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)

DEBTORS' MEMORANDUM OF LAW IN SUPPORT OF CONFIRMATION OF GLOBAL SETTLEMENT JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SAMSON RESOURCES CORPORATION AND ITS DEBTOR AFFILIATES AND OMNIBUS REPLY TO OBJECTIONS THERETO

[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.

TABLE OF CONTENTS

Page

Introduction.....1

Background.....3

I. Procedural History.....3

II. Voting Results.....4

III. Plan Modifications.....5

Argument.....6

I. The Plan Satisfies Each Requirement for Confirmation.....6

A. The Plan Complies with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(1)).....7

1. The Plan Satisfies the Classification Requirements of Section 1122 of the Bankruptcy Code.....7

2. The Plan Satisfies the Mandatory Requirements of Section 1123(a) of the Bankruptcy Code.....9

B. The Debtors Have Complied with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(2)).....11

1. The Debtors Have Complied with the Disclosure and Solicitation Requirements of Section 1125.....12

2. The Debtors Have Satisfied the Plan Acceptance Requirements of Section 1126.....13

C. The Plan Has Been Proposed in Good Faith and Not By Any Means Forbidden By Law (Section 1129(a)(3)).....15

D. The Plan Provides for Court Approval of Certain Administrative Payments (Section 1129(a)(4)).....16

E. Post-Emergence Directors Have Been Disclosed Before the Final Effective Date and Their Appointment is Consistent with Public Policy (Section 1129(a)(5)).....17

F. The Plan Does Not Require Governmental Approval of Rate Changes (Section 1129(a)(6)).....18

G. The Plan Is in the Best Interests of Creditors and Interest Holders (Section 1129(a)(7)).....18

H. The Plan Can Be Confirmed Notwithstanding the Requirements of Section 1129(a)(8). 20

I. The Plan Complies with Statutorily Mandated Treatment of Administrative and Priority Tax Claims (Section 1129(a)(9)). 20

J. At Least One Impaired Class of Claims Has Accepted the Plan, Excluding the Acceptance of Insiders (Section 1129(a)(10)). 21

K. The Plan Is Feasible (Section 1129(a)(11)). 22

L. The Plan Provides for Payment of All Fees Under 28 U.S.C. § 1930 (Section 1129(a)(12)). 24

M. Sections 1129(a)(13)–(16) Are Inapplicable. (Sections 1129(a)(13)–(16)). 24

N. The Plan Complies with the Other Provisions of Section 1129 of the Bankruptcy Code (Section 1129(c)-(e)). 25

II. The Plan Satisfies the "Cramdown" Requirements of Section 1129(b) of the Bankruptcy Code. 26

A. The Plan Does Not Unfairly Discriminate with Respect to Impaired Classes that Have Not Voted to Accept the Plan (Section 1129(b)(1)). 26

B. The Plan Is Fair and Equitable with Respect to the Deemed Rejecting Classes (Section 1129(b)(2)). 28

III. The Discretionary Contents of the Plan Are Appropriate and Should Be Approved. 29

A. The Plan Settlement of Claims and Controversies Is Fair and Equitable and Should Be Approved. 29

B. The Plan's Release Are Appropriate and Should Be Approved 31

1. The Debtor Releases in the Plan Are Appropriate. 31

2. The Third Party Releases in the Plan Are Appropriate 34

C. The Plan Complies with Section 1123(d) of the Bankruptcy Code. 36

D. Cause Exists to Waive a Stay of the Confirmation Order. 37

IV. The Unresolved Objections Should Be Overruled. 38

A. J-W Power Objection. 38

B. The MBOE Objection. 39

C. The Floyd Alford Objection. 39

Conclusion 40

TABLE OF AUTHORITIES

Page(s)

Cases

In re 203 N. LaSalle St. Ltd. P'ship., 190 B.R. 567 (Bankr. N.D. Ill. 1995), *rev'd on other grounds, Bank of Am.*, 526 U.S. 434 (1999) 27, 28

In re Aleris Int'l, Inc., No. 09-10478 (BLS), 2010 WL 3492664 (Bankr. D. Del. May 13, 2010).....23

In re Am. Solar King Corp., 90 B.R. 808 (Bankr. W.D. Tex. 1988).....6

In re Ambanc La Mesa Ltd. P'ship, 115 F.3d 650 (9th Cir. 1997) 27

In re Amicus Wind Down Corp. (f/k/a Friendly Ice Cream Corp.), No. 11-13167 (KG) (Bankr. D. Del. June 4, 2012) 38

In re Appleseed's Intermediate Holdings LLC, No. 11-10160 (KG) (Bankr. D. Del. Apr. 14, 2011).....38

In re Armstrong World Indus., Inc., 348 B.R. 111 (D. Del. 2006).....7

In re Aztec Co., 107 B.R. 585 (Bankr. M.D. Tenn. 1989) 27, 28

Bank of Am. Nat'l Trust and Sav. Ass'n v. 203 N. LaSalle St. P'ship, 526 U.S. 434 (1999).....19, 28

In re Bowles, 48 B.R. 502 (Bankr. E.D. Va. 1985).....27

In re Chapel Gate Apartments, Ltd., 64 B.R. 569 (Bankr. N.D. Tex. 1986).....17, 18

In re Coram Healthcare Corp., 315 B.R. 321 (Bankr. D. Del. 2004) 30, 32, 36

In re Dex One Corp., No. 13-10533 (KG) (Bankr. D. Del. Apr. 29, 2013).....38

In re Dura Auto Sys., Inc., No. 06-11202 (KJC) (Bankr. D. Del. May 13, 2008) 36

In re EBHI Holdings, Inc., No. 09-12099 (MFW) (Bankr. D. Del. Jan. 26, 2010).....36

In re Eddington Thread Mfg. Co., 181 B.R. 826 (Bankr. E.D. Pa. 1995) 23

In re Exaeris, Inc., 380 B.R. 741 (Bankr. D. Del. 2008) 32

Page(s)

In re Exide Technologies,
303 B.R. 48 (Bankr. D. Del. 2003) 36

In re Foamex Int'l Inc.,
No. 05-12685 (PJW) (Bankr. D. Del. Feb. 1, 2007) 36

In re Freymiller Trucking, Inc.,
190 B.R. 913 (Bankr. W.D. Okla. 1996) 27

In re Future Energy Corp.,
83 B.R. 470 (Bankr. S.D. Ohio 1988) 17

In re Greate Bay Hotel & Casino, Inc.,
251 B.R. 213 (Bankr. D.N.J. 2000) 27

In re Indianapolis Downs, LLC,
486 B.R. 286 (Bankr. D. Del. 2013) 32, 34, 35, 36

In re ION Media Networks, Inc.,
419 B.R. 585 (Bankr. S.D.N.Y. 2009) 29

In re J.L. French Auto. Castings, Inc.,
No. 06-10119 (MFW) (Bankr. D. Del. Jun. 21, 2006) 36

In re Jersey City Med. Ctr.,
817 F.2d 1055 (3d Cir. 1987) 8

In re JHT Holdings, Inc.,
No. 08-11267 (BLS) (Bankr. D. Del. Oct. 6, 2008) 36

John Hancock Mut. Life Ins. Co. v. Route 37 Bus. Park Assocs.,
987 F.2d 154 (3d Cir. 1993) 7

In re Johns-Manville Corp.,
68 B.R. 618 (Bankr. S.D.N.Y. 1986), *aff'd*, 78 B.R. 407 (S.D.N.Y. 1987) 27

Kane v. Johns-Manville Corp. (In re Johns-Manville Corp.),
843 F.2d 636 (2d Cir. 1988) 23, 27

In re Key3Media Grp., Inc.,
336 B.R. 87 (Bankr. D. Del. 2005) 34

In re Lapworth,
No. 97-34529 (DWS), 1998 WL 767456 (Bankr. E.D. Pa. Nov. 2, 1998) 12

In re Lear Corp.,
No. 09-14326 (ALG), 2009 WL 6677955 (Bankr. S.D.N.Y. Nov. 5, 2009) 36

In re Local Insight Media Holdings, Inc.,
No. 10-13677 (KG) (Bankr. D. Del. Nov. 3, 2011) 38

In re Madison Hotel Assocs.,
749 F.2d 410 (7th Cir. 1984) 16

Page(s)

In re Majestic Star Casino, LLC,
No. 09-14136 (KG) (Bankr. D. Del. Mar. 10, 2011) 38

In re Martin,
91 F.3d 389 (3d Cir. 1996) 30, 31, 32

In re Master Mortg. Inv. Fund, Inc.,
168 B.R. 930 (Bankr. W.D. Mo. 1994) 33

Momentum Mfg. Corp. v. Emp. Creditors Comm. (In re Momentum Mfg. Corp.),
25 F.3d 1132 (2d Cir. 1994) 13

In re NII Holdings, Inc.,
288 B.R. 356 (Bankr. D. Del. 2002) 16

In re Nutritional Sourcing Corp.,
398 B.R. 816 (Bankr. D. Del. 2008) 7

Platinum Cap., Inc. v. Sylmar Plaza, L.P. (In re Sylmar Plaza, L.P.),
314 F.3d 1070 (9th Cir. 2002) 16

In re Riggel,
142 B.R. 199 (Bankr. S.D. Ohio 1992) 9

In re S&W Enter.,
37 B.R. 153 (Bankr. N.D. Ill. 1984) 7

In re Smith,
357 B.R. 60 (Bankr. M.D.N.C. 2007), *appeal dismissed*, No. 1:07CV30, 2007 WL 1087575 (M.D.N.C. Apr. 4, 2007) 19

In re Spansion, Inc.,
426 B.R. 114 (Bankr. D. Del. 2010) 32, 35

In re Specialty Equip. Cos.,
3 F.3d 1043 (7th Cir. 1993) 36

In re Tribune Co.,
464 B.R. 126 (Bankr. D. Del. 2011), *modified*, 464 B.R. 208 (Bankr. D. Del. 2011) 33

In re W. Coast Video Enters., Inc.,
174 B.R. 906 (Bankr. E.D. Pa. 1994) 36

In re Wash. Mut., Inc.,
442 B.R. 314 (Bankr. D. Del. 2011) 32, 33, 34, 35

In re World Health Alts., Inc.,
344 B.R. 291 (Bankr. D. Del. 2006) 32

In re Worldcom, Inc.,
No. 02-13533 (AJG), 2003 WL 23861928 (Bankr. S.D.N.Y. Oct. 31, 2003) 12

In re Zenith Elecs. Corp.,
241 B.R. 92 (Bankr. D. Del. 1999) ..... *passim*

Page(s)

Statutes

11 U.S.C. 1123(b) 29
11 U.S.C. 1123(d) 37
11 U.S.C. § 101(31) 18
11 U.S.C. § 101(51D)(B) 26
11 U.S.C. § 365 37
11 U.S.C. § 365(b)(1) 40
11 U.S.C. § 365(f) 38
11 U.S.C. § 503(b) 21
11 U.S.C. § 506(b) 44
11 U.S.C. § 507(a)(2) 21
11 U.S.C. § 510(b) 5, 8, 14, 28
11 U.S.C. § 1102 3
11 U.S.C. § 1114 25
11 U.S.C. § 1122 ..... 6, 7, 8, 9
11 U.S.C. § 1122(b) 8
11 U.S.C. § 1123 ..... 6, 7, 32
11 U.S.C. § 1123(a) 9, 10, 11, 12
11 U.S.C. § 1123(a)(1) 10
11 U.S.C. § 1123(a)(2) 10
11 U.S.C. § 1123(a)(3) 10
11 U.S.C. § 1123(a)(4) 10
11 U.S.C. § 1123(a)(5) 10
11 U.S.C. § 1123(a)(7) 11
11 U.S.C. § 1123(b) 29
11 U.S.C. § 1123(b)(3)(A) 30, 32
11 U.S.C. § 1123(d) 37
11 U.S.C. § 1125 ..... 12, 13
11 U.S.C. § 1125(a)(1) 13
11 U.S.C. § 1125(b) 12
11 U.S.C. § 1125(c) 13

Page(s)

11 U.S.C. § 1126 ..... 4, 12, 14, 15
11 U.S.C. § 1126(c) 14, 15
11 U.S.C. § 1126(d) 14, 15
11 U.S.C. § 1126(e) 15
11 U.S.C. § 1126(f) 14
11 U.S.C. § 1126(g) 14
11 U.S.C. § 1127(a) 6
11 U.S.C. § 1129 ..... 3, 7, 25
11 U.S.C. § 1129(a) 6
11 U.S.C. § 1129(a) 25
11 U.S.C. § 1129(a)(1) 7
11 U.S.C. § 1129(a)(2) 12, 15
11 U.S.C. § 1129(a)(3) 15, 16, 17
11 U.S.C. § 1129(a)(4) 17, 18
11 U.S.C. § 1129(a)(5) 18
11 U.S.C. § 1129(a)(5)(A)(i) 18
11 U.S.C. § 1129(a)(5)(A)(ii) 18
11 U.S.C. § 1129(a)(5)(B) 18
11 U.S.C. § 1129(a)(6) 19
11 U.S.C. § 1129(a)(7) 19, 20
11 U.S.C. § 1129(a)(7)(A) 19
11 U.S.C. § 1129(a)(8) 21, 26
11 U.S.C. § 1129(a)(9) 21, 22
11 U.S.C. § 1129(a)(9)(A) 21
11 U.S.C. § 1129(a)(9)(C) 22
11 U.S.C. § 1129(a)(10) 22
11 U.S.C. § 1129(a)(11) 22, 23, 24
11 U.S.C. § 1129(a)(12) 25
11 U.S.C. § 1129(a)(13) 25
11 U.S.C. § 1129(a)(14) 25
11 U.S.C. § 1129(a)(15) 25

Page(s)

11 U.S.C. § 1129(a)(16) 25
11 U.S.C. § 1129(b) ..... *passim*
11 U.S.C. § 1129(b)(1) 26, 27
11 U.S.C. § 1129(b)(2) 28
11 U.S.C. § 1129(b)(2)(A)(i)(II) 44
11 U.S.C. § 1129(b)(2)(B)(ii) 28
11 U.S.C. § 1129(b)(2)(C)(ii) 28
11 U.S.C. § 1129(c) 25
11 U.S.C. § 1129(d) 25, 26
26 U.S.C. § 511 42
26 U.S.C. § 1129(a)(9)(c) 42
28 U.S.C. § 1930 25
Texas Property Tax Code § 33.01(c) 44

Rules

Fed. R. Bankr. P. 1015(b) 3
Fed. R. Bankr. P. 3017 12
Fed. R. Bankr. P. 3018 12
Fed. R. Bankr. P. 3019(a) 6
Fed. R. Bankr. P. 3020(e) 37, 49
Fed. R. Bankr. P. 6004(h) 37
Fed. R. Bankr. P. 6006(d) 37
Fed. R. Bankr. P. 9019 ..... 30, 32

Other Authorities

H.R. Rep. No. 595, 95th Cong., 1st Sess. (1977) 7, 12
S. Rep. No. 989, 95th Cong., 2d Sess. (1978) 7, 12

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully submit this memorandum of law in support of confirmation of the *Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1882] (as modified, amended, or supplemented from time to time in accordance with its terms, the "Plan") and omnibus rely to objections thereto.[2] In support of confirmation of the Plan, the Debtors respectfully state as follows.[3]

Introduction

1. The Plan, which incorporates a full and complete settlement among the Debtors and each of their major creditor constituencies, satisfies all applicable provisions of the Bankruptcy Code, including section 1129. Importantly, each class of creditors entitled to vote on the Plan voted overwhelmingly to accept the Plan. The product of months of intense arms' length negotiations and mediation, the Plan represents the best available alternative to resolve these chapter 11 cases, reorganize the Debtors' remaining businesses and maximize creditor recoveries.

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2 Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

3 The facts and circumstances supporting the confirmation of the Plan are set forth in, among other things, the *Declaration of Michael O'Hara in Support of Confirmation of the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1996] (the "O'Hara Declaration"), the *Declaration of Christopher Arnett in Support of Confirmation of the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 2002] (the "Arnett Declaration"), the *Declaration of John L. Stuart in Support of Confirmation of the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 2001] (the "Stuart Declaration"), the *Declaration of Alan B. Miller in Support of Confirmation of Debtors' Joint Chapter 11 Plan of Reorganization* [Docket No. 1994] (the "Miller Declaration"), the *Declaration of Daniel J. Friske in Support of the Debtors' Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1999] (the "Friske Declaration"), the *Declaration of Lisa Johnson in Support of Confirmation of the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates and Regarding Certain Claims-Related Matters* [Docket No. 2003] (the "Johnson Declaration"), and the *Declaration of Craig E. Johnson of Garden City Group, LLC, Certifying the Methodology for the Tabulation of Votes and Results of Voting With Respect to the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and its Debtor Affiliates* [Docket No. 1993] (the "Voting Report"), each filed contemporaneously herewith and incorporated herein by reference.

2. More specifically, the Plan reflects the terms of the global settlement agreed to by the Debtors, certain First Lien Lenders, the Second Lien Agent, and the Committee.[4] Pursuant to the Plan and global settlement:

- the Debtors' First Lien Lenders will receive a full recovery in cash and new secured debt;
- holders of general unsecured claims (other than unsecured second lien deficiency claims and Sponsor management fee 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) and all estate claims and causes of action not otherwise released by the plan;
- the Debtors' Second Lien Lenders (1) will receive substantially all of the equity in the Reorganized Debtors (subject to dilution by the Debtors' management incentive plan and new common stock issued in connection with a rights offering to Second Lien Lenders and a backstop commitment provided by certain Second Lien Lenders), (2) will have the right to participate in a backstopped rights offering that will raise funds needed to fund obligations under the Plan and the global settlement, (3) as part of the compromise embodied by the Plan, will waive the second lien deficiency claims and their adequate protection claims, provided, that they shall be permitted to retain all payments in respect of advisory fees as provided for under the Plan; and
- 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.

3. The Debtors received fourteen objections to Confirmation of the Plan. To date, the Debtors believe that they have successfully resolved eleven of these objections, five of which have been withdrawn, and they hope and expect to resolve additional objections before the Confirmation Hearing. To the extent not resolved, the Debtors believe, for the reasons stated herein, that the objections should be overruled.

[4] Certain aspects of the global settlement are also set forth in a stipulation (the "Stipulation") previously approved by this Court [Docket No. 1875].

Background

I. Procedural History.

4. On September 16, 2015 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On September 18, 2015, the Court entered an order [Docket No. 70] authorizing joint administration and procedural consolidation of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). On September 30, 2015, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code.

5. On January 12, 2017, the Court entered the *Order Approving (I) Disclosure Statement for the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates, (II) Solicitation Procedures, (III) Voting Instructions, (IV) Forms of Ballots and Notice in Connection Therewith, and (V) Certain Dates With Respect Thereto* [Docket No. 1868] (the "Disclosure Statement Order"). The Disclosure Statement Order approved, among other things, the proposed procedures for solicitation of the Plan and related notices, forms, and ballots (collectively, the "Solicitation Packages").

6. The deadline for all holders of Claims and Interests entitled to vote on the Plan to cast their ballots was February 6, 2017, at 5:00 p.m. (prevailing Eastern Time) (the "Voting Deadline"). The deadline to file objections to the Plan was February 9, 2017, at 5:00 p.m. (prevailing Eastern Time). The hearing on the Plan's Confirmation (the "Confirmation Hearing") is scheduled for February 13, 2017, at 12:00 p.m. (prevailing Eastern Time). Before the Confirmation Hearing, the Debtors will submit a proposed order confirming the Plan (the "Confirmation Order").

II. Voting Results.

7. In accordance with the Bankruptcy Code, only holders of Claims and Interests in Impaired Classes receiving or retaining property on account of such Claims or Interests were entitled to vote on the Plan.[5] Holders of Claims and Interests were not entitled to vote if their rights are: (a) Unimpaired by the Plan; or (b) Impaired by the Plan such that they will receive no distribution of property under the Plan. As a result, the following Classes of Claims and Interests were ***not*** entitled to vote on the Plan, and the Debtors did not solicit votes from holders of such Claims and Interests:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
6	Section 510(b) Claims	Impaired	Deemed to Reject
7	Intercompany Claims	Un/Impaired	Presumed to Accept/Deemed to Reject
8	Intercompany Interests	Un/Impaired	Presumed to Accept/Deemed to Reject
9	Interests in Parent	Impaired	Deemed to Reject

8. Accordingly, the Debtors only solicited votes on the Plan from holders of Claims in Impaired Classes receiving or retaining property on account of such Claims. The voting results, as reflected in the Voting Report, are summarized as follows:

[5] *See* 11 U.S.C. § 1126.

CLASSES	TOTAL BALLOTS RECEIVED			
	Accept		Reject	
	AMOUNT (% of Amount Voted)	NUMBER (% of Number Voted)	AMOUNT (% of Amount Voted)	NUMBER (% of Number Voted)
Class 3 – First Lien Secured Claims (All Debtors)	$945,831,990.20 100.00%	19 100.00%	$0.00 0.00%	0 0.00%
Class 4 – Second Lien Secured Claims (All Debtors)	$889,797,847.91 100.00%	118 100.00%	$0.00 0.00%	0 0.00%
Class 5 – General Unsecured Claims (Samson Resources Corporation)	$1,949,259,372.55 99.84%	225 89.29%	$3,056,976.04 0.16%	27 10.71%
Class 5 – General Unsecured Claims (Geodyne Resources, Inc.)	$1,915,008,544.00 99.85%	156 95.71%	$2,903,004.00 0.15%	7 4.29%
Class 5 – General Unsecured Claims (Samson Contour Energy Co.)	$1,915,008,544.00 99.85%	156 95.71%	$2,903,004.00 0.15%	7 4.29%
Class 5 – General Unsecured Claims (Samson Contour Energy E&P, LLC)	$1,915,633,389.76 99.85%	156 93.41%	$2,903,008.00 0.15%	11 6.59%
Class 5 – General Unsecured Claims (Samson Holdings, Inc.)	$1,915,008,543.00 99.85%	155 96.27%	$2,903,003.00 0.15%	6 3.73%
Class 5 – General Unsecured Claims (Samson-International, Ltd.)	$1,915,008,543.00 99.85%	155 96.27%	$2,903,003.00 0.15%	6 3.73%
Class 5 – General Unsecured Claims (Samson Investment Company)	$1,915,510,729.84 99.85%	162 95.29%	$2,903,005.00 0.15%	8 4.71%
Class 5 – General Unsecured Claims (Samson Lone Star)	$1,915,343,320.16 99.81%	179 91.79%	$3,720,726.15 0.19%	16 8.21%
Class 5 – General Unsecured Claims (Samson Resources Company)	$1,918,370,322.73 99.84%	208 90.83%	$2,996,719.96 0.16%	21 9.17%

9. In sum, creditors representing approximately 99 percent by amount of voted claims and over 96 percent by number in the aggregate voted to accept the Plan. As set forth above and in the Voting Report, all of the Impaired Classes entitled to vote on the Plan (Classes 3, 4, and 5) voted to accept the Plan for each Debtor.

III. Plan Modifications.

10. The Debtors will file a revised Plan with technical modifications, including to resolve objections or concerns raised by various parties and to reflect finalized restructuring documentation (including certain documents included in the Plan Supplement), all in accordance with section 1127(a) of the Bankruptcy Code. None of the Plan modifications will adversely affect the treatment of those Classes of Claims that voted to accept the Plan.[6] Therefore, such

[6] *See* 11 U.S.C. § 1127(a) ("The proponent of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of sections 1122 and

modifications will not require the Debtors to re-solicit acceptances for the Plan.[7] Modifications to the Plan include those described in the Debtors' response to objections to the Plan, in Section IV herein and in **Exhibit A** attached hereto.

Argument

11. This memorandum is organized into four parts. Part I establishes the Plan's compliance with each of the applicable requirements for confirmation under section 1129(a) of the Bankruptcy Code. Part II establishes the Plan's compliance with the "cramdown" provisions of section 1129(b) of the Bankruptcy Code. Part III establishes that certain of the discretionary contents of the Plan, including the releases and settlements, are appropriate and should be approved. Part IV is a response to the objections to the Plan that remain unresolved (or description of the Debtors' proposed resolutions to objections).

I. The Plan Satisfies Each Requirement for Confirmation.

12. To confirm the Plan, the Court must find that the Debtors have satisfied the applicable provisions of section 1129 of the Bankruptcy Code by a preponderance of the evidence.[8] As set forth herein, the Plan fully complies with all relevant sections of the Bankruptcy Code—including sections 1122, 1123, 1125, 1126, and 1129—as well as the Bankruptcy Rules and applicable non-bankruptcy law.

1123 of this title. After the proponent of a plan files a modification of such plan with the court, the plan as modified becomes the plan.").

7 *See* Fed. R. Bankr. P. 3019(a); *In re Am. Solar King Corp.*, 90 B.R. 808, 826 (Bankr. W.D. Tex. 1988) ("[I]f a modification does not 'materially' impact a claimant's treatment, the change is not adverse and the court may deem that prior acceptances apply to the amended plan as well.").

8 *See In re Armstrong World Indus., Inc.*, 348 B.R. 111, 120 (D. Del. 2006) ("[T]he debtor's standard of proof that the requirements of § 1129 are satisfied is preponderance of the evidence.").

A. The Plan Complies with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(1)).

13. Section 1129(a)(1) of the Bankruptcy Code requires that a plan of reorganization comply with the applicable provisions of the Bankruptcy Code, including the rules governing the classification of claims and interests and the contents of a plan of reorganization. Legislative history indicates that section 1129(a)(1) contemplates a plan of reorganization's satisfaction of the requirements contained in sections 1122 and 1123 of the Bankruptcy Code.[9]

1. The Plan Satisfies the Classification Requirements of Section 1122 of the Bankruptcy Code.

14. Each Class provided by the Plan differs from the others in a legal or factual nature or based on other relevant criteria. Courts in this jurisdiction and others have recognized that plan proponents have significant flexibility in placing similar claims into different classes, provided there is a rational basis to do so.[10] Courts have identified several grounds justifying the separate classification of claims, including: (a) where members of a class possess different legal rights; and (b) where sound business reasons support separate classification.[11] Additionally, section 1122(b) of the Bankruptcy Code expressly permits separate classification of certain claims for purposes of administrative convenience.[12]

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9 *See* S. Rep. No. 95-989, 95th Cong., 2d Sess. 126 (1978); H.R. Rep. No. 95-595, 95th Cong., 1st Sess. 412 (1977); *see also In re Nutritional Sourcing Corp.*, 398 B.R. 816, 824 (Bankr. D. Del. 2008); *In re S&W Enter.*, 37 B.R. 153, 158 (Bankr. N.D. Ill. 1984) ("An examination of the Legislative History of [section 1129(a)(1)] reveals that although its scope is certainly broad, the provisions it was more directly aimed at were Sections 1122 and 1123.").

10 *See John Hancock Mut. Life Ins. Co. v. Route 37 Bus. Park Assocs.*, 987 F.2d 154, 158–59 (3d Cir. 1993) (As long as each class represents a voting interest that is "sufficiently distinct and weighty to merit a separate voice in the decision whether the proposed reorganization should proceed," the classification is proper.); *see also In re Jersey City Med. Ctr.*, 817 F.2d 1055, 1061 (3d Cir. 1987) (recognizing that separate classes of claims must be reasonable and allowing a plan proponent to group similar claims in different classes).

11 *See In re Jersey City Med. Ctr.*, 817 F.2d at 1061 ("we agree with the general view which permits the grouping of similar claims in different classes.").

12 11 U.S.C. § 1122(b).

15. The Plan separately classifies Claims into the following Classes based upon differences in the legal nature, priority, and business interests of such Claims:

Class	Claim	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3	First Lien Secured Claims	Impaired	Entitled to Vote
4	Second Lien Secured Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote (Presumed to Accept/Deemed to Reject)
8	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote (Presumed to Accept/Deemed to Reject)
9	Interests in Parent	Impaired	Not Entitled to Vote (Deemed to Reject)

16. The Plan's classification of Claims and Interests satisfies section 1122 of the Bankruptcy Code, because, as stated in the Arnett Declaration, each Class is composed of substantially similar Claims or Interests, respectively, and each instance of separate classification of similar Claims and Interests reflects valid business, factual, and legal reasons.[13] The Debtors' proposed classification system follows the Debtors' capital and corporate structure, and therefore the relative priority of the Claims and Interests. Debt and equity are classified separately, and secured claims are classified separately from unsecured claims.[14] Likewise, other aspects of the classification scheme are related to the different legal or factual nature of each Class—Other Priority Claims (Class 1) are classified separately due to their required treatment under the Bankruptcy Code.[15] In addition, Intercompany Interests are classified separately between interests held by other Debtors (Class 8) and those held by third parties (Class 9), because the Debtors' ownership structure is dependent upon maintaining the Intercompany Interests and,

13 *See* Arnett Declaration ¶7–8.

14 *See* Plan, Art. III.

15 *See In re Riggel*, 142 B.R. 199, 203 (Bankr. S.D. Ohio 1992) (approving classification based on special treatment of certain claims under the Bankruptcy Code).

therefore, the Intercompany Interests may be preserved under the Plan for the administrative convenience of ensuring the preservation of the Debtors' corporate structure after the Final Effective Date.

17. In short, Claims or Interests assigned to each particular Class described above are substantially similar to the other Claims or Interests in each such Class and the distinctions among Classes are based on valid business, factual, and legal reasons. Accordingly, the Debtors submit that the Plan fully complies with and satisfies section 1122 of the Bankruptcy Code.

2. The Plan Satisfies the Mandatory Requirements of Section 1123(a) of the Bankruptcy Code.

18. The Plan satisfies the seven mandatory requirements set forth in section 1123(a) of the Bankruptcy Code because:

- the Plan designates classes of claims and interests;
- the Plan identifies unimpaired classes of claims and interests;
- the Plan specifies treatment of impaired classes of claims and interests;
- the Plan provides the same treatment for each claim or interest of a particular class, unless the holder of a particular claim agrees to a less favorable treatment of such particular claim or interest;
- the Plan provides adequate means for its implementation;
- the Plan and related documents provide for the prohibition of nonvoting equity securities and provide an appropriate distribution of voting power among the classes of securities; and
- the Plan is consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of the reorganized company's officers and directors.[16]

19. Article III of the Plan satisfies the first four requirements of section 1123(a) by: (a) properly designating Classes of Claims and Interests, as required by section 1123(a)(1) of

[16] *See* 11 U.S.C. § 1123(a)(1)–(7).

the Bankruptcy Code; (b) specifying the Classes of Claims and Interests that are Unimpaired under the Plan, as required by section 1123(a)(2) of the Bankruptcy Code; (c) specifying the treatment of each Class of Claims and Interests that is Impaired, as required by section 1123(a)(3) of the Bankruptcy Code; and (d) specifying that the treatment of each Claim or Interest within a Class is the same, unless the Holder of a Claim or Interest consents to less favorable treatment on account of its Claim or Interest, as required by section 1123(a)(4) of the Bankruptcy Code.

20. Article IV and various other provisions of the Plan provide adequate means for the Plan's implementation, thus satisfying the fifth section of 1123(a).[17] Among other things, Article IV and various other provisions of the Plan provide for:

- the sources of consideration for Plan distributions, including Cash on hand, Asset Sales, New Common Stock, Exit Facility, Rights Offering, Settlement Trust Assets, and Sponsor Management Fee Claims;
- the good-faith compromise and general settlement of Claims, including compromise and satisfaction of the Second Lien Adequate Protection Claim;
- the cancellation of notes, instruments, certificates, and other existing securities;
- the authorization for the Debtors or the Reorganized Debtors, as applicable, to take corporate actions necessary to effectuate the Plan, including filing any New Organizational Documents of the Reorganized Debtors;
- the authorization for the Debtors or the Reorganized Debtors, as applicable, to undertake certain Restructuring Transactions, including those contemplated by or necessary to effectuate the Plan;
- the exemption from mortgage recording taxes and other taxes of any transfers of property pursuant to the Plan under section 1146(a);

[17] *See* 11 U.S.C. § 1123(a)(5). Section 1123(a)(5) specifies that adequate means for implementation of a plan may include: (a) retention by the debtor of all or part of its property; (b) the transfer of property of the estate to one or more entities; (c) cancellation or modification of any indenture; (d) curing or waiving of any default; (e) amendment of the debtor's charter; or (f) issuance of securities for cash, for property, for existing securities, in exchange for claims or interests or for any other appropriate purpose.

- the appointment and selection of officers and directors of the Reorganized Parent and other Reorganized Debtors;
- the preservation of certain Debtor and Settlement Trust Causes of Action; and
- the implementation of the Management Incentive Plan for management of the Reorganized Debtors and approval of the Performance Award Program for the first calendar quarter of 2017.[18]

21. Article IV.J of the Plan provides that the New Organizational Documents will prohibit the issuance of non-voting securities, therefore satisfying the sixth requirement of section 1123(a).[19] Finally, Article IV.K of the Plan satisfies the seventh element of section 1123(a) because the procedures for selecting officers and directors of the Reorganized Debtors are consistent with the interests of creditors and equity security holders and with public policy.[20] As set forth in Article IV.K of the Plan, the identities of the individuals proposed to serve initially as directors and officers of the Reorganized Debtors were disclosed in the Plan Supplement.[21] As stated in the Plan Supplement, on the Final Effective Date, the officers of the Reorganized Debtors will be the persons currently serving in such positons. Accordingly, the Debtors respectfully submit that the Plan satisfies section 1123(a) of the Bankruptcy Code.

B. The Debtors Have Complied with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(2)).

22. The Debtors have satisfied section 1129(a)(2) of the Bankruptcy Code, which requires the plan proponent to comply with the applicable provisions of the Bankruptcy Code.[22]

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18 In addition, as provided in the Stuart Declaration, the Debtors will have sufficient liquidity and cash flow to implement their obligations under the Plan and make the required distributions on or after the Initial Effective Date. *See* Stuart Declaration.

19 *See* Plan, Art. IV.J.

20 11 U.S.C. § 1123(a)(7); *see also* Plan, Art. IV.K.

21 *See* Plan, Art. IV.K.

22 *See* 11 U.S.C. § 1129(a)(2).

The legislative history to section 1129(a)(2) provides that section 1129(a)(2) is intended to encompass the disclosure and solicitation requirements set forth in section 1125 and the plan acceptance requirements set forth in section 1126 of the Bankruptcy Code.[23] As set forth below, the Debtors have complied with these provisions, including sections 1125 and 1126 of the Bankruptcy Code, as well as Bankruptcy Rules 3017 and 3018, by distributing the Disclosure Statement and soliciting acceptances of the Plan through their Notice and Claims Agent in accordance with the Disclosure Statement Order.

1. The Debtors Have Complied with the Disclosure and Solicitation Requirements of Section 1125.

23. Section 1125 of the Bankruptcy Code prohibits the solicitation of acceptances or rejections of a plan of reorganization "unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information."[24] Section 1125 ensures that parties in interest are fully informed regarding the debtor's condition so that they may make an informed decision whether to approve or reject the plan.[25]

24. Section 1125 is satisfied here. Before the Debtors solicited votes on the Plan, the Court approved the Disclosure Statement in accordance with section 1125(a)(1).[26] The Court also approved the contents of the Solicitation Packages provided to holders of Claims entitled to

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[23] *See In re Lapworth*, No. 97-34529 (DWS), 1998 WL 767456, at *3 (Bankr. E.D. Pa. Nov. 2, 1998) ("The legislative history of § 1129(a)(2) specifically identifies compliance with the disclosure requirements of § 1125 as a requirement of § 1129(a)(2)."); *In re Worldcom, Inc.*, No. 02-13533 (AJG), 2003 WL 23861928, at *49 (Bankr. S.D.N.Y. Oct. 31, 2003) (stating that section 1129(a)(2) requires plan proponents to comply with applicable provisions of the Bankruptcy Code, including "disclosure and solicitation requirements under sections 1125 and 1126 of the Bankruptcy Code"); S. Rep. No. 989, 95th Cong., 2d Sess., at 126 (1978); H.R. Rep. No. 595, 95th Cong., 1st Sess., at 412 (1977).

[24] 11 U.S.C. § 1125(b).

[25] *See Momentum Mfg. Corp. v. Emp. Creditors Comm. (In re Momentum Mfg. Corp.)*, 25 F.3d 1132, 1136 (2d Cir. 1994) (finding that section 1125 of the Bankruptcy Code obliges a debtor to engage in full and fair disclosure that would enable a hypothetical reasonable investor to make an informed judgment about the plan).

[26] *See generally* Disclosure Statement Order.

vote on the Plan, the non-voting materials provided to parties not entitled to vote on the Plan, and the relevant dates for voting and objecting to the Plan.[27] As stated in the Voting Report, the Debtors, through their Notice and Claims Agent, complied with the content and delivery requirements of the Disclosure Statement Order, thereby satisfying sections 1125(a) and (b) of the Bankruptcy Code.[28] The Debtors also satisfied section 1125(c) of the Bankruptcy Code, which provides that the same disclosure statement must be transmitted to each holder of a claim or interest in a particular Class. Here, the Debtors caused the Disclosure Statement to be transmitted to all parties entitled to vote on the Plan.[29]

25. Based on the foregoing, the Debtors submit that they have complied in all respects with the solicitation requirements of section 1125 of the Bankruptcy Code and the Disclosure Statement Order.

2. The Debtors Have Satisfied the Plan Acceptance Requirements of Section 1126.

26. Section 1126 of the Bankruptcy Code provides that only holders of allowed claims and equity interests in impaired classes that will receive or retain property under a plan on account of such claims or equity interests may vote to accept or reject a plan.[30] As noted above, the Debtors did not solicit votes on the Plan from the following Classes:

- Classes 1 (Other Priority Claims) and 2 (Other Secured Claims), which are Unimpaired under the Plan (collectively, the "Unimpaired Classes").[31] Pursuant to section 1126(f) of the Bankruptcy Code, holders of Claims in the Unimpaired Classes are conclusively presumed to have accepted the Plan and, therefore, were not entitled to vote on the Plan.

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27 *Id.*

28 *See* Voting Report ¶¶ 14–25; *see also Affidavit of Service of Solicitation Materials* [Docket No. 1932] (the "Solicitation Affidavit") ¶¶ 7–22.

29 *See* Voting Report ¶¶ 14–19; *see* also Solicitation Affidavit ¶¶ 11–18.

30 *See* 11 U.S.C. § 1126.

31 *See* Plan, Art. III.A.

- Class 6 (Section 510(b) Claims) and Class 9 (Interest in Parent) are Impaired under the Plan and will not receive any distributions or retain any property under the Plan (the "Deemed Rejecting Class").[32] Pursuant to section 1126(g) of the Bankruptcy Code, holders of Claims and Interests in the Deemed Rejecting Class are deemed to have rejected the Plan and, therefore, were not entitled to vote on the Plan.

- Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests) are Unimpaired/Impaired only to the extent necessary to preserve the Debtors' corporate structure. To the extent these Classes receive any recovery at all, it is simply to maintain the Debtors' prepetition organizational structure for the administrative benefit of the Reorganized Debtors and has no economic substance.

27. Accordingly, the Debtors solicited votes only from holders of Allowed Claims in Classes 3, 4, and 5 (collectively, the "Voting Classes"), because each of these Classes is Impaired and entitled to receive a distribution under the Plan.[33] With respect to the Voting Classes, section 1126(c) of the Bankruptcy Code provides that:[34]

> A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of [section 1126], that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of [section 1126], that have accepted or rejected such plan.[35]

28. The Voting Report, summarized above, reflects the results of the voting process in accordance with section 1126 of the Bankruptcy Code.[36] As set forth in the Voting Report, each of the three Voting Classes overwhelmingly voted to accept the Plan for each Debtor. In the aggregate, creditors holding approximately $33,794,819,852.03 of Claims entitled to vote

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32 *Id.*

33 *Id.*; *see generally* Solicitation Affidavit.

34 No Classes of Interests were entitled to vote on the Plan. *See* Plan, Art. III.A. Therefore, the Debtors do not need to comply with section 1126(d) of the Bankruptcy Code.

35 11 U.S.C. § 1126(c).

36 *See generally* Voting Report.

accepted the Plan, representing approximately 99 percent by amount and over 96 percent by number. Based on the foregoing, the Debtors submit that they have satisfied the requirements of section 1129(a)(2). No Classes of Interests were entitled to vote on the Plan.[37] Therefore, the Debtors do not need to comply with section 1126(d) of the Bankruptcy Code.

C. The Plan Has Been Proposed in Good Faith and Not By Any Means Forbidden By Law (Section 1129(a)(3)).

29. Section 1129(a)(3) of the Bankruptcy Code requires that a chapter 11 plan be "proposed in good faith and not by any means forbidden by law."[38] Where the plan proponent proposes the plan with the legitimate and honest purpose to reorganize and has a reasonable hope of success, the plan proponent satisfies the good faith requirement of section 1129(a)(3) of the Bankruptcy Code.[39] Thus, "good faith" should be evaluated in light of the totality of the circumstances surrounding the development of the plan.[40]

30. The Debtors negotiated, developed, and proposed the Plan in good faith in accordance with section 1129(a)(3). As explained in the Miller Declaration, the Plan was negotiated with and is supported by the First Lien Agent, a steering committee of First Lien Lenders, the Second Lien Steering Committee, the Committee, and the Sponsors. The parties only came to consensus on the Plan after many months of restructuring efforts, which involved many protracted arms' length negotiations and contested litigation. In December of 2016, the Debtors and their key creditor constituencies engaged in multi-day mediation sessions with

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37 *See* Plan, Art. III.A.

38 11 U.S.C. § 1129(a)(3).

39 *See In re NII Holdings, Inc.*, 288 B.R. 356, 362 (Bankr. D. Del. 2002) (concluding that 1129(a)(3) is satisfied when "the Plan has been proposed with the legitimate purpose of reorganizing the business affairs of each of the debtors and maximizing the returns available to creditors of the Debtors.").

40 *See Platinum Cap., Inc. v. Sylmar Plaza, L.P. (In re Sylmar Plaza, L.P.)*, 314 F.3d 1070, 1074 (9th Cir. 2002); *see also In re Madison Hotel Assocs.*, 749 F.2d 410, 425 (7th Cir. 1984) (stating that to determine compliance with section 1129(a)(3), the court examines the plan "in light of the totality of the circumstances surrounding confection of the plan") (internal citation omitted).

Judge Gross. While productive, the mediation sessions did not result in a fully consensual settlement. However, using the settlement framework established during the course of mediation, the parties continued settlement discussions and ultimately reached agreement on the terms of the Plan.

31. The global settlement embodied in the Plan was only made possible with significant contributions from all parties, including the Debtors, the Second Lien Lenders, the First Lien Lenders, and certain of the Debtors' equity holders. As provided in the Miller Declaration, the heavily negotiated plan delivers significant value to all creditors and reorganizes the Debtors as a going concern.[41] The Debtors' independent director believes that the Plan was proposed in good faith and not by any means forbidden by law, has a high likelihood of success, and will achieve a result consistent with the objectives of the Bankruptcy Code.[42]

32. Throughout these Chapter 11 Cases, the Debtors have upheld their fiduciary duties to stakeholders and protected the interests of all constituents with an even hand. Accordingly, the Plan and the Debtors' conduct satisfy section 1129(a)(3) of the Bankruptcy Code.

D. The Plan Provides for Court Approval of Certain Administrative Payments (Section 1129(a)(4)).

33. Section 1129(a)(4) of the Bankruptcy Code requires that certain professional fees and expenses paid by the plan proponent, by the debtor, or by a person issuing securities or acquiring property under the plan be subject to approval of the Court as reasonable.[43] Accordingly, the Plan complies with and satisfies section 1129(a)(4) of the Bankruptcy Code.

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41 Miller Declaration ¶ 11.

42 *Id.* at ¶ 12.

43 *See* 11 U.S.C. § 1129(a)(4); *see also In re Future Energy Corp.*, 83 B.R. 470, 488 (Bankr. S.D. Ohio 1988) (relying on Collier's for the proposition that section 1129(a)(4) protects creditors and equity security holders to

34. Here, all payments made or to be made by the Debtors for services or for costs or expenses in connection with these Chapter 11 Cases prior to the Initial Effective Date, including all Professional Fee Claims, have been approved by, or are subject to approval of, the Court.[44] Article II.B of the Plan provides that all final requests for payment of Professional Fee Claims shall be filed and served no later than 30 days after the Initial Effective Date for determination by the Court, after notice and a hearing, in accordance with the procedures established by the Bankruptcy Code and prior Court orders.[45] Accordingly, the Plan fully complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

E. Post-Emergence Directors Have Been Disclosed Before the Final Effective Date and Their Appointment is Consistent with Public Policy (Section 1129(a)(5)).

35. The Bankruptcy Code requires the plan proponent to disclose the affiliation of any individual proposed to serve as a director or officer of the debtor or a successor to the debtor under the plan.[46] Section 1129(a)(5)(A)(ii) further requires that the appointment or continuance of such officers and directors be consistent with the interests of creditors and equity security holders and with public policy.[47] In this case, the Plan satisfies section 1129(a)(5)(A)(i) of the Bankruptcy Code, because the Debtors disclosed the identities and affiliations of all persons serving on the New Board in Exhibit E to the Plan Supplement, and therefore prior to the Final Effective Date.

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the extent that review of compensation applications provides some assurance that compensation for services rendered to the debtor's estate is reasonable); *In re Chapel Gate Apartments, Ltd.*, 64 B.R. 569, 573 (Bankr. N.D. Tex. 1986) (noting that before a plan may be confirmed, "there must be a provision for review by the Court of any professional compensation").

44 *See* Plan, Art. II.B.

45 *Id.*

46 11 U.S.C. § 1129(a)(5)(A)(i).

47 11 U.S.C. § 1129(a)(5)(A)(ii).

36. In addition, section 1129(a)(5)(B) also requires a plan proponent to disclose the identity of any "insider" (as defined by 11 U.S.C. § 101(31)) to be employed or retained by the reorganized debtor and the nature of any compensation for such insider.[48] Here, the Plan satisfies section 1129(a)(5)(B) of the Bankruptcy Code, because none of the directors and officers to be employed or retained by the Reorganized Debtors are directors and officers who are insiders. Accordingly, the Debtors submit that the Plan fully complies with, and satisfies, the requirement of section 1129(a)(5) of the Bankruptcy Code.

F. The Plan Does Not Require Governmental Approval of Rate Changes (Section 1129(a)(6)).

37. Section 1129(a)(6) of the Bankruptcy Code permits confirmation only if any regulatory commission that will have jurisdiction over the debtor after confirmation has approved any rate change provided for in the plan.[49] The Plan does not provide for any rate changes and no party has asserted otherwise, therefore section 1129(a)(6) of the Bankruptcy Code is inapplicable here.

G. The Plan Is in the Best Interests of Creditors and Interest Holders (Section 1129(a)(7)).

38. Section 1129(a)(7) of the Bankruptcy Code—the "best interests of creditors" test—requires that, with respect to each impaired class of claims or interests, either: (a) each holder of a claim or interest of such class has accepted the plan; or (b) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code.[50] The best interests test applies if a class of claims or interests entitled to vote

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48 11 U.S.C. § 1129(a)(5)(B).

49 11 U.S.C. § 1129(a)(6).

50 11 U.S.C. § 1129(a)(7)(A).

does not vote unanimously to accept a plan, even if the class as a whole votes to accept the plan.[51] The best interests test is generally satisfied by a liquidation analysis demonstrating that an impaired class will receive no less under the plan than under a chapter 7 liquidation.[52]

39. The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Debtors, with the assistance of their financial advisors, have prepared a liquidation analysis estimating and comparing the range of recoveries generated under the Plan with the estimated potential recoveries under a hypothetical chapter 7 liquidation (the "Liquidation Analysis").[53] As set forth in the Liquidation Analysis and the Arnett Declaration, in a hypothetical chapter 7, liquidation of the Debtors' businesses would result in substantial diminution in the value to be realized by the holders of Claims as compared to distributions contemplated under the Plan.[54] In comparison, the Plan provides for: (a) all holders of Allowed Administrative Claims, Other Priority Claims, and Other Secured Claims to be paid in full; (b) holders of First Lien Claims will receive a full recovery, distributed in Cash (including proceeds from asset sales, if any) and new secured debt; (c) holders of Second Lien Claims will receive all of the equity in the Reorganized Debtors (subject to dilution under the Management Incentive Plan, the Rights Offering Stock, and the Backstop Fee); and (d) holders of General Unsecured Claims will receive their *pro rata* share of

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51 *See Bank of Am. Nat'l Trust and Sav. Ass'n v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 441 n.13 (1999) ("The 'best interests' test applies to individual creditors holding impaired claims, even if the class as a whole votes to accept the plan.").

52 *See In re Smith*, 357 B.R. 60, 67 (Bankr. M.D.N.C. 2007), *appeal dismissed*, No. 1:07CV30, 2007 WL 1087575 (M.D.N.C. Apr. 4, 2007) ("In order to show that a payment under a plan is equal to the value that the creditor would receive if the debtor were liquidated, there must be a liquidation analysis of some type that is based on evidence and not mere assumptions or assertions.") (citations omitted).

53 *See* Disclosure Statement, **Exhibit F**.

54 *Id.*; *see also* Arnett Declaration ¶ 10.

beneficial interests in the Settlement Trust, entitling them to Settlement Trust Recovery Proceeds on account of such interests (excluding the Second Lien Deficiency Claims).[55]

40. The Liquidation Analysis makes clear that the recoveries available for General Unsecured Claims and other creditors under the Plan are a function of the Second Lien Lenders' acceptance of a reduced distribution under the Plan.[56] Accordingly, because the recoveries provided under the Plan far exceed the recoveries available in a chapter 7 liquidation, the Plan satisfies section 1129(a)(7) of the Bankruptcy Code.

H. The Plan Can Be Confirmed Notwithstanding the Requirements of Section 1129(a)(8).

41. Section 1129(a)(8) of the Bankruptcy Code requires that each class of claims or interests either accept a plan or be unimpaired under a plan.[57] As discussed above, each of the three Voting Classes voted to accept the Plan for each Debtor. Notwithstanding that Classes 6 and 9 are deemed to have reject the Plan, the Plan may still be confirmed because, as set forth below, the Debtors have satisfied the requirements for cramdown under section 1129(b) of the Bankruptcy Code.

I. The Plan Complies with Statutorily Mandated Treatment of Administrative and Priority Tax Claims (Section 1129(a)(9)).

42. Section 1129(a)(9) of the Bankruptcy Code requires that certain priority claims be paid in full on the effective date of a plan and that the holders of certain other priority claims receive deferred cash payments. In particular, pursuant to section 1129(a)(9)(A) of the Bankruptcy Code, holders of claims of a kind specified in section 507(a)(2) of the Bankruptcy

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55 Plan, Art. III.B.

56 Disclosure Statement, **Exhibit F**.

57 11 U.S.C. § 1129(a)(8).

Code—administrative expenses allowed under section 503(b) of the Bankruptcy Code—must receive on the effective date cash equal to the allowed amount of such claims.

43. In accordance therewith, the Plan generally provides that each holder of an Allowed Administrative Claim will receive Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim either: (a) on or as soon as reasonably practicable after the Final Effective Date if such Administrative Claim is Allowed as of the Final Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable.[58] In addition, Allowed Priority Tax Claims will be paid in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.[59]

44. Accordingly, the Plan complies with the requirements of section 1129(a)(9) of the Bankruptcy Code.

J. At Least One Impaired Class of Claims Has Accepted the Plan, Excluding the Acceptance of Insiders (Section 1129(a)(10)).

45. Section 1129(a)(10) of the Bankruptcy Code provides that if a class of claims is impaired under a plan, at least one impaired class of claims must accept the plan, excluding acceptance by any insider.[60] As detailed herein and in the Voting Report, each of the Impaired Voting Classes has accepted the Plan, exclusive of any acceptances by insiders.[61] The Plan has been accepted by a Voting Class with respect to each Debtor, as illustrated by the following chart. Accordingly, the Plan satisfies the requirements of section 1129(a)(10).

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58 *See* Plan, Art. II.A.

59 *See* Plan, Art. II.C.

60 11 U.S.C. § 1129(a)(10).

61 *See generally* Voting Report.

Debtor	Class 3 (% Number / % Amount)	Class 4 (% Number / % Amount)	Class 5 (% Number / % Amount)
Samson Resources Corporation	100% / 100%	100% / 100%	89.29% / 99.84%
Geodyne Resources, Inc.	100% / 100%	100% / 100%	95.71% / 99.85%
Samson Contour Energy Co.	100% / 100%	100% / 100%	95.71% / 99.85%
Samson Contour Energy E&P, LLC	100% / 100%	100% / 100%	93.41% / 99.85%
Samson Holdings, Inc.	100% / 100%	100% / 100%	96.27% / 99.85%
Samson-International, Ltd.	100% / 100%	100% / 100%	96.27% / 99.85%
Samson Investment Company	100% / 100%	100% / 100%	95.29% / 99.85%
Samson Lone Star, LLC	100% / 100%	100% / 100%	91.79% / 99.81%
Samson Resources Company	100% / 100%	100% / 100%	90.83% / 99.84%

K. The Plan Is Feasible (Section 1129(a)(11)).

46. Section 1129(a)(11) of the Bankruptcy Code requires that the Court find that a plan is feasible as a condition precedent to confirmation. Specifically, the Court must determine that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is provided for in the plan.[62]

47. To demonstrate that a plan is feasible, a plan proponent only has to show reasonable assurance of commercial viability, not provide a guarantee of success. Therefore, the Court need only determine that "the plan has a reasonable likelihood of success."[63] As such, When evaluating feasibility, courts typically consider, among other things:

- the adequacy of the capital structure;
- the earning power of the business;
- prevailing economic conditions;
- the ability of management;
- the probability of the continuation of the same management; and

62 *See* 11 U.S.C. § 1129(a)(11).

63 *See Kane v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 843 F.2d 636, 649 (2d Cir. 1988); *see also In re Eddington Thread Mfg. Co.*, 181 B.R. 826, 832–33 (Bankr. E.D. Pa. 1995) (finding plan is feasible "so long as there is a reasonable prospect for success and a reasonable assurance that the proponents can comply with the terms of the plan.").

- any other related matter which determines the prospects of a sufficiently successful operation to enable performance of the provisions of the plan.[64]

48. As provided in the Stuart Declaration, an analysis of these factors in the context of these Chapter 11 Cases leaves little doubt that the Plan is feasible.[65] The Debtors and their advisors have thoroughly analyzed the Debtors' ability to meet their obligations under the Plan post-emergence and submit that confirmation of the Plan is unlikely to be followed by liquidation or the need for further reorganization. As part of this analysis, the Debtors and their advisors prepared projections of the Debtors' financial performance for the years 2016 through 2021 (the "Financial Projections").[66] By implementing the Plan, the Debtors will discharge approximately $3.25 billion of their long-term debt, reduce other long-term liabilities by approximately $36.8 million, and reduce accrued liabilities by approximately $34.9 million. According to the Financial Projections, beginning in December 31, 2017 through December 31, 2021, the Debtors' adjusted EBITDA is expected to increase each year, starting at approximately $59 million in 2017 and gradually rising to approximately $105.6 million by 2021. Also, the projected net cash provided by operating activities is expected to increase from approximately $15.4 million in 2017 to approximately $94.3 million in 2021.[67] Furthermore, the Debtors have further obtained at least $280 million of Exit Financing that will fund distributions contemplated by the Plan[68] and, coupled with the Debtors' cash from operations, will be reasonably sufficient to meet the Debtors' working capital needs going forward. Based on the

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64 *See, e.g.*, *In re Aleris Int'l, Inc.*, No. 09-10478 (BLS), 2010 WL 3492664 at *28 (Bankr. D. Del. May 13, 2010) (citing authorities for the six-factor feasibility test and applying it to find the Debtors' plan feasible).

65 *See generally* Stuart Declaration; *see also Johnson Declaration* (explaining that certain claims by royalty holders are (i) meritless and (ii) grossly inflated).

66 *See* Disclosure Statement, Exhibit D.

67 *Id*.

68 *See* Plan, Art. IV.B.4.

Debtors' proposed post-emergence capital structure, 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 go-forward basis.[69] Thus, after emerging from bankruptcy with a significantly deleveraged capital structure, reduced interest burden and cost structure, and having secured valuable exit financing, the Debtors will be better positioned to compete in the oil and gas industry going forward. Accordingly, the Plan satisfies the feasibility requirements of section 1129(a)(11).

L. The Plan Provides for Payment of All Fees Under 28 U.S.C. § 1930 (Section 1129(a)(12)).

49. Section 1129(a)(12) of the Bankruptcy Code requires the payment of all fees payable under 28 U.S.C. § 1930.[70] Articles II.A, II.B.2, II.B.4, II.D, IV.U, VI.B.1.b, IX.G, IX.H, and IX.I of the Plan provide that on and after the Initial Effective Date, the Reorganized Debtors shall pay any and all such fees when due and payable, and Article II.D provides that the Debtors shall file with the Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Accordingly, the Plan complies with section 1129(a)(12) of the Bankruptcy Code.

M. Sections 1129(a)(13)–(16) Are Inapplicable. (Sections 1129(a)(13)–(16)).

50. Section 1129(a)(13) of the Bankruptcy Code requires chapter 11 plans to continue all retiree benefits (as defined in section 1114 of the Bankruptcy Code). The Debtors will not have any obligations to pay such retiree benefits after consummation of the Plan and, as such, section 1129(a)(13) does not apply to the Plan.[71] Sections 1129(a)(14) and (15) of the

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69 *See* Stuart Declaration ¶ 9.

70 *See* 11 U.S.C. § 1129(a)(12).

71 Nonetheless, Article IV.R of the Plan provides that all employee related programs (including any retiree benefits though the Debtors believe there are none) will continue.

Bankruptcy Code apply only to debtors that are individuals and therefore do not apply here. Section 1129(a)(16) of the Bankruptcy Code applies only to debtors that are nonprofit entities or trusts and therefore does not apply here.

N. The Plan Complies with the Other Provisions of Section 1129 of the Bankruptcy Code (Section 1129(c)-(e)).

51. The Plan satisfies the remaining provisions of section 1129 of the Bankruptcy Code. Section 1129(c), prohibiting confirmation of multiple plans, is not implicated because there is only one proposed plan of reorganization.[72]

52. Section 1129(d) of the Bankruptcy Code provides that "the court may not confirm a plan if the principal purpose of the plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933."[73] The purpose of the Plan is not to avoid taxes or the application of section 5 of the Securities Act. As provided in the Miller Declaration, the Plan was proposed in good faith and not by any means forbidden by law.[74] Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

53. Lastly, section 1129(e) of the Bankruptcy Code is inapplicable because none of the Debtors' chapter 11 cases is a "small business case."[75] Thus, the Plan satisfies the Bankruptcy Code's mandatory confirmation requirements.

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72 *See* 11 U.S.C. § 1129(c).

73 *See* 11 U.S.C. § 1129(d).

74 Miller Declaration ¶12.

75 *See* 11 U.S.C. § 1129(e). A "small business debtor" cannot be a member "of a group of affiliated debtors that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than $2,490,925[] (excluding debt owed to 1 or more affiliates or insiders)." 11 U.S.C. § 101(51D)(B).

II. The Plan Satisfies the "Cramdown" Requirements of Section 1129(b) of the Bankruptcy Code.

54. Section 1129(b)(1) of the Bankruptcy Code provides that if all applicable requirements of section 1129(a) of the Bankruptcy Code are met other than section 1129(a)(8), a plan may be confirmed so long as the requirements set forth in section 1129(b) of the Bankruptcy Code are satisfied.[76] To confirm a plan that has not been accepted by all impaired classes (thereby failing to satisfy section 1129(a)(8) of the Bankruptcy Code), the plan proponent must show that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the non-accepting impaired classes.[77] No party has objected on the basis that the Plan either "discriminates unfairly" or is not in fact "fair and equitable."

55. All of the Impaired Classes of Claims entitled to vote on the Plan have voted in favor of the Plan. However, Holders of Claims in Class 6 and Class 9, the Deemed Rejecting Classes, are deemed to have rejected the Plan. Notwithstanding that the Plan has not been accepted by all Impaired Classes, the Plan satisfies the "cramdown" requirements under section 1129(b) of the Bankruptcy Code.

A. The Plan Does Not Unfairly Discriminate with Respect to Impaired Classes that Have Not Voted to Accept the Plan (Section 1129(b)(1)).

56. The Plan does not discriminate unfairly with respect to the Deemed Rejecting Classes. Although the Bankruptcy Code does not provide a standard for determining when "unfair discrimination" exists, courts typically examine the facts and circumstances of the particular case to make the determination.[78] Generally, courts have held that a plan unfairly

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76 *See* 11 U.S.C. § 1129(b).

77 *See* 11 U.S.C. § 1129(b)(1); *see also In re Zenith Elecs. Corp.*, 241 B.R. 92, 105 (Bankr. D. Del. 1999) (explaining that "[w]here a class of creditors or shareholders has not accepted a plan of reorganization, the court shall nonetheless confirm the plan if it 'does not discriminate unfairly and is fair and equitable.'").

78 *See In re 203 N. LaSalle St. Ltd. P'ship.*, 190 B.R. 567, 585 (Bankr. N.D. Ill. 1995), *rev'd on other grounds*, *Bank of Am.*, 526 U.S. 434 (1999) (noting "the lack of any clear standard for determining the fairness of a

discriminates in violation of section 1129(b) only if similarly situated claims receive materially different treatment without a reasonable basis for the disparate treatment.[79] A plan does not unfairly discriminate where it provides different treatment to two or more classes which are comprised of dissimilar claims or interests.[80] Likewise, there is no unfair discrimination if, taking into account the particular facts and circumstances of the case, there is a reasonable basis for the disparate treatment.[81]

57. Here, only the Deemed Rejecting Classes have been deemed to have rejected the Plan. The Plan's treatment of the Deemed Rejecting Classes is proper because all similarly situated holders of Claims and Interests will receive substantially similar treatment—no recoveries—and the Plan's classification scheme rests on a legally acceptable rationale. Class 6 consists of Section 510(b) Claims. In addition, Class 9 consists of holders of Interests only. This Class is not similarly situated—legally or otherwise—to any other Class, including Intercompany Interests, given that Intercompany Interests are Unimpaired only to the extent necessary to preserve the Debtors' corporate structure. Accordingly, the Plan does not discriminate unfairly with respect to the Deemed Rejecting Classes and satisfies the requirements of section 1129(b).

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discrimination in the treatment of classes under a Chapter 11 plan" and that "the limits of fairness in this context have not been established."); *see also In re Bowles*, 48 B.R. 502, 507 (Bankr. E.D. Va. 1985) ("[W]hether or not a particular plan does so [unfairly] discriminate is to be determined on a case-by-case basis."); *In re Freymiller Trucking, Inc.*, 190 B.R. 913, 916 (Bankr. W.D. Okla. 1996) (holding that a determination of unfair discrimination requires a court to "consider all aspects of the case and the totality of all the circumstances").

79 *See In re Greate Bay Hotel & Casino, Inc.*, 251 B.R. 213, 228 (Bankr. D.N.J. 2000) (noting that one of the "the hallmarks of the various tests" is "whether there is a reasonable basis for the discrimination").

80 *See In re Ambanc La Mesa Ltd. P'ship*, 115 F.3d 650, 656 (9th Cir. 1997) (finding that discrimination between classes is permissible where four criteria are met); *see also In re Aztec Co.*, 107 B.R. 585, 589–91 (Bankr. M.D. Tenn. 1989) ("Section 1129(b)(1) prohibits only unfair discrimination, not all discrimination."); *In re Johns-Manville Corp.*, 68 B.R. 618, 636 (Bankr. S.D.N.Y. 1986), *aff'd*, 78 B.R. 407 (S.D.N.Y. 1987) ("a plan proponent may not segregate two similar claims or groups of claims into separate classes and provide disparate treatment for those classes"); *aff'd sub nom., Kane v. Johns-Manville Corp.*, 843 F.2d 636 (2d Cir. 1988).

81 *See Aztec Co.*, 107 B.R. at 590 ("recogniz[ing] the need to consider the facts and circumstances of each case to give meaning to the proscription against unfair discrimination.").

B. The Plan Is Fair and Equitable with Respect to the Deemed Rejecting Classes (Section 1129(b)(2)).

58. For a plan to be "fair and equitable" with respect to an impaired class of unsecured claims or interests that rejects a plan (or is deemed to reject a plan), the plan must follow the "absolute priority" rule and satisfy the requirements of section 1129(b)(2).[82] Generally, this requires that an impaired rejecting class of claims or interests either be paid in full or that a class junior to the impaired rejecting class not receive any distribution under a plan on account of its junior claim or interest.[83]

59. Of the Deemed Rejecting Classes, Class 9 is the most junior Class and, therefore, the absolute priority rule does not apply with respect to its treatment under the Plan. As to Class 6, the only Classes of Claims junior to this Class that may receive any recovery under the Plan are Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests). But to the extent these Classes receive any recovery at all, it is simply to maintain the Debtors' prepetition organizational structure for the administrative benefit of the Reorganized Debtors and has no economic substance. Courts have recognized that such technical preservations for the purpose of corporate formalities do not violate the absolute priority rule.[84] Accordingly, the Plan is "fair and equitable" with respect to all Impaired Classes of Claims and Interests and satisfies section 1129(b) of the Bankruptcy Code.

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82 11 U.S.C. § 1129(b)(2)(B)(ii); 11 U.S.C. § 1129(b)(2)(C)(ii); *see also 203 N. LaSalle*, 526 U.S. at 441–42 (discussing the absolute priority rule).

83 *See 203 N. LaSalle*, 526 U.S. at 441-42 ("As to a dissenting class of impaired unsecured creditors, such a plan may be found to be 'fair and equitable' only if the allowed value of the claim is to be paid in full, or, in the alternative, if 'the holder of any claim or interest that is junior to the claims of such [impaired unsecured] class will not receive or retain under the plan on account of such junior claim or interest any property.") (internal citations omitted).

84 *See In re ION Media Networks, Inc.*, 419 B.R. 585, 661 (Bankr. S.D.N.Y. 2009) ("This technical preservation of equity is a means to preserve the corporate structure that does not have any economic substance and that does not enable any junior creditor or interest holder to retain or recover any value under the Plan.").

III. The Discretionary Contents of the Plan Are Appropriate and Should Be Approved.

60. Section 1123(b) of the Bankruptcy Code identifies various additional provisions that may be incorporated into a chapter 11 plan.[85] Among other things, section 1123(b) provides that a plan may: (a) impair or leave unimpaired any class of claims or interests; (b) provide for the assumption or rejection of executory contracts and unexpired leases; (c) provide for the settlement or adjustment of any claim or interest belonging to the debtor or the estates; and (d) include any other appropriate provision not inconsistent with the applicable provisions of chapter 11.[86] As set forth below, the Plan includes certain of these discretionary provisions, such as releases and settlements of certain claims. The Debtors have determined, as fiduciaries of their Estates and in the exercise of their reasonable business judgment, that each of the discretionary provisions of the Plan is appropriate given the circumstances of these Chapter 11 Cases.

A. The Plan Settlement of Claims and Controversies Is Fair and Equitable and Should Be Approved.

61. The Bankruptcy Code states that a plan may "provide for . . . the settlement or adjustment of any claim or interest belonging to the debtor or to the estate."[87] Settlements under a plan are generally subject to the same standard applied to settlements under Bankruptcy Rule 9019.[88] In particular, the Third Circuit applies the four-factor *Martin* test for considering motions to approve settlements under Bankruptcy Rule 9019, weighing: (1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation

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85 *See* 11 U.S.C. 1123(b).

86 *Id.* § 1123(b)(1)–(3), (6).

87 *Id.* § 1123(b)(3)(A).

88 *See In re Coram Healthcare Corp.*, 315 B.R. 321, 334–35 (Bankr. D. Del. 2004).

involved, and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interests of the creditors.[89]

62. The *Martin* test strongly favors approving the global settlement embodied in the Plan.

- ***First***, the global settlement resolves a myriad of complex and highly fact-specific legal issues, the outcome of which is correspondingly uncertain. While the Debtors remain steadfast in their belief that they would prevail in any litigation regarding the merits of issues such as lien and claim validity, as detailed in various pleadings filed in these Chapter 11 Cases, there can be no guarantee of such outcome.

- ***Second***, the Debtors' ability to collect—or, in this case, to make distributions pursuant to the Plan—could be made difficult if litigation regarding the Plan or other related issues were to continue for an extended period of time. Indeed, the Debtors' ability to make distributions to the First Lien Lenders and Second Lien Lenders would be forestalled indefinitely until a final resolution of issues such as lien validity. Even if the Debtors were to secure a favorable judgment through litigation on this and other issues, the Committee may appeal such a ruling, which appeals may continue for an unknown period of time.

- ***Third***, as discussed, the litigation resolved by the global settlement is highly complex, and litigating the issues would necessarily result in great expense, inconvenience, and delay. The time and expense necessary to carry out protracted litigation is especially important to consider here, where a swift and efficient exit from bankruptcy is essential to the global settlement and maximizes the value of the Debtors' estates by maintaining the Debtors as a going concern. At a status conference on December 13, 2016, for example, the Committee insisted that there was not enough time built into the schedule to address preference claims, the allowance of secured claims, and two adversary proceedings associated with the Standing Motion at the requested February 2017 trial. Dec. 13, 2016, Hr'g Tr. 38:14–24. The Committee further requested to depose thirty five individuals in order to prepare for a fraudulent transfer litigation that it called a "huge issue." *Id.* at 39:24–40:2. In short, the Debtors, the Committee, the First Lien Lenders, and the Second Lien Lenders were headed full-speed towards a long, drawn-out litigation that would have caused the Debtors' Estates to incur substantial expenses and potentially result in a substantial delay of a confirmation hearing. Effectuating the global settlement ensures timely distributions to creditors on the agreed-upon timetable.

- ***Fourth***, the paramount interests of creditors weigh in favor of approving the global settlement and allowing the Debtors to emerge from bankruptcy on an expedited timetable. Creditors' interests are best served by maximizing recoveries available to

[89] *See In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996).

> them and distributing such recoveries as expeditiously as possible. The mere passage of time reduces the amount of funds available for distribution as the Debtors' distributable value decreases. Thus, in the ordinary circumstance, unless creditors can achieve outsized gains through contested litigation, the structural components of the adversarial process may cause harmful adverse effects on their primary goals of higher recoveries and quick payments. This is even clearer where, as here, substantial value would be expended on litigation that could delay distributions to creditors by months or in some cases, years. Entering into the global settlement and proceeding toward confirmation on the timetable agreed upon by all parties in connection therewith guaranteed that value will be available for distribution on the expedited timetable on which distributions are to be made.

63. The global settlement trades uncertainty, risk, and a highly-contested confirmation process for a restructuring timeline with fixed milestones, clearly articulated secured and unsecured recoveries, and mutual cooperation. The fairness and reasonableness of the global settlement is underscored by the broad support from all levels of the capital structure: the First Lien Lenders and Second Lien Lenders voted unanimously in favor of the Plan, as did holders of over 99 percent of all voted General Unsecured Claims.[90] In the Debtors' sound business judgment, as corroborated by the support of all other major constituencies, the certainty, swiftness, and consensual nature of the restructuring to be effectuated pursuant to the global settlement greatly outweighs any potential additional value available following a protracted, expensive, and uncertain litigation. Accordingly, the Debtors submit that the global settlement satisfies all four *Martin* factors and should be approved.

B. The Plan's Release Are Appropriate and Should Be Approved

1. The Debtor Releases in the Plan Are Appropriate.

64. Section 1123(b)(3)(A) of the Bankruptcy Code provides that a chapter 11 plan may provide for "the settlement or adjustment of any claim or interest belonging to the debtor or

[90] *See generally* Voting Report.

to the estate."[91] Furthermore, a debtor may release claims under section 1123(b)(3)(A) of the Bankruptcy Code "if the release is a valid exercise of the debtor's business judgment, is fair, reasonable, and in the best interests of the estate."[92]

65. Courts in this jurisdiction generally analyze five factors when determining the propriety of a debtor release, commonly known as the *Zenith* or *Master Mortgage* factors.[93] The analysis includes an inquiry into whether there is: "(1) an identity of interest between the debtor and the non-debtor such that a suit against the nondebtor will deplete the estate's resources; (2) a substantial contribution to the plan by the nondebtor; (3) the necessity of the release to the reorganization; (4) the overwhelming acceptance of the plan and release by creditors and interest holders; and (5) the payment of all or substantially all of the claims of the creditors and interest holders under the plan."[94] These factors are "neither exclusive nor conjunctive requirements" but rather serve as guidance to courts in determining fairness of a debtor's releases.[95]

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91 *See In re Coram Healthcare Corp*., 315 B.R. 321, 334–35 (Bankr. D. Del. 2004) ("The standards for approval of settlement under section 1123 of the Bankruptcy Code are generally the same as those under Bankruptcy Rule 9019"). Generally, courts in the Third Circuit approve a settlement by the debtors if the settlement "exceed[s] the lowest point in the range of reasonableness." *Id.* at 330 (internal citations omitted). *E.g.*, *In re Exaeris, Inc*., 380 B.R. 741, 746–47 (Bankr. D. Del. 2008); *In re World Health Alts., Inc*., 344 B.R. 291, 296 (Bankr. D. Del. 2006) (stating that settlement must be "within the reasonable range of litigation possibilities") (internal quotation marks omitted).

92 *In re Spansion, Inc.*, 426 B.R. 114, 143 (Bankr. D. Del. 2010); *see also In re Wash. Mut., Inc*., 442 B.R. 314, 327 (Bankr. D. Del. 2011) ("In making its evaluation [whether to approve a settlement], the court must determine whether 'the compromise is fair, reasonable, and in the best interest of the estate.") (internal quotation marks omitted).

93 *See In re Indianapolis Downs, LLC*, 486 B.R. 286, 303 (Bankr. D. Del. 2013) (citing *In re Zenith Elecs. Corp.*, 241 B.R. 92, 105 (Bankr. D. Del. 1999)).

94 *See In re Washington Mut., Inc*., 442 B.R. 314, 346 (Bankr. D. Del. 2011) (citing *In re Zenith Elecs. Corp*., 241 B.R. 92, 110 (Bankr. D. Del. 1999) and *In re Master Mortg. Inv. Fund, Inc*., 168 B.R. 930, 937 (Bankr. W.D. Mo. 1994)).

95 *Id*. (citing *Master Mortg*., 168 B.R. at 935).

66. As described in the Miller Declaration,[96] and as an analysis of the *Master Mortgage* factors demonstrates, the Debtors' releases embodied in Article VIII.F of the Plan should be approved.

- ***First***, an identity of interest exists between the Debtors and the parties to be released. Each of the Released Parties, as a stakeholder and critical participant in the Plan process, shares a common goal with the Debtors in seeing the Plan succeed. Like the Debtors, these parties seek to confirm the Plan and implement the transactions contemplated thereunder.[97]

- ***Second***, each of the Released Parties has made substantial contributions to the Debtors and their Estates, and aided in the reorganization process. The Released Parties played an integral role in the formation of the Plan and have expended significant time and resources analyzing and negotiating the issues present in these Chapter 11 Cases to reach a global settlement. As Delaware bankruptcy courts have recognized, a wide variety of acts may illustrate a substantial contribution to a debtor's reorganization.[98] Here, the value contributed by the Released Parties is certainly substantial.

  Specifically, in addition to providing non-monetary value, (a) the Sponsors agreed to preserve $1.4 billion of net operating losses that can offset current and future tax obligations and agreed to waive or assign the Sponsor management fee claims; (b) the First Lien Lenders agreed to fund the Debtors' new Exit Facility; and (c) the Second Lien Lenders agreed to fund (through the Rights Offering) a new money investment to fund the settlement payment for unsecured creditors and to receive a recovery comprised of equity in a reorganized business. Without the contributions of each of these parties, the Plan and the global settlement contemplated therein would not be possible.

- ***Third***, the releases are essential to the Plan because they allow the Debtors to move forward with the restructuring and fully and consensually resolve lengthy and

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96 Miller Declaration ¶¶ 13–15.

97 *See In re Tribune Co.*, 464 B.R. 126, 187 (Bankr. D. Del. 2011), *modified*, 464 B.R. 208 (Bankr. D. Del. 2011) (noting that an identity of interest between the debtors and the settling parties where such parties "share[d] the common goal of confirming the DCL Plan and implementing the DCL Plan Settlement"); *see also Zenith*, 241 B.R. at 110 (concluding that certain releasees who "were instrumental in formulating the Plan" shared an identity of interest with the debtor "in seeing that the Plan succeed and the company reorganize").

98 *See In re Indianapolis Downs, LLC*, 486 B.R. 286, 304 (Bankr. D. Del. 2013) (finding that the non-debtor party had substantially contributed by performing services for the debtors post-petition without receiving compensation); *In re Wash. Mut., Inc.*, 442 B.R. 314, 347 (Bankr. D. Del. 2011) (finding substantial contribution required the contribution of "cash or anything else of a tangible value to the [plan of reorganization] or to creditors"); *Zenith* 241 B.R. at 111 (finding that prepetition contribution of work in negotiating a plan constituted adequate consideration for debtor's release).

complex litigation.[99] As noted above, the Debtor Releases were necessary to build the support for the Plan that was ultimately achieved. The releases are an integral component of a global settlement encompassing compromises and contributions by all parties. In light of the foregoing, the Debtors believe that the record of these Chapter 11 Cases fully supports the essential nature of these releases.

- ***Fourth***, as evidenced by the Voting Report and noted herein, the Debtors' stakeholders overwhelmingly support the Plan. Every single Voting Class voted to accept the Plan.[100] In sum, creditors holding approximately $33,794,819,852.03 of Claims entitled to vote accepted the Plan, representing approximately 99 percent by amount and over 96 percent by number.[101] Given the critical nature of the Debtor Releases, this degree of consensus evidences the Debtors' stakeholders' support for the Debtor Releases and the Plan.

- ***Fifth***, the Plan provides for meaningful recoveries for all classes affected by the releases. Under the Plan, unsecured creditors will receive their their *pro rata* share of beneficial interests in the Settlement Trust, entitling them to Settlement Trust Recovery Proceeds on account of such interests. The Debtors' reorganization will also return meaningful value to their prepetition lenders. Furthermore, as noted above, these affirmative releases are supported by the Voting Classes on a near-unanimous basis.

67. For the reasons set forth above, the Court should approve the Debtor Releases in the Plan.

2. The Third Party Releases in the Plan Are Appropriate

68. The third party releases outlined in Article VIII.F of the Plan are consensual, consistent with established Third Circuit law, and should be approved.[102] As set forth in the Miller Declaration, the third party releases are the product of extensive negotiations between the Debtors and the major stakeholders, are narrowly tailored, were a necessary component of the global settlement, and are supported by all of the Debtors' major stakeholders. [103] With the

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99 *See In re Key3Media Grp., Inc.*, 336 B.R. 87, 97 (Bankr. D. Del. 2005) (approving a settlement based in part on the complexity of the litigation); *see Wash. Mut.*, 442 B.R. at 348 (holding the releases were reasonable because in light "of the complex and interrelated claims that the Debtors, JPMC and the FDIC have to virtually every asset in the Debtors' estates, it is hard to imagine what plan the Debtors could propose without the resolution of those claims first").

100 *See generally* Voting Report.

101 *Id.*

applicable party's consent, the third party release will be provided to parties who played an integral role in the Debtors' restructuring efforts. Specifically, the Plan provides for a discharge and release of claims against the Released Parties—parties who have actively participated in the Debtors' restructuring and Plan negotiations and whose contributions and concessions have facilitated and made possible the Debtors' proposed Plan.[104]

69. Each of the Releasing Parties entitled to vote on the Plan who submitted their ballot in favor of the Plan did so inclusive of the third party release.[105] Further, as explicitly stated on the ballots, the Releasing Parties entitled to vote who voted in favor of the Plan are deemed to have consented to the third party release.[106] Thus, the Releasing Parties include creditors who have: (a) affirmatively voted in favor of the Plan or (b) abstained from voting. The agreement of the Releasing Parties to release their claims stands as further recognition of the substantial contribution provided by the Released Parties to the Debtors and their Estates.

70. Accordingly, the Debtors submit that the third party release proposed under the Plan is appropriately tailored under the circumstances of these Chapter 11 Cases, is justified by

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[102] *See, e.g.*, *Indianapolis Downs*, 486 B.R. at 305 (collecting cases); *In re Spansion, Inc.*, 426 B.R. 114, 144 (Bankr. D. Del. 2010) (stating that "a third party release may be included in a plan if the release is consensual").

[103] Miller Declaration ¶ 13–15.

[104] Plan, Art. VIII.E.

[105] *See In re Coram Healthcare Corp*., 315 B.R. 321, 336 (Bankr. D. Del. 2004) (holding that creditors are bound by third party plan release if they voted to accept the plan); *see also In re Exide Technologies*, 303 B.R. 48, 74 (Bankr. D. Del. 2003) (holding that creditors are bound by third party release upon voting for the plan); *In re Specialty Equip. Cos*., 3 F.3d 1043, 1046–47 (7th Cir. 1993) (holding that upon affirmative agreement of creditor to terms of plan, third party release is consensual and binding); *In re W. Coast Video Enters.*, *Inc.*, 174 B.R. 906, 911 (Bankr. E.D. Pa. 1994) (same).

[106] *See Indianapolis Downs*, 486 B.R. at 305–06 (confirming plan where abstaining parties were "deemed to consent to the Third Party Release") (internal quotation omitted); *see also In re Lear Corp*., No. 09-14326 (ALG), 2009 WL 6677955, at *32 (Bankr. S.D.N.Y. Nov. 5, 2009) (confirming plan where parties were given notice that a vote to accept the plan or abstention from voting constitutes assent to the third-party releases).

the record of the Chapter 11 Cases, is consistent with the practices of this jurisdiction, and should be approved.[107]

C. The Plan Complies with Section 1123(d) of the Bankruptcy Code.

71. Section 1123(d) of the Bankruptcy Code provides that "if it is proposed in a plan to cure a default the amount necessary to cure the default shall be determined in accordance with the underlying agreement and non-bankruptcy law."[108]

72. Article V of the Plan provides for the satisfaction of all monetary defaults under each Executory Contract and Unexpired Lease assumed pursuant to the Plan in accordance with section 365 of the Bankruptcy Code by payment of the default amount on the Final Effective Date, subject to the limitations described in Article V of the Plan, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree.[109] The Debtors, in accordance with the Disclosure Statement and the Plan, distributed notices of proposed assumption to the applicable third parties.[110] These notices included procedures for objecting to the proposed assumptions of Executory Contracts and Unexpired Leases and any Claim for cure costs, as well as a process for resolving any disputes concerning the foregoing with the Court. Accordingly, the Debtors submit that the Plan complies with section 1123(d) of the Bankruptcy Code.

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[107] *See, e.g.*, *In re EBHI Holdings, Inc.*, No. 09-12099 (MFW) (Bankr. D. Del. Jan. 26, 2010) (granting a release of "the officers, directors, shareholders, members and/or enrollees, employees, representatives, advisors, attorneys, financial advisors, investment bankers or agents of the Debtors" by "each present and former holder of a [c]laim or [i]nterest who votes in favor of the [p]lan"); *In re JHT Holdings, Inc.*, No. 08-11267 (BLS) (Bankr. D. Del. Oct. 6, 2008) (approving release of debtors, their officers and directors, advisors, and professionals); *In re Dura Auto Sys., Inc.*, No. 06-11202 (KJC) (Bankr. D. Del. May 13, 2008) (same); *In re Foamex Int'l Inc.*, No. 05-12685 (PJW) (Bankr. D. Del. Feb. 1, 2007) (same); *In re J.L. French Auto. Castings, Inc.*, No. 06-10119 (MFW) (Bankr. D. Del. Jun. 21, 2006) (same).

[108] *See* 11 U.S.C. 1123(d).

[109] *See* Plan, Article V.C.

[110] *See generally Affidavit of Service*; *see also Affidavit of Service of Kevin M. Doyle* [Docket No. 1971].

D. Cause Exists to Waive a Stay of the Confirmation Order.

73. Bankruptcy Rule 3020(e) provides that "[a]n order confirming a plan is stayed until the expiration of 14 days after the entry of the order, unless the Court orders otherwise."[111] Bankruptcy Rules 6004(h) and 6006(d) provide similar stays to orders authorizing the use, sale, or lease of property (other than cash collateral) and orders authorizing a debtor to assign an executory contract or unexpired lease under section 365(f) of the Bankruptcy Code. Each rule also permits modification of the imposed stay upon court order.

74. The Debtors respectfully submit that cause exists for waiving the stay of the entry of the Confirmation Order such that the Confirmation Order will be effective immediately upon its entry.[112] As noted above, the Debtors have undertaken great efforts to facilitate their restructuring to exit chapter 11 as soon as practicable. Each day the Debtors remain in chapter 11 they incur significant administrative and professional costs. The Debtors believe that an expeditious effectuation of the Plan will reduce such costs and facilitate the maximization of value of the Estates. Based on the foregoing, the Debtors respectfully request a waiver of any stay imposed by the Bankruptcy Rules so that the Confirmation Order may be effective immediately upon its entry.[113]

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111 *See* Fed. R. Bankr. P. 3020(e).

112 *See, e.g.*, *In re Dex One Corp.*, No. 13-10533 (KG) (Bankr. D. Del. Apr. 29, 2013) (waiving stay of confirmation order and causing it to be effective and enforceable immediately upon its entry by the court); *In re Amicus Wind Down Corp. (f/k/a Friendly Ice Cream Corp.)*, No. 11-13167 (KG) (Bankr. D. Del. June 4, 2012) (same); *In re Local Insight Media Holdings, Inc.*, No. 10-13677 (KG) (Bankr. D. Del. Nov. 3, 2011) (same); *In re Majestic Star Casino, LLC*, No. 09-14136 (KG) (Bankr. D. Del. Mar. 10, 2011) (same); *In re Appleseed's Intermediate Holdings LLC*, No. 11-10160 (KG) (Bankr. D. Del. Apr. 14, 2011) (same).

113 For the avoidance of doubt, even though the Debtors are requesting this waiver, the Debtors may ultimately decide not to emerge until after the 14-day period expires.

IV. The Unresolved Objections Should Be Overruled.

75. The Debtors received fourteen objections to Confirmation of the Plan, as described in **Exhibit A** attached hereto. (The Debtors have also received and responded to numerous informal questions and information requests from parties that had no objection to the Plan.) To date, the Debtors believe that they have successfully resolved eleven of these objections, five of which have already been withdrawn, and they hope and expect to resolve additional objections before the Confirmation Hearing.[114] The proposed resolutions of certain objections are described in detail in **Exhibit A** attached hereto. Each of the remaining outstanding objections is discussed in turn below.

A. J-W Power Objection.

76. The J-W Power Company ("J-W Power") objects to the treatment of certain of its executory contracts with the Debtors. The Debtors are working with J-W Power to reconcile

[114] *Objection of Exxon Entities to (A) the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates [Docket No. 1882] and (B) the Cure Claims Proposed in the Debtors' Plan Supplement [Docket No. 1927]*, [Docket No. 1961] (the "Exxon Objection"); *A2D Technologies, Inc. d/b/a TGS Geological Products and Services Objection to the Cure Amount Set Forth on Exhibit B-1 of the Plan Supplement for the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1970] (the "TGS Objection"); *Objection of Subsidiaries of Verizon Communications Inc. to Plan Supplement for the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1972] (the "Verizon Objection"); *Limited Objection to Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1975] (the "Taxing Authorities Objection"); *Objection of J-W Power Company to Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and its Debtor Affiliates* [Docket No. 1983] (the "J-W Power Objection"); *Apache Corporation's Limited Objection to Plan Supplement for the Global Settlement Joint Chapter 11 Plan of Reorganization* [Docket No. 1986] (the "Apache Objection"); *Objection of Cabot Oil & Gas Company to Confirmation of the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates* [Docket No. 1987] (the "Cabot Objection"); *Objection by the Internal Revenue Service to the Debtors' Global Settlement Joint Chapter 11 Plan of Reorganization* [Docket No. 1985] (the "IRS Objection"); *USA Compression Partners, LP's Objection to Debtors' Proposed Cure Payment and Request for Payment of Cure Amount* [Docket No. 1988] (the "USA Compression Objection"); the informal objection and inquiry of SAP America, Inc. (the "SAP Objection"); the informal objection and inquiry of The Travelers Indemnity Company (the "Travelers Objection"); the informal objection and inquiry from representatives of MBOE (the "MBOE Objection"); the informal objection and inquiry of Chubb Corporation (the "Chubb Objection"); and the Alford Objection (as defined herein).

J-W Power's books and records and have proposed language for the Confirmation Order the Debtors believe will resolve this objection before the Confirmation Hearing.

B. The MBOE Objection.

77. The MBOE Objection seeks to reserves certain rights with respect to cure amounts owed in connection with the assumption of certain Executory Contracts and purported audit rights under certain assumed Executory Contracts. The Debtors are engaged in discussions with MBOE regarding acceptable proposed language for the Confirmation Order and hope to resolve this objection before the Confirmation Hearing.

C. The Floyd Alford Objection.

78. Floyd Alford filed two informal objections with the Debtors via handwritten letters received by GCG on January 23, 2017, and February 2, 2017 (collectively, the "Alford Objection"). In both letters, Mr. Alford asserts that Samson Resources Corporation failed to pay all royalties due under an oil and gas lease with his family. The January 23, 2017 letter asserts that Mr. Alford has been underpaid and makes a demand of $250,000. The February 2, 2017 letter states that the Plan should not be confirmed because Alford's royalty interests have not been documented or paid accurately. To the extent Mr. Alford challenges the treatment of his claim under the Plan, the concern is unfounded. As detailed above, the Plan satisfies all confirmation requirements regarding the treatment of Allowed Claims. Mr. Alford's asserted claims can and will be adjudicated in accordance with the Plan and other governing law after Confirmation. Likewise, to the extent Alford is trying to raise an objection regarding the treatment of a royalty interest, or other Hydrocarbon Interest, such objection is also unnecessary considering the Plan's preservation of such interests. The Plan does not compromise or

discharge any royalty interests, and such interests "shall be preserved and remain in full force and effect."[115]

79. Mr. Alford also objects on the grounds that he did not receive solicitation materials and was not able to vote on the Plan. Mr. Alford was not sent a solicitation package because his proof of claim was filed after the bar date. The bar date for filing claims was November 20, 2015, and Mr. Alford filed his claim on November 27, 2015. Pursuant to the solicitation procedures, late filed claims were not entitled to vote.[116] Even if Mr. Alford's proof of claim was filed before the bar date, he would still not be entitled to vote on the Plan because his claim was asserted as a Class 1 (Other Priority) Claim and Class 2 (Other Secured) Claim, neither of which are entitled to vote under the Plan. (Under the Plan, Allowed Claims in Class 1 and Class 2 are deemed to have accepted the Plan.) The Debtors' not mailing Mr. Alford a ballot was consistent with the solicitation procedures approved by the Court, and the Alford Objection should be overruled on this point as well,

Conclusion

80. For all of the reasons set forth herein, the Debtors respectfully request that the Court confirm the Plan as fully satisfying all of the applicable requirements of the Bankruptcy Code by entering the Confirmation Order, waiving the stay imposed by Bankruptcy Rule 3020(e), overruling any remaining objections, and granting such other and further relief as may be appropriate under the circumstances.

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115 Plan, Art. IV.S.

116 *Disclosure Statement for the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtors Affiliates*, Exhibit 1: Solicitation Procedures, § C.1 ("Only the following holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims: holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim").

Dated: February 10, 2017
Wilmington, Delaware

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EXHIBIT A

Objections Received

EXHIBIT A

Confirmation Objections

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
Exxon [Docket No. 1961] ***Resolved***[1]	• Objects to Plan on basis that effective date of contract assumptions for purposes of calculating cure amounts is unclear. • Objects to breadth of releases contained in the Plan. • Objects to potential extinguishment of rights of setoff and recoupment.	• Debtors negotiated the following language with Exxon in resolution of its objection: a. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the terms of this paragraph shall app This Confirmation Order shall not be, and shall not be construed as, a determination of the cure amount or compensation, if any, required to satisfy the provisions of sections 365(b)(1)(A) and 365(b)(1)(B) of the Bankruptcy Code for the assumption of the Exxon/XTO Executory Contracts (the "Exxon/XTO Cure Amount"). The Debtors and the Exxon/XTO Counterparties shall endeavor in good faith to reach agreement as to the Exxon/XTO Cure Amount within sixty (60) days following the entry of the Confirmation Order, and if such an agreement is reached, the Debtors and Exxon/XTO Counterparties shall file a Stipulation with the Court setting forth the agreed Exxon/XTO Cure Amount. If the Debtors and the Exxon/XTO Counterparties fail to reach agreement as to the Exxon/XTO Cure Amount within such sixty (60) day period, either the Reorganized Debtors or the Exxon/XTO Counterparties may, on notice to the Reorganized Debtors or Exxon/XTO, as applicable, request a hearing before the Court for the determination of the Exxon/XTO Cure Amount. Nothing herein shall prejudice the Exxon/XTO Counterparties' right to assert the arguments raised in their *Objection of Exxon Entities to (A) the Global Settlement Joint Chapter 11 Plan of Reorganization of Samson Resources Corporation and Its Debtor Affiliates [Docket No. 1882] and (B) the Cure Claims Proposed in the Debtors' Plan Supplement [Docket No. 1927]* [Docket No. 1961] at any hearing to determine the Exxon/XTO Cure Amount. b. For purposes of determining the Exxon/XTO Cure Amount, the effective date of assumption shall be the Petition Date. All Claims arising under the Exxon/XTO Executory Contracts from and after the Petition Date shall be deemed to be Allowed Administrative Claims based on liability incurred by the Debtors in the ordinary course of their business for which no request for allowance of an administrative claim shall be necessary. However, in the event the Debtors and the Exxon/XTO Counterparties are unable to agree on the amount of the Allowed Administrative Claim held by the Exxon/XTO Counterparties, either party may apply to the Court for a review and determination thereof. c. This Confirmation Order shall not authorize the assumption or rejection of the Exxon/XTO Executory Contracts, which assumption or rejection shall be authorized pursuant to a separate stipulation and agreed order entered by the Reorganized Debtors and the Exxon/XTO Counterparties. To the extent that an Exxon/XTO Executory Contract is later assumed, such assumption shall result in the full release and satisfaction of only those Claims based on an actual default existing as of the Petition Date with respect

[1] Objections marked as "***Resolved***" in this chart are objections the Debtors believe should be resolved by the addition of language to the Confirmation Order or otherwise. Certain other parties may (or may not) have rights under the Plan or otherwise to consent to proposed resolutions of certain objections and may (or may not) have consented to the proposed resolutions set forth herein. The information set forth herein is without prejudice to the consent rights (if any) of any such parties.

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
		to such assumed Exxon/XTO Executory Contract. d. Neither the Plan nor this Confirmation Order shall (a) disallow, discharge or otherwise expunge the Proofs of Claim filed by any of the Exxon/XTO Counterparties, or (b) alter any of the Exxon/XTO Counterparties' rights of setoff or recoupment to the extent such rights exist under the Exxon/XTO Executory Contracts or pursuant to applicable law. e. If the Debtors add any of the Exxon/XTO Executory Contracts to the Schedule of Rejected Executory Contracts and Unexpired Leases as provided in Section V.C. of the Plan, the bar date for filing a rejection claim for such Exxon/XTO Executory Contracts shall be no earlier than thirty (30) days after an amended or supplemental Schedule of Rejected Executory Contracts and Unexpired Leases is filed with the Court and served on the Exxon/XTO Counterparties and their counsel. f. The inclusion of any contract or lease between any of the Debtors and any of the Exxon/XTO Counterparties on the Schedule of Rejected Executory Contracts and Unexpired Leases, or anything contained in the Plan or this Order, shall not constitute an admission by any of the Exxon/XTO Counterparties or a finding by the Bankruptcy Court that any such contract or lease is in fact an Executory Contract or Unexpired Lease. FN 1: As used herein, the term "Exxon/XTO Counterparties" shall collectively mean ExxonMobil Corporation, Exxon Corporation, Exxon Company USA, Mobil Producing Texas and New Mexico, Inc., Exxon Mobil Energy Financing Company, Exxon Mobil Oil Corporation, Mobil Exploration and Producing North America, Mobil Oil Co., Mobil Oil Corp., Socony Mobil Oil Co., Inc., Mobil E&P U.S. Development Corporation, Exxon Mobil Production, and XTO Energy Inc., as well as any parent, subsidiary or affiliate of any of said parties; and the term "Exxon/XTO Executory Contracts" shall mean any executory contract or unexpired lease between any one or more of the Debtors and any one or more of the Exxon/XTO Counterparties. Confirmation Order at Paragraph Z

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
A2D Technologies, Inc. d/b/a TGS Geological Products and Services [Docket No. 1970] ***Resolved and Withdrawn*** [Docket No. 2000]	• Objects to omission of Operating Agreement from assumption and rejection schedules. • Requests adequate assurance of future performance under assumed contracts.	• Debtors amended schedule of assumed contracts to include Operating Agreement. • Debtors negotiated the following language in resolution of remainder of objection: One or more of the Debtors and A2D Technologies, Inc. d/b/a TGS Geological Products and Services ("TGS") are parties to the following agreements: Data Subscription Agreement dated June 1, 2015 ("Subscription Agreement"), Transfer Agreement dated December 19, 2011, Licensing Agreement dated December 10, 2014, and Operating Agreement dated December 19, 2011 (collectively, including the Subscription Agreement, the "TGS Agreements"). The Debtors desire to assume and TGS agrees to the Debtors' assumption of the TGS Agreements, subject to and conditioned upon the Debtors' agreement to timely comply with all of the terms and conditions of the TGS Agreements, including but limited to (a) payment terms as well as any and all provisions and restrictions regarding use, transfer, assignment, change of control, and termination thereof, and (b) without prejudice to the foregoing generality, payment when due of the sum of $93,000 as provided under the Subscription Agreement. Confirmation Order at Paragraph Y
Verizon [Docket No. 1972] ***Resolved and Withdrawn*** [Docket No. 1984]	• Objects to rejection of certain contracts due to insufficient information regarding such contracts. • Objects to cure amounts listed for contracts to be assumed.	• Debtors will amend Plan Supplement schedules of rejected and assumed contracts in resolution of Verizon's objection.

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
Upton County [Docket No. 1975] ***Resolved and Withdrawn*** [Docket No. 1990]	• Objects to Plan on multiple bases and requests clarification of treatment of claims, liens, and timing of payment of distributions on account of claims.	• Debtors negotiated the following language in resolution of the objection: Notwithstanding anything to the contrary in the Plan or the Confirmation Order, Secured Tax Claims owing to Upton County Appraisal District, Hockley County Tax Office, Andrews County Tax Office, Andrews ISD, Panola County Tax Office, Sheldon ISD, Woodlands RUD 1, Edinburg Consolidated ISD, Delta Lake Irrigation District, Colorado County, Ft. Eliliot Consolidated ISD, Wheeler County Tax Office, Hartley CAD, Hansford County Tax Office, Moore County Tax Office, Ochiltree CAD, Hansford County Tax Office, Sherman CAD, Canadian ISD, Moore County Tax Office, Roberts CAD, Clear Creek Water Shed, Cooke County, Muenster Hospital District, and North Central Texas College (the "Taxing Entities") for [2016] ad valorem taxes shall be paid by the Debtors in full, in cash, on or as soon as reasonably practicable after the Final Effective Date or when due according to their terms, whichever occurs later. The Allowed Secured Tax Claims owing to the Taxing Entities shall include all accrued interest properly charged under applicable non-bankruptcy law through the date of payment of such Allowed Secured Tax Claims. The Taxing Entities shall retain all liens provided by state law (to the extent permitted under the Bankruptcy Code) until such Allowed Secured Tax Claims are paid in full pursuant to this Plan. The Plan shall not impair whatever lien or enforcement rights a governmental unit may have for taxes that are not yet assessed or otherwise due as of the Effective Date, including without limitation taxes for pre-petition taxes or later years. In the event the Allowed Secured Tax Claims owing to the Taxing Entities are not timely paid as provided herein, the Taxing Entities may proceed with state law remedies for collection of all amounts due under state law pursuant to the Texas Property Tax Code, without further notice or order of the Court. Confirmation Order at Paragraph BB

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
J-W Power Company [Docket No. 1983] ***Pending***	• Objects to cure amounts listed for assumed contracts. • Requested additional information regarding proposed disposition of contracts.	• Debtors are working with J-W Power to reconcile alleged amounts owed. • Additionally, Debtors are negotiating the following language in resolution of J-W Power's objection in the event the parties are unable to finish the reconciliation in advance of the Confirmation Hearing: Notwithstanding anything to the contrary contained in the Plan, the Schedule of Rejected Executory Contracts and Unexpired Leases or this Confirmation Order, the Confirmation Order and the entry thereof shall not constitute a Court order approving (i) the assumption, assumption and assignment, or rejection of any contracts (the "J-W Power Contracts") between the Debtors and J-W Power Company ("J-W Power") pursuant to sections 365(a) and 1123 of the Bankruptcy Code or (ii) a determination of (x) the amount of any payments required to cure a default or as rejection damages with respect to any of the J-W Power Contracts, (y) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) to J-W Power with respect to the J-W Power Contracts, or (z) any other matter pertaining to assumption or rejection of any of the J-W Power Contracts. The Debtors and J-W Power shall endeavor in good faith to reach an agreement as to the appropriate disposition of the J-W Power Contracts, the cure amount or rejection damages associated therewith, if any, and adequate assurance of future performance within thirty (30) days following the entry of the Confirmation Order, and if such an agreement is reached, the Debtors and J-W Power shall file a stipulation with the Court setting forth the agreed upon disposition of the J-W Power Contracts, agreed cure amount or rejection damages, if any, and adequate assurance of future performance. If the Debtors and J-W Power fail to reach agreement as to the disposition of the J-W Contracts, cure amount or rejection damages, if any, and adequate assurance of future performance within such thirty (30) day period, either the Reorganized Debtors or J-W Power may, on notice to the Reorganized Debtors or J-W Power, as applicable, request a hearing before the Court for the determination of the disposition of the J-W Power Contracts, the cure amount or rejection damages, if any, and adequate assurance of future performance. Confirmation Order at Paragraph FF
Internal Revenue Service [Docket No. 1985] ***Resolved and Withdrawn*** [Docket No. 1995]	• Objects to potential impairment of rights of setoff and recoupment. • Objects to discharge of non-debtors from liability for pre-petition debt. • Objects to possible bar of payment of post-petition interest on priority tax claims.	• Debtors negotiated the following language with the IRS in resolution of its objection: Notwithstanding anything to the contrary in the Plan or this Confirmation Order (a) no Person, other than the Debtors, shall be released of any liabilities to or claims of the United States of America, (b) the Plan shall not be construed so as to limit the United States' right of setoff under section 553 of the Bankruptcy Code, and (c) the United States shall be entitled to collect postpetition interest on Claims paid in conformity with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code. Confirmation Order at Paragraph DD

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
Apache Corporation [Docket No. 1986] ***Resolved***	• Requests additional information regarding proposed rejected contracts. • Requests adequate assurance of certain outstanding due amounts.	• Debtors are amending the schedule of rejected contracts to remove the Apache contract and negotiated the following language in the confirmation order in resolution of Apache's objection: The Debtors' assumption pursuant to this Confirmation Order of certain executory contracts or unexpired leases by and between certain of the Debtors and Apache Corporation (the "Apache Contracts") is subject to and conditioned upon the Debtors' agreement to timely comply with all of the terms and conditions of the Apache Contracts, including but not limited to the payment of all amounts when due and owing as set forth in the Apache Contracts. Confirmation Order at Paragraph EE
Cabot Oil & Gas [Docket No. 1987] ***Resolved and Withdrawn*** [Docket No. 1998]	• Objects to the treatment of its possible interest in certain leases, which is subject to ongoing dispute regarding its interest.	• Debtors negotiated the following language with Cabot in resolution of its objection: Nothing in this Confirmation Order or the Plan and the Plan Documents shall be construed to terminate any right, title or interest of Cabot in or to: (a) the interests in the EEX McCoy #27-1 wellbore located 791' FSL and 2,107' FWL of Section 27 Camp School Lands, Wheeler County, Texas, retained by Cabot Oil & Gas Corporation ("Cabot") pursuant to that certain Assignment of Oil, Gas and Mineral Leases dated February 8, 2001, from Cabot, as assignor, to Samson Lone Star LP (n/k/a Samson Lone Star LLC) ("Samson Lone Star"), as assignee, recorded at Volume 483, Page 112, in the Property Records of Wheeler County, Texas or (b) the interests in the Southwest Quarter of Section 27 Camp County School Lands, Wheeler County, Texas, which are subject to a dispute between Cabot, Samson Lone Star and Newfield Exploration Mid- Continent, Inc. ("Newfield") concerning the interpretation of the Cabot Assignment and Cabot's claim to an undivided 35% interest in the "Leases," as that term is used in the Cabot Assignment, covering the Southwest Quarter of Section 27 Camp County School Lands, Wheeler County, Texas, from the surface down to 15,500', which includes interests claimed by Cabot and Samson Lone Star in the McCoy #7H and McCoy #8H wells, and which is subject to two related lawsuits pending in the district court of Wheeler County, Texas, Cause Nos. 12,769 and 12,769-A, and an appeal taken by Cabot of a judgment and order entered by the district court in favor of Newfield in Cause No. 12,769 to the Texas Seventh Court of Appeals, No. 07-16-00125-CV. Any stay of these lawsuits shall be terminated on the Initial Effective Date of the Plan. All claims in these lawsuits shall be preserved and the retention of Hydrocarbon Interests by the Debtors under the Plan shall remain subject to the determination of the right, title and interest of Samson, Newfield and Cabot in the interests defined in (a) and (b) above, which determination shall be made in these lawsuits. Confirmation Order at Paragraph CC
USA Compression [Docket No. 1988] ***Resolved***	• Objects to cure amounts listed for assumed contracts.	• Debtors are amending the schedule of assumed contracts in resolution of USA Compression's objection.

Objecting Party / Status	Basis for Objection	Proposed Resolution or Response
SAP (informal) ***Resolved***	• Objects to inclusion of certain contracts on schedule of assumed contracts. • Objects to cure amounts listed for contracts to be assumed.	• Debtors are amending schedule of rejected and assumed contracts in resolution of SAP's objection.
Travelers (informal) ***Resolved***	• Requests information regarding proposed disposition of contracts.	• Debtors are amending the schedule of assumed contracts in resolution of Travelers' objection.
MBOE (informal) ***Pending***	• Requests reservation of rights with respect to cure amounts owed in connection with assumed contracts. • Requests reservation of rights regarding audit rights under assumed contracts.	• Debtors have proposed the following language to MBOE and other parties to resolve the MBOE Objection: Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the Confirmation shall not be and shall not be deemed to be an order establishing a cure amount, if any, on account of any assumed executory contracts or unexpired leases between MBOE, Inc. ("MBOE") and the Debtors (collectively, the "MBOE Agreements"). MBOE shall retain all of its rights under the MBOE Agreements, including, without limitation, its rights to audit and/or obtain information related to the MBOE Agreements from the Debtors and, if appropriate, to collect from the Debtors any additional monies owed by the Debtors that accrued prior to the assumption of the MBOE Agreements pursuant to the Confirmation Order. Confirmation Order at Paragraph AA
Floyd Alford (informal) ***Unresolved***	• Requests $250,000 payment. • Objects to lack of receipt of voting solicitation package and requests voting solicitation package. • Objects to Plan in general, and requests payments on account of alleged claims.	• The Debtors have addressed Mr. Alford's objection in the confirmation brief.
Chubb; Westchester Fire Insurance Company (informal) ***Resolved***	• Requested language regarding treatment of Insurance Contracts.	• Debtors have negotiated revised Plan language with Chubb in resolution of its objection.