4	90.7	95.0
NON CURRENT LIABILITIES												
Long-Term Debt	4,192.8	(3,250.00)	-	-	275.0	(942.8)	275.0	202.2	213.0	216.2	220.9	209.0
Other Long-Term Liabilities	85.3	-	-	(36.8)	-	-	48.5	51.1	52.3	53.6	55.3	57.0
Deferred Income Taxes	0.0	-	-	(0.0)	-	-	-	-	0.4	3.2	8.9	18.7
Preferred Shares Subject To Mandatory Redemption	-	-	-	-	-	-	-	-	-	-	-	-
Puttable Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
NON CURRENT LIABILITIES	4,278.1	(3,250.0)	-	(36.8)	275.0	(942.8)	323.5	253.3	265.6	273.0	285.1	284.7
TOTAL LIABILITIES	4,766.3	(3,250.0)	-	(444.1)	275.0	(942.8)	404.3	323.2	344.5	353.4	375.8	379.7
SHAREHOLDERS' EQUITY												
Common Stock	8.5	-	(8.5)	-	-	-	-	-	-	-	-	-
Additional Paid-In Capital	4,319.2	-	(4,319.2)	-	-	-	-	-	-	-	-	-
Accumulated Other Comprehensive Income / (Loss)	(17.9)	-	17.9	-	-	-	-	-	-	-	-	-
Retained Earnings	(7,818.5)	3,250.0	4,309.8	473.1	-	-	214.4	212.8	215.0	220.1	230.2	247.5
TOTAL SHAREHOLDERS' EQUITY	(3,508.7)	3,250.0	-	473.1	-	-	214.4	212.8	215.0	220.1	230.2	247.5
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	1,257.6	-	-	28.9	275.0	(942.8)	618.7	536.0	559.5	573.6	606.0	627.2

[1] Opening liquidity is assumed to range from approximately $42 to $52 million on the Effective Date as a result of incremental sources and uses of cash relating to: a new money investment via an equity rights offering, inclusion of unencumbered assets previously contemplated to be contributed to the Settlement Trust, proceeds from miscellaneous asset sales, an increase in the initial borrow base on the Exit RBL ($280 million), the settlement payment made to unsecured creditors, and the anticipated timing of emergence, among other items.

[2] The above pro forma balance sheet assumes a mid-point Total Enterprise Value of the Reorganized Debtors of $550 million for purposes of determining the fair value of the Reorganized Debtors' assets and liabilities on the Effective Date. Due to the items discussed in footnote 1 above, the Total Enterprise Value of the Reorganized Debtors is now expected to range from $550 to $650 million, with a mid-point of $600 million.

V. ADJUSTED PRO FORMA INCOME STATEMENT FOR THE PERIODS ENDING DECEMBER 31, 2017 THROUGH DECEMBER 31, 2021

($ in millions)

	FY				
	2017	2018	2019	2020	2021
CONSOLIDATED INCOME STATEMENT					
NET REVENUE					
Natural Gas	94.4	106.0	114.8	128.0	144.1
NGL	19.2	16.9	15.2	14.2	13.4
Midstream Income	5.0	5.6	6.1	6.6	7.1
Natural Gas and Natural Gas Liquids Revenue	118.6	128.5	136.1	148.9	164.6
Crude Oil Revenue	36.3	34.9	33.2	31.8	30.6
Operating Revenue	154.9	163.4	169.4	180.7	195.2
Realized Hedges	8.4	-	-	-	-
TOTAL NET REVENUE	163.3	163.4	169.4	180.7	195.2
NET OPERATING EXPENSES					
LOE	58.3	54.7	52.1	50.4	49.1
Severance Tax	6.9	7.1	7.2	7.5	8.0
Ad Valorem Tax	5.6	5.6	5.6	5.8	6.1
DD&A	54.7	55.2	58.4	62.1	65.6
G&A, Net of Recoveries	25.0	25.4	25.7	26.1	26.5
Restructuring	(2.8)	-	-	-	-
TOTAL NET OPERATING EXPENSES	147.7	149.1	150.3	153.7	156.9
INCOME / (LOSS) FROM OPERATIONS	15.6	14.3	19.1	27.0	38.3
Other (Income) Loss[1]	(8,032.8)	-	-	-	-
Interest (Income) Expense	14.2	10.7	11.1	11.3	11.2
INCOME / (LOSS) BEFORE INCOME TAXES	8,034.2	3.5	8.0	15.7	27.1
Income Tax Provision (Benefit)	0.5	1.3	2.9	5.7	9.8
NET INCOME	8,033.7	2.3	5.1	10.1	17.3
ADJUSTED EBITDA					
Net Income	8,033.7	2.3	5.1	10.1	17.3
+ / (-) Interest (Income) Expense	14.2	10.7	11.1	11.3	11.2
+ / (-) Income Tax Provision (Benefit)	0.5	1.3	2.9	5.7	9.8
+ / (-) Gain / Loss on Terminated Futures Contracts	(8.4)	-	-	-	-
+ DD&A	54.7	55.2	58.4	62.1	65.6
+ Restructuring Charges	(2.8)	-	-	-	-
+ Other Non Reoccurring Charges	(8,032.8)	-	-	-	-
ADJUSTED EBITDA	59.0	70.6	78.8	90.9	105.6
EBITDA $ / Mcfe	*1.21*	*1.34*	*1.41*	*1.52*	*1.67*

(1) FY2017 includes impact of fresh start accounting adjustments.

a. Revenue

Total revenue includes: (1) production revenue generated from the exploration for and development, production, gathering and sale of oil, natural gas and natural gas liquids[3], and (2) midstream revenue generated from third party gathering fees charged to the Company's working interest partners. The

[3] Forecasted Operating Revenue displayed above assumes only encumbered oil and gas production volumes. If unencumbered oil and gas production volumes were to be included in the Financial Projections, there would be a slight immaterial increase in the Reorganized Debtors' total production volumes.

production forecast incorporates a July 2017 restart of the Company's operated drilling program. The price forecast incorporates October 31, 2016 strip pricing.[4]

b. Lease Operating Expenses

Lease operating expenses ("LOE") for the Company's PDP reserves are forecasted by business unit ("PDP LOE"). The assumed PDP LOE rate by business unit is based on an analysis of historical run-rate LOE. Beginning in July 2017, the forecasted LOE for the Company's new drilling program is based on a variable rate as well as a fixed cost component per well.

c. Severance & Ad Valorem Taxes

Severance & ad valorem taxes are forecasted at the business-unit level based on tax rates applicable in the jurisdiction of production.

d. G&A, Net of Recoveries

Gross G&A includes: wages and benefits, employee and non-insider bonuses and incentive compensation, insider bonuses and non-compensation expenses. Total wages and benefits are inclusive of the Debtors' operating restructuring initiatives in 2015 and 2016, and planned operating restructuring initiatives in 2017. Gross G&A is reduced by amounts reclassified to LOE and billed to the Company's operated wells under rules established by the Council of Petroleum Accountants Societies, Inc. ("Overhead Recoveries"). Field-level employee compensation expense is classified as LOE. G&A, net of Overhead Recoveries, is forecasted to range from approximately $0.42 / Mcfe to $0.51 / Mcfe over the Projection Period.[5]

e. Restructuring

The incurrence of restructuring charges, such as advisor fees, severance and employee retention programs, is assumed to end upon emergence and thus does not impact the Financial Projections.

f. Interest Expense

Interest expense is based on the Company's estimated post-emergence capital structure, and is assumed to be effective beginning March 1, 2017 or thereafter. The post-emergence capital structure assumes a $280 million initial borrowing base under the first lien Exit RBL facility. The Exit RBL facility bears interest at an annual rate of LIBOR plus 450 basis points when fully drawn, and 50 basis points for any unused commitment.

g. Income Taxes

Income tax benefit/expense is calculated based on the U.S. statutory rate of 35% and a state tax rate of 1%, for a combined rate of 36%. The Company is not expected to be a cash tax payer during the Projection Period.

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[4] Since October 31, 2016, there has been an improvement in strip pricing, most notably through the first half of 2018 when compared to December 28, 2016 strip pricing.

[5] The Debtors are assessing certain initiatives which, if progressed, would require the Reorganized Debtors retain certain organizational capabilities which were previously assumed to be discarded. In such case, G&A, net of Overhead Recoveries, may be slightly higher than originally forecasted.

VI. ADJUSTED PRO FORMA STATEMENT OF CASH FLOWS FOR THE PERIODS ENDING DECEMBER 31, 2017 THROUGH DECEMBER 31, 2021

($ in millions)

	FY				
	2017	2018	2019	2020	2021
CONSOLIDATED STATEMENT OF CASH FLOWS					
CASH FLOW FROM OPERATING ACTIVITIES					
Net Income / (Loss)	8,033.7	2.3	5.1	10.1	17.3
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Commodity Derivatives, Net	(8.4)	-	-	-	-
Cash Settlement of Commodity Derivatives, Net	8.4	-	-	-	-
Stock Based Compensation	-	-	-	-	-
DD&A	54.7	55.2	58.4	62.1	65.6
Impairment of Oil And Gas Properties	-	-	-	-	-
Asset Retirement Obligation Accretion	-	1.2	1.3	1.7	1.8
Accretion of Preferred Stock Not Capitalized	-	-	-	-	-
Amortization of Debt Cost Not Capitalized	-	-	-	-	-
Provision For Deferred Income Taxes	0.5	1.3	2.9	5.7	9.8
Other Noncash Items	(8,032.8)	-	-	-	-
Net Change in Operating Assets and Liabilities:					
Accounts Receivable, Net	10.9	(10.0)	(2.3)	(12.6)	(4.4)
Prepaids & Other	-	-	-	-	-
Liabilities Subject to Compromise (LSTC)	-	-	-	-	-
Accounts Payable	(12.6)	1.0	(0.1)	1.1	0.0
Accrued Liabilities	(35.4)	(0.3)	(0.1)	0.9	1.0
Oil And Gas Revenues Held For Distribution	(3.2)	3.2	1.7	4.9	3.2
Deferred Credits and Other Long Term Liabilities	(0.4)	0.0	0.0	0.0	0.0
NET CASH PROVIDED BY OPERATING ACTIVITIES	15.4	53.8	66.8	73.8	94.3
CASH FLOW FROM INVESTING ACTIVITIES					
Capital Expenditures (excluding interest)	(24.3)	(64.6)	(70.1)	(78.5)	(82.4)
Divestiture Proceeds	-	-	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(24.3)	(64.6)	(70.1)	(78.5)	(82.4)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds From Long Term Debt	0.4	15.1	11.7	13.1	10.3
Repayment of Long Term Debt	(741.0)	(4.3)	(8.5)	(8.4)	(22.2)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(740.6)	10.8	3.3	4.7	(11.9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	759.6	10.0	10.0	10.0	10.0
CHANGE IN CASH FROM NET ACTIVITIES	(749.6)	(0.0)	(0.0)	(0.0)	0.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10.0	10.0	10.0	10.0	10.0