IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SAMSON RESOURCES CORPORATION, *et al.*,[1]	)	Case No. 15-11934 (CSS)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 7, 89, 187, 294**

DEBTORS' SUPPLEMENTAL MOTION TO AUTHORIZE PAYMENT OF (I) MINERAL PAYMENTS AND (II) WORKING INTEREST DISBURSEMENTS

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state the following in support of this supplemental motion (this "Supplemental Motion").

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to pay or apply in the ordinary course of business, an additional amount of $22.1 million to mineral payees and $0.6 million to working interest holders in the ordinary course of business on account of prepetition mineral proceeds.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*,

[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.

dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this Supplemental Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rule 9013-1(m).

Background

5. 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 (the "Committee") pursuant to section 1102 of the Bankruptcy Code.

6. A description of the Debtors' businesses and the reasons for commencing the chapter 11 cases is set forth in the *Declaration of Philip Cook in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 2].

7. On September 17, 2015, the Debtors filed *Debtors' Motion for Entry of Interim and Final Orders Authorizing Payment of (I) Mineral Payments and (II) Working Interest Disbursements* [Docket No. 7] (the "Royalties Motion").[2] This Court approved the Royalties Motion on an interim basis on September 22, 2015 [Docket No. 89] and October 14, 2015 [Docket No. 187], and on a final basis on October 29, 2015 [Docket No. 294], allowing Mineral Payments of up to $33.8 million and Working Interest Disbursements of up to $35.6 million, each on account of prepetition mineral proceeds.

Additional Mineral Payments and Working Interest Disbursements

8. As the court is aware, the Debtors filed for chapter 11 protection with a Restructuring Support Agreement in place hoping for a quick confirmation, and sought first day relief assuming the Debtors would be in bankruptcy for approximately four months. For reasons that have been well documented, including market volatility, the Debtors are still in chapter 11, and, accordingly need additional relief to make prepetition payments of royalties and working interest disbursements.

9. Due in large part to the unanticipated duration of these chapter 11 cases, as well as the extensive work the Debtors have put into evaluating their claims pool to date, additional prepetition amounts owed to Mineral Payees and Working Interest Owners are now anticipated to come due before the Debtors consummate a plan of reorganization. Therefore, the Debtors file this Supplemental Motion seeking authority to pay an additional amount of $22.7 million, in the aggregate, to Working Interest Holders and Mineral Payees, representing the entire amount of all such prepetition mineral proceeds reflected on the Debtors' balance sheets.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Royalties Motion. The Debtors hereby incorporate the Royalties Motion herein by reference.

10. More than half of this additional amount relates to funds owed to Mineral Payees that have been held in suspense (the "Suspended Funds") on the Debtors' balance sheets, which may occur for a number of reasons, including that the Debtors do not have record of a valid address for the Mineral Payee or do not have other required documentation to validate a Mineral Payee's right to payment. Subject to applicable laws, when and to the extent the Debtors are provided evidence or sufficient notice that the issue preventing payment of these Suspended Funds to a particular Mineral Payee is resolved, the Debtors release the Suspended Funds in question. As of the Petition Date, the Debtors anticipated paying approximately $440,000 in prepetition Suspended Funds during these chapter 11 cases, based on the average rate at which such funds were paid historically. However, given the unanticipated additional time in chapter 11, and with the bevy of helpful information the Debtors' Mineral Payees have provided through the claims filing and reconciliation process, the Debtors anticipate obtaining sufficient information to pay significantly more in Suspended Funds before emergence.

11. Similarly, as a result of additional information exchanged with certain Mineral Payees during these chapter 11 cases, the Debtors have determined that they owe additional prepetition Mineral Payments and Working Interest Disbursements that were not previously reflected on the Debtors' balance sheets.

12. Finally, as a result of continuing discussions with the federal government—one of the Debtors' most significant oil and gas lease counterparties—the Debtors have determined that additional prepetition Mineral Payments may be owed to the government that were not previously reflected on the Debtors' balance sheets. In total, all of these Mineral Payments and Working Interest Disbursements amount to approximately $22.7 million.

Relief Requested and Supporting Authority

I. The Debtors Should Be Authorized to Pay the Mineral Payments and Working Interest Disbursements

A. Proceeds Attributable to the Interests of Mineral Payees and Working Interest Holders Are Not Property of the Debtors' Estates

13. With certain exceptions, section 541 of the Bankruptcy Code provides that all property to which a debtor has legal or equitable interest becomes property of the estate upon the commencement of a chapter 11 case. 11 U.S.C. § 541(a)(1). This includes any interest in property that the estate acquires after commencement of the chapter 11 cases. 11 U.S.C. § 541(a)(7). However, section 541 does not by itself create new legal or equitable interests in property; instead, "[p]roperty interests are created and defined by state law." *Butner v. United States*, 440 U.S. 48, 54–55 (1979) (noting that "Congress has generally left the determination of property rights in the assets of a bankrupt's estate to state law"). Further, Congress was clear that section 541(a)(1) of the Bankruptcy Code "is not intended to expand the debtor's rights against others more than they existed at the commencement of the case." H.R. Rep. No. 95-595, 95th Cong., 1st Sess. 367–68 (1977); *see also Moody v. Amoco Oil Co.*, 734 F.2d 1200, 1213 (7th Cir. 1984) (holding that the "rights a debtor has in property at the commencement of the case continue in bankruptcy—no more, no less"). Thus, if a debtor holds no legal or equitable interest in property as of the commencement of the case, such property does not become property of the debtor's estate under section 541 and the debtor is prohibited from distributing such property to its creditors. *Pearlman v. Reliance Ins. Co.*, 371 U.S. 132, 135–36 (1962) ("The Bankruptcy Act simply does not authorize a [debtor] to distribute other people's property among a bankrupt's creditors . . . [S]uch property rights existing before bankruptcy in persons other than the bankrupt must be recognized and respected in bankruptcy.").

14. Further, section 541(d) of the Bankruptcy Code provides that a debtor who holds only bare legal title to property but not equitable interest in such property as of the commencement of the case does not obtain equitable interest in such property pursuant to section 541 of the Bankruptcy Code. Specifically, it states:

> Property in which the debtor holds, as of the commencement date of the case, only legal title and not an equitable interest . . . becomes property of the estate under subsection (a)(1) or (2) of this section only to the extent of the debtor's legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.

11 U.S.C. § 541(d).

15. Courts in this district have interpreted section 541(d) to "expressly" provide that when a debtor holds only bare legal title in property, such property is not property of the estate. *In re Lenox Healthcare, Inc.*, 343 B.R. 96, 100 (Bankr. D. Del. 2006). When a debtor holds legal title but not equitable interest in property, the debtors must turn such property over to the holders of such property. *See In re MCZ, Inc.*, 82 B.R. 40, 42 (Bankr. S.D. Tex. 1987) ("Where Debtor merely holds bare legal title to property as agent or bailee for another, Debtor's bare legal title is of no value to the estate, and Debtor should convey the property to its rightful owner."). A debtor who holds proceeds attributable to real property owned by another holds only bare legal title to such property. *See, e.g., In re Columbia Pac. Mortgage, Inc.*, 20 B.R. 259, 262–64 (Bankr. W.D. Wash. 1981) (holder of participation ownership interest brought successful action against bankruptcy trustee for proceeds of a sale of real property because holder was beneficial owner and debtor having only legal title held the proceeds in trust).

16. States in which the Debtors operate do not consider Oil and Gas Leases to be "leases" within the traditional use of the term. Instead, the Working Interests conveyed thereby are considered conveyances of fee interests, incorporeal hereditaments, or profit à prendre.

See, e.g., *Terry v. Humphreys*, 203 P. 539, 543 (N.M. 1922) (oil and gas lease transfers "more than a chattel interests or a mere license or incorporeal hereditament"); *Rich v. Doneghey*, 177 P. 86, 89 (Okla. 1918) (holding oil and gas lease grants "an 'incorporeal hereditament,' or, more specifically, a profit à prendre"); *Togeson v. Connelly*, 348 P.2d 63, 68 (Wyo. 1959) ("the right created by an oil lease is to search for oil and gas and if either is found to remove it from the land, and from this is would appear to be a profit à prendre and hence an incorporeal hereditament").

17. Interest Burdens are also considered interests in real property in the jurisdictions in which the Debtors operate. *See, e.g.*, La. Code Civ. Proc. Ann. art. 3664 (2014) ("The owner of a mineral right may assert, protect, and defend his right in the same manner as the ownership or possession of other immovable property, and without the concurrence, joinder, or consent of the owner of the land or mineral rights.");[3] Minerals-Royalty Interests, 1991 Colo. Legis. Serv. S.B. 91-34 (West) ("Any conveyance, reservation, or devise of a royalty interest in minerals or geothermal resources, whether of a perpetual or limited duration, contained in any instrument executed on or after July 1, 1991, creates a real property interest which vests in the holder or holders of such interest the right to receive the designated royalty share of the specified minerals or geothermal resources or the proceeds therefrom in accordance with the terms of the instrument."); *Alamo Nat. Bank of San Antonio v. Hurd*, 485 S.W.2d 335, 338–39 (Tex. Civ. App. 1972) ("there can be no doubt in Texas but that an overriding royalty, whether payable in money or by the delivery of oil, is an interest in land"); *Edward v. Prince*, 719 P.2d 422, 424 (Mont. 1986) (interpreting a royalty interest under Montana law using a state law provision for real property); *Team Bank v. Meridian Oil Inc.*, 118 N.M. 147, 149 (1994) ("an overriding

[3] Louisiana property law is rooted in civil law as opposed to common law, and as such, refers to real property as "immovable property" and personal property as "movable property."

interest is an interest in real property"); *ANR W. Coal Dev. Co. v. Basin Elec. Power Co-op.*, 276 F.3d 957, 965 (8th Cir. 2002) (recognizing that "[o]verriding royalty holders have an interest that is a form of real property under North Dakota law"); *De Mik v. Cargill*, 485 P.2d 229, 231 (Okla. 1971) (noting that "[a]n overriding royalty interest generally is held to be an interest in real property" under Oklahoma law); *Johnson v. Anderson*, 768 P.2d 18, 23 (Wyo. 1989) (overriding royalty interest is a nonpossessory interest in real property). In these jurisdictions, the real property Interest Burdens, once created, became the property of their holders. *See, e.g.*, *Tennant v. Dunn*, 110 S.W. 2d 53, 56 (Tex. 1937) (holding under Texas law that conveyances made pursuant to the creation of an Oil and Gas Lease convey a vested real property right at the time of the conveyance). As such, Interest Burdens, and the Mineral Payments owed on account thereof, are property of the third-party Mineral Payees and are outside the scope of property of the estate.

18. To the extent applicable nonbankruptcy law does not treat Interest Burdens as real property interests, section 541 expressly excludes certain Interest Burdens such as overriding royalty interests, from the definition of property of the estate. Section 541(b)(4)(B) states that:

> Property of the estate does not include any interest of the debtor in liquid or gaseous hydrocarbons to the extent that the debtor has transferred such interest pursuant to a written conveyance of a production payment[4] to an entity that does not participate in the operation of the property from which such production payment is transferred.

11 U.S.C. § 541(b)(4)(B).

19. Because Working Interests and Interest Burdens are not property of the estate either by application of state law or pursuant to section 541(b) of the Bankruptcy Code, any

[4] Production payment means "a term overriding royalty satisfiable in cash or in kind contingent on the production of a liquid or gaseous hydrocarbon from particular real property . . . determined without regard to production costs." 11 U.S.C. § 101(42A).

proceeds or profits that the Debtors may take possession of during the pendency of these chapter 11 cases earned on account of the Working Interests or Interest Burdens are not property of the estate under section 541(a)(6) of the Bankruptcy Code. *See* 11 U.S.C. § 541(a)(6) (providing that proceeds, product, offspring, rents, or profits ***of or from property of the estate*** constitute property of the estate under section 541 of the Bankruptcy Code) (emphasis added).

20. Additionally, to the extent the Debtors have proceeds of Working Interest Holders or Mineral Payees in their possession, the Debtors at most hold bare legal title to such funds and hold no legal title to the percentage of the oil and gas production attributable to the Working Interests Holders or Mineral Payees. Indeed, the Debtors only take possession of proceeds from the sale of the Working Interest Holders' and Mineral Payees' share of oil and gas production because they market and sell the oil and gas production on behalf of the Working Interest Holders and Mineral Payees before remitting the Working Interest Disbursements and Mineral Payments to them. This Court has held that in such situations, a resulting trust is established on behalf of the holders of oil and gas royalty interests. *See Vess Oil Corp. v. SemCrude, L.P. (In re SemCrude, L.P.),* 418 B.R. 98, 106 (Bankr. D. Del. 2009) (holding that funds in debtors' possession held on behalf of royalty interest holders were held in a resulting trust for such parties, debtors only held bare legal title to such property, and thus such funds were not property of the estate). The Supreme Court has held that property held by debtors for a third party (such as funds held on account of a resulting trust) is not property of the estate. *Begier v. Internal Revenue Service,* 496 U.S. 53, 59 (1990) ("Because the debtor does not own an equitable interest in property he holds in trust for another, that interest is not 'property of the estate.'"); *United States v. Whiting Pools, Inc.,* 462 U.S. 198, 205 n.10 (1983) (noting that "Congress plainly excluded property of others held by the debtor in trust at the time of the filing of the petition"

from the bankruptcy estate). Thus, any property held by the Debtors on account of the Working Interest Holders and Mineral Payees is not property of the Debtors' estates.

21. Because the Working Interest Disbursements and Mineral Payments are not property of the estate, it is unclear whether the automatic stay would prevent any action by a Working Interest Holder or Mineral Payee to obtain possession or exercise control over the Working Interest Disbursements or Mineral Payments, as applicable. *See* 11 U.S.C. § 362(a)(3) (providing that the automatic stay is applicable to all entities for "any act to obtain possession of ***property of the estate*** or of ***property from the estate*** or to exercise control over ***property of the estate***" (emphasis added)). Failure to grant the relief requested by this Supplemental Motion could subject the Debtors to unnecessary litigation, either in or outside of the Bankruptcy Court, at a time when their resources are already subject to enormous strain. As such, the Debtors believe payment of the Working Interest Disbursements and Mineral Payments in the ordinary course of business is in the best interests of the Debtors and their creditors, and should be authorized by the Court.

22. No creditors are prejudiced by this Supplemental Motion, and the Debtors have discussed the relief requested herein with their key creditor constituencies. The Debtors have no right to distribute any funds on account of the Working Interest Disbursements or Mineral Payments to their creditors because the Working Interest Disbursements and Mineral Payments are not property of the estate. As such, for the reasons set forth above, the Debtors respectfully request that the Court (a) hold that the Working Interests and Interest Burdens and the amounts owed to Working Interest Holders and Mineral Payees on account thereof are not property of the Debtors' estates, either because (i) they are real property interests of third parties and not "property of the estate" pursuant to applicable nonbankruptcy law and section 541(a) of the

Bankruptcy Code, (ii) they are specifically excluded from the definition of property of the estate pursuant to section 541(b) of the Bankruptcy Code, or (iii) they are excluded specifically under section 541(d) of the Bankruptcy Code as interests in which the Debtors hold only bare legal title and (b) authorize the Debtors to make the Working Interest Disbursements and Mineral Payments to the Working Interest Holders and Mineral Payees, respectively, in the ordinary course of business, for mineral proceeds incurred both prepetition and postpetition on account of the Working Interest Disbursements and Mineral Payments.

23. Courts have routinely authorized payment to working interest holders and mineral payees under similar circumstances. *See, e.g., In re Endeavour Operating Corp.*, Case No. 14-12308 (KJC) (Bankr. D. Del. Nov. 6, 2014); *In re Goldking Holdings, LLC*, Case No. 13-12820 (BLS) (Bankr. D. Del. Oct. 31, 2013); *In re Delta Petroleum Corp.*, Case No. 11-14006 (KJC) (Bankr. D. Del. Dec. 19, 2011); *In re Dune Energy, Inc.*, Case No. 15-10336 (Bankr. W.D. Tex. Mar. 10, 2015); *In re WBH Energy, LP*, Case No. 15-10003 (W.D. Tex. Jan. 26, 2015).[5]

B. Payment is Authorized by Sections 105(a) and 363(b) of the Bankruptcy Code.

24. Section 363 of the Bankruptcy Code provides, in relevant part, that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under section 363(b), courts in this jurisdiction require only that the debtor "show that a sound business purpose" justifies the proposed use of property. *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987)

[5] Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

(requiring "good business reason" for use under section 363(b) of the Bankruptcy Code). Moreover, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) ("Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task."). Section 105(a) of the Bankruptcy Code further provides that a court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of" the Bankruptcy Code, pursuant to the "doctrine of necessity." 11 U.S.C. § 105(a).

25. The "doctrine of necessity" functions in a chapter 11 case as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of critical prepetition claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re Lehigh & New Eng. Ry.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court may authorize payment of prepetition claims if such payment is essential to debtor's continued operation); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code "provides a statutory basis for payment of pre-petition claims" under the doctrine of necessity); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (explaining that the doctrine of necessity is the standard in the Third Circuit for enabling a court to authorize the payment of prepetition claims prior to confirmation of a reorganization plan).

26. In a long line of well-established cases, courts consistently have permitted postpetition payment of prepetition amounts where necessary to preserve or enhance the value of a debtor's estate for the benefit of all creditors. *See, e.g.*, *Miltenberger v. Logansport, C&S W.R.*

Co., 106 U.S. 286, 312 (1882) (payment of pre-receivership claim prior to reorganization permitted to prevent "stoppage of [crucial] business relations"); *Dudley v. Mealey*, 147 F.2d 268, 271 (2d Cir. 1945) (extending doctrine for payment of prepetition claims beyond railroad reorganization cases), *cert. denied* 325 U.S. 873 (1945); *Mich. Bureau of Workers' Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 285–86 (S.D.N.Y. 1987) (approving lower court order authorizing payment of prepetition wages, salaries, expenses and benefits).

27. The relief requested herein is appropriate and warranted under both sections 363(b) and 105(a) of the Bankruptcy Code. The authority to satisfy the Working Interest Disbursements and Mineral Payments in the initial days of these chapter 11 cases without disrupting their operations will send a clear signal to the marketplace, including Working Interest Holders and Mineral Payees, that the Debtors are willing, and, importantly, able to conduct business as usual during these chapter 11 cases.

28. If the relationships established by the Debtors with the Working Interest Holders and Mineral Payees are harmed, whether through non-payment or perceived difficulties of working with a chapter 11 debtor, the Debtors may be unable to secure future opportunities with those parties and other third parties may be unwilling to engage in new business with the Debtors going forward. If that were to occur, the negative impact on the Debtors' business, their estates, and creditors would be substantial.

29. Based on the dire consequences that would result if the Debtors fail to honor the Working Interest Disbursements and Mineral Payments, the Debtors submit that the relief requested herein represents a sound exercise of the Debtors' business judgment, is necessary to

avoid immediate and irreparable harm to the Debtors' estates, and is therefore justified under sections 105(a) and 363(b) of the Bankruptcy Code.

II. Payment of the Mineral Payments and Working Interest Disbursements Is in Furtherance of the Debtors' Fiduciary Duties Under Bankruptcy Code Sections 1107(a) and 1108.

30. The Debtors, operating their businesses as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code, are fiduciaries "holding the bankruptcy estate and operating the business for the benefit of its creditors and (if the value justifies) equity owners." *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). Implicit in the duties of chapter 11 debtors in possession is the duty "to protect and preserve the estate, including an operating business's going-concern value." *Id.*

31. Courts have noted that there are instances in which debtors in possession can fulfill their fiduciary duties "only . . . by the preplan satisfaction of a prepetition claim." *Id.* The *CoServ* court specifically noted that the preplan satisfaction of prepetition claims would be a valid exercise of a debtor's fiduciary duty when the payment "is the only means to effect a substantial enhancement of the estate," *id.*, and also when the payment was to "sole suppliers of a given product." *Id.* at 498. The court provided a three-pronged test for determining whether a preplan payment on account of a prepetition claim was a valid exercise of a debtor's fiduciary duty:

> First, it must be critical that the debtor deal with the claimant. Second, unless it deals with the claimant, the debtor risks the probability of harm, or alternatively, loss of economic advantage to the estate or the debtor's going concern value, which is disproportionate to the amount of the claimant's prepetition claim. Third, there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim.

Id.

32. Payment of the Mineral Payments and Working Interest Disbursements meets each element of the *CoServ* court's standard. First, as described above, each of the creditors Mineral Payees and Working Interest Holders hold real property interests in the Debtors oil and gas interests. Second, failing to make the Mineral Payments and/or Working Interest Disbursements when do could result in liens being placed on the Debtors' oil and gas interests, including proceeds therefrom. The time and cost attendant to multiple liens being perfected on the Debtors' assets could significantly disrupt the Debtors' businesses and restructuring process, which could cost the Debtors' estate a substantial amount in lost revenue. Accordingly, the harm and economic disadvantage that would stem from failure to pay any of the prepetition Mineral Payments and Working Interest Disbursements is grossly disproportionate to the amount of the prepetition mineral payments that would have to be paid. And, third, with respect to each of the Mineral Payees and Working Interest Holders, the Debtors have determined that, to avoid significant disruption of the Debtors' business operations, there exists no practical or legal alternative to payment of the prepetition Mineral Payments and Working Interest Disbursements. Therefore, the Debtors can only meet their fiduciary duties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code through payment of the prepetition Mineral Payments and Working Interest Disbursements.

Reservation of Rights

33. Nothing contained herein is intended or shall be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their right to contest any claim related to the relief sought herein. Likewise, if the Court grants the relief sought herein, any payment made

pursuant to an order of the Court is not intended to be nor should it be construed as (a) an admission as to the amount of, basis for, or validity of any claim of the Working Interest Holders or Mineral Payees under applicable nonbankruptcy law, (b) a waiver of any claims or causes of action which may exist against any Working Interest Holder or Mineral Payee, or (c) an assumption, adoption, or rejection of any agreement, contract, or lease between the Debtors and any third party under section 365 of the Bankruptcy Code. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

Request for Bankruptcy Rule 6004(a) and 6004(h)

34. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

35. The Debtors will provide notice of this Supplemental Motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) the Committee; (c) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (d) the agent under the Debtors' first lien credit facility; (e) counsel to the agent under the Debtors' first lien credit facility; (f) the agent under the Debtors' second lien credit facility; (g) counsel to the agent under the Debtors' second lien credit facility; (h) the indenture trustee under the Debtors' 9.75% senior notes due 2020; (i) counsel to certain majority holders of the existing common stock of the Debtors; (j) holders of the existing preferred stock of the Debtors; (k) counsel to holders of the existing preferred stock of the Debtors; (l) the United States Attorney's Office for the District of Delaware; (m) the Internal Revenue Service; (n) the United States Securities and Exchange

Commission; (o) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (p) the state attorneys general for states in which the Debtors conduct business; and (q) those parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

36. No prior request for the relief sought in this Supplemental Motion has been made to this or any other court.

[*Remainder of page intentionally left blank*]

WHEREFORE, the Debtors respectfully request entry of the Order attached hereto as **Exhibit A**.

Dated: June 23, 2016
Wilmington, Delaware

/s/ Michael W. Yurkewicz

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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)
	)	**Objection Deadline: July 7, 2016 at 4:00 p.m.**
	)	**Hearing Date: July 14, 2016 at 11:00 a.m.**

NOTICE OF DEBTORS' SUPPLEMENTAL MOTION TO AUTHORIZE PAYMENT OF (I) MINERAL PAYMENTS AND (II) WORKING INTEREST DISBURSEMENTS

PLEASE TAKE NOTICE THAT on June 23, 2016, the above-captioned debtors and debtors-in-possession (the "Debtors"), filed the *Debtors' Supplemental Motion to Authorize Payment of (I) Mineral Payments and (II) Working Interest Disbursements* (the "Motion") with the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that any responses to the Motion must be in writing and filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon the undersigned, so as to be received on or **before 4:00 p.m. on July 7, 2016.**

PLEASE TAKE FURTHER NOTICE THAT, IF AN OBJECTION IS PROPERLY FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, A HEARING WILL BE HELD ON **JULY 14, 2016 AT 11:00 A.M.** BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, COURT ROOM #6, 5TH FLOOR, WILMINGTON, DELAWARE 19801. ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

[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.

Dated: June 23, 2016
Wilmington, Delaware

/s/ Michael W. Yurkewicz

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EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ORDER AUTHORIZING PAYMENT OF (I) MINERAL PAYMENTS AND (II) WORKING INTEREST DISBURSEMENTS

Upon the supplemental motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") authorizing the payment or application of funds in an additional amount of $22.7 million attributable to (i) mineral payments and (ii) working interest disbursements, all as more fully described in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United states District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and

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[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at hearings before this Court (the "Hearings"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearings establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The Debtors are authorized, but not directed, to pay the Mineral Payees, in the ordinary course of business, the Mineral Payments, whether such mineral proceeds were incurred prepetition or postpetition, in an additional amount not to exceed $22.1 million on account of prepetition Mineral Payments.

3. The Debtors are authorized, but not directed, to pay or apply the Working Interest Disbursements, in the ordinary course of business whether such mineral proceeds were incurred prepetition or postpetition in an additional amount not to exceed $0.6 million on account of prepetition Working Interest Disbursements.

4. Any Working Interest Holder, Mineral Payee, or any other party that accepts payment from the Debtors on account of a Working Interest, Working Interest Disbursement, Interest Burden, or Mineral Payment, shall be deemed to have agreed to the terms and provisions of this Order.

5. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Order or any payment made pursuant to this Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or

lien, or the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

6. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a).

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2016
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE