IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

DECLARATION OF CHRISTOPHER ARNETT
IN SUPPORT OF CONFIRMATION OF THE GLOBAL
SETTLEMENT JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF SAMSON RESOURCES CORPORATION AND ITS DEBTOR AFFILIATES

I, Christopher Arnett, hereby declare under penalty of perjury as follows to the best of my knowledge, information, and belief:

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

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

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Geodyne Resources, Inc. (2703); Samson Contour Energy Co. (7267); Samson Contour Energy E&P, LLC (2502); Samson Holdings, Inc. (8587); Samson-International, Ltd. (4039); Samson Investment Company (1091); Samson Lone Star, LLC (9455); Samson Resources Company (8007); and Samson Resources Corporation (1227). The location of parent Debtor Samson Resources Corporation's corporate headquarters and the Debtors' service address is: Two West Second Street, Tulsa, Oklahoma 74103.

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

Professional Background and Qualifications

3. I have more than 16 years of experience advising corporations and other constituents on restructuring transactions. I also have considerable experience with bankruptcy planning and implementation, business plan assessment, strategic analysis, fair market valuations, liquidation analysis, capital structure analysis, asset dispositions, wind downs, plan formulation and negotiation of financial restructurings. I have prepared various valuation reports and testified as a fact witness on numerous occasions. During my time at A&M, I have been engaged in connection with the restructuring of, among other companies, Crusader Energy, Vitro America, LLC, Coach America Holdings, and Southern Montana Electric Generation & Transmission Cooperative.

4. Prior to joining A&M in 2009, I spent more than four years with Barrier Advisors, an affiliate of Highland Capital Management, in Dallas, where I most recently served as a Director focusing on creditor and debtor restructuring roles. I have also served in management positions in the restructuring practices of KPMG, Mesirow, and Arthur Andersen.

5. I earned a bachelor of science degree from Colorado State University and a master’s in business administration with a concentration in finance from the University of Kansas School of Business. I also hold a juris doctorate from the University of Kansas School of Law and have obtained the Certified Insolvency and Restructuring Advisor (CIRA) designation.

The Plan

6. Relying on information from the Debtors' advisors and my own personal knowledge, I have reviewed the classification of claims and interests under the Plan and the proposed distributions to each class of claims. My testimony below that the Plan should be confirmed is informed by this knowledge. Specifically, I believe the Plan (a) satisfies the requirements under the United States Bankruptcy Code (the "Bankruptcy Code") regarding the proper classification of claims and interests, (b) satisfies the "best interests of creditors" test, and (c) is fair and equitable and does not result in unfair discrimination to holders of claims and interests.

I. Classification of Claims and Interests Under the Plan.

7. I believe that the Plan complies with section 1129(a)(l) of the Bankruptcy Code, which I understand requires the Plan to comply with sections 1122 and 1123 of the Bankruptcy Code in all respects.

8. The Plan classifies holders of claims and interests into nine classes under the Plan. These classifications reflect the Debtors' capital and corporate structure (and therefore the relative priority of the claims and interests). I believe that each class is composed of substantially similar claims or interests, and each instance of separate classification of similar claims and interests was based on valid business, factual, and legal reasons.

II. The Plan Satisfies the Best Interests Test.

9. It is my understanding that section 1129(a)(7) of the Bankruptcy Code requires that a chapter 11 plan provide, with respect to each class, that each holder of a claim or equity interest in such class either: (a) 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. This requirement is known as the "best interests" test.

10. The Debtors and their advisors have analyzed the value of the Plan to the estate, and have concluded that the Plan provides for a greater recovery than would be the case in any chapter 7 liquidation. More specifically, my team and I analyzed the proceeds that would be available to various creditor groups from a hypothetical chapter 7 liquidation in order to evaluate whether the Debtors' Plan satisfies the best interests test (the "Liquidation Analysis"), which is attached hereto as **Exhibit A**.[2] As set forth in the Liquidation Analysis, and incorporated herein by reference, I estimate that liquidation of the Debtors' assets would result in net liquidation proceeds ranging from $1,061,114.00 to $1,226,221.00, with a midpoint of approximately $1,143,667.00 that would be distributed to creditors.[3] The estimated recoveries for all creditor groups under the Plan are either the same or significantly greater than the estimated recoveries for creditor groups under the Liquidation Analysis.

11. The hypothetical chapter 7 liquidation used for the Liquidation Analysis assumes that a chapter 7 trustee would consummate a forced sale of the Debtors' businesses. Even in the best-case scenario, sale proceeds available for distribution in a chapter 7 liquidation would likely be lower and costs and delay would likely be greater than compared with the proceeds available for distribution through the Plan, thereby reducing recoveries to holders of claims relative to their recoveries under the Plan.

12. In a liquidation, holders of priority and secured claims in Classes 1 and 2, respectively, would receive recoveries of 100 percent of their allowed claims. However, holders

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[2] A copy of the Liquidation Analysis was also attached to the disclosure statement for the Plan as Exhibit F thereto.

[3] While the Liquidation Analysis assumed an effective date of January 31, 2017, the currently anticipated Final Effective Date of the Plan—February 28, 2017—does not materially change the analysis.

of first lien claims in Class 3 would receive between 95.7 percent and 100 percent of their allowed claims, holders of second lien claims in Class 4 would receive between 0 percent and approximately 11.4 percent of their allowed claims (inclusive of their adequate protection claim), and holders of general unsecured claims in Class 5 would receive recoveries of between approximately 2.1 percent and 2.7 percent of their allowed claims. Based on the Debtors' and their financial advisors' Plan valuation and recoveries set forth in the Plan, these liquidation recoveries are substantially lower than the recoveries provided by the Plan (i.e., 22.0 percent to holders of second lien claims in Class 4 and 7.0 to 7.5 percent to holders of unsecured claims in Class 5).

13. In addition, in the event that litigation were necessary to resolve claims asserted in the chapter 7 cases, distributions to creditors could be further delayed, which both decreases the present value of those distributions and increases administrative expenses that could diminish the liquidation proceeds available to prepetition creditors. Put simply, no creditor group would be better off in a chapter 7 liquidation than under the Plan.

14. Moreover, the Plan is the result of months of arm's-lengths negotiations among the Debtors' major stakeholders, and is a superior transaction—both in terms of its value and the holistic solution it presents to many of the Debtors' most complex challenges in these chapter 11 cases. Accordingly, I believe that the Plan is in the best interests of creditors and interest holders and that it satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

III. The Plan Is Fair and Equitable and Does Not Result in Unfair Discrimination.

15. I am aware that certain holders of claims or interests have either voted to reject or are deemed to have rejected the Plan. I understand the Plan can be approved notwithstanding these classes' nonacceptance if the Plan satisfies the "absolute priority" rule—that it is "fair and equitable"—and does not discriminate unfairly with respect to the non-accepting impaired

classes. I believe that the Plan satisfies the absolute priority rule because no creditor junior to creditors in a class that has not voted to accept the Plan will receive any distribution until the creditors in such class have been paid in full, and no equity holder will receive any distribution. (Under the Plan, equity will receive no recovery.)

16. I also believe that the Plan does not unfairly discriminate between holders of claims and interests with similar legal rights because all similarly situated holders of claims and interests will receive substantially similar treatment. Holders of similarly situated claims and interests in the Deemed Rejecting Classes will receive the identical treatment—no distribution. And, as I discussed above, all claims and Interests in any particular class are sufficiently related to one another, and holders within a given class are being given the opportunity to receive the same distribution regardless of how they voted. Thus, I believe the Plan is fair and equitable and does not discriminate unfairly with respect to any classes.

Conclusion

17. For the reasons set forth herein, the Plan satisfies the applicable requirements for confirmation and should be confirmed.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 9, 2017

/s/ Christopher Arnett
Christopher Arnett
Senior Director
Alvarez & Marsal North America, LLC

Exhibit A
Liquidation Analysis

LIQUIDATION ANALYSIS OF

SAMSON RESOURCES CORPORATION, et al.

I. Overview

Samson Resources Corporation ("Samson") and its affiliated direct and indirect debtor subsidiaries (collectively, the "Debtors"), with the assistance of their restructuring, legal, and financial advisors, have prepared this hypothetical liquidation analysis (this "Liquidation Analysis") in connection with the Plan and the Disclosure Statement.[1] This Liquidation Analysis indicates the estimated recoveries that may be obtained by Holders of Allowed Claims and Interests pursuant to a hypothetical liquidation of the Debtors' assets under Chapter 7 of the Bankruptcy Code. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan, which presumes the reorganization of the Debtors' assets and liabilities under Chapter 11 of the Bankruptcy Code. For ease of illustration and comparison with the estimated recoveries pursuant to the Plan, the estimated liquidation recoveries and proceeds waterfall are presented herein as a summary of all Debtors. However, the hypothetical Chapter 7 liquidation has also been prepared on an entity-by-entity basis for each of the following Debtors: Geodyne Resources, Inc.; Samson Contour Energy Co.; Samson Contour Energy E&P, LLC; Samson Holdings, Inc.; Samson-International, Ltd.; Samson Investment Company; Samson Lone Star, LLC; Samson Resources Company; and Samson Resources Corporation.

The determination of the hypothetical proceeds from the liquidation of assets is a highly uncertain process involving the extensive use of estimates and assumptions, which, although considered reasonable by the Debtors and the Debtors' advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors. In instances where assumptions and/or methodologies had to be utilized with regard to developing estimates or presenting the treatment of assets and claims that could potentially benefit one Class of Claims as compared to the alternative, an attempt was made to utilize an assumption that was equitable to all affected Claims.

This Liquidation Analysis is based on the assumptions discussed herein, as well as other assumptions inherent to this hypothetical analysis. First, this Liquidation Analysis assumes that the Debtors' Chapter 11 cases are converted to cases under Chapter 7 of the Bankruptcy Code on January 31, 2017 (the "Liquidation Date") and that a Chapter 7 trustee (the "Trustee") is appointed by the Bankruptcy Court on that date to liquidate the Debtors' assets[2]. Second, the book values referenced herein are based on the Debtors' books and records as of June 30, 2016 (unless otherwise noted), and these book values are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date, unless stated otherwise.

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[1] Capitalized terms used but not otherwise defined in this Liquidation Analysis have the meanings ascribed to such terms in the *Disclosure Statement for the Global Settlement Joint Chapter 11 Plan of Samson Resources Corporation and its Debtor Affiliates*.

[2] Result of delay of confirmation may result in a shift of the assumed emergence date from January 31, 2017 to February 28, 2017 or thereafter.

THE DEBTORS' LIQUIDATION ANALYSIS WAS PREPARED SOLELY AS A GOOD-FAITH ESTIMATE OF THE PROCEEDS THAT MAY BE GENERATED AS A RESULT OF A HYPOTHETICAL CHAPTER 7 LIQUIDATION OF THE DEBTORS' ASSETS. UNDERLYING THE LIQUIDATION ANALYSIS ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT LEGAL, ECONOMIC, COMPETITIVE, AND OPERATIONAL UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS' MANAGEMENT AND THEIR ADVISORS. ADDITIONALLY, VARIOUS DECISIONS UPON WHICH CERTAIN ASSUMPTIONS ARE BASED ARE SUBJECT TO CHANGE. ACCORDINGLY, THERE CAN BE NO GUARANTEE THAT THE ASSUMPTIONS AND ESTIMATES EMPLOYED IN DETERMINING THE LIQUIDATION VALUES OF THE DEBTORS' ASSETS REFLECT THE ACTUAL VALUES THAT WOULD BE REALIZED IF THE DEBTORS WERE TO UNDERGO AN ACTUAL LIQUIDATION, AND SUCH ACTUAL VALUES COULD VARY MATERIALLY FROM THOSE SHOWN HEREIN. NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE DEBTORS UNDER CHAPTER 7 OF THE BANKRUPTCY CODE WOULD OR WOULD NOT APPROXIMATE EITHER THE ASSUMPTIONS ON WHICH THIS LIQUIDATION ANALYSIS IS BASED OR THE RESULTS OF THE LIQUIDATION ANALYSIS REFLECTED HEREIN. THIS ANALYSIS HAS NOT BEEN EXAMINED OR REVIEWED BY INDEPENDENT ACCOUNTANTS IN ACCORDANCE WITH STANDARDS PROMULGATED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THIS LIQUIDATION ANALYSIS. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

II. Purpose of the Analysis

This Liquidation Analysis was included in the Disclosure Statement for the purpose of permitting parties in interest to evaluate whether the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code, also referred to as the "best interests of creditors" test.

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired allowed claim or interest must either:

- accept the plan; or

- 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 so receive or retain if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

A. Overview of Analytical Approach

Except where noted, this Liquidation Analysis is based on the Debtors' consolidating legal entity balance sheets, as of June 30, 2016, with certain asset and liability categories projected as of the Liquidation Date, and represents the Debtors' current estimates for asset recovery in a liquidation prior to application of recovery rates by asset category. Any projected balance sheet amounts presented in this Liquidation Analysis are intended to be a proxy for actual balances on the Liquidation Date (the "Liquidation Balances").

In addition to utilizing values from the Debtors' balance sheets and the Liquidation Balances, this Liquidation Analysis incorporates certain adjustments to account for the effects of the Chapter 7 liquidation process, including post-conversion operating cash flow, costs of winding down the Debtors' estates, employee costs, and payment of professional and trustee fees.

This Liquidation Analysis concludes with a presentation of the overall estimated range of recoveries to Holders of Allowed Claims and Interests in a liquidation based on the distribution of the net proceeds of the liquidation in accordance with the claims waterfall required under Chapter 7 of the Bankruptcy Code. This Liquidation Analysis was prepared before the Debtors have fully evaluated potential Claims against the Debtors or to adjudicate such Claims before the Bankruptcy Court. Accordingly, the amount of the final Allowed Claims against the Debtors' estates may differ from the Claim amounts used in this Liquidation Analysis.

B. Liquidation Process

The Samson Debtors' business liquidation would be conducted in a Chapter 7 environment with the Trustee managing the bankruptcy estates to maximize recovery in an expedited process. The Trustee's first step would be to develop a strategy to generate proceeds from the sale of entity specific assets for distribution to creditors. The three major components of the liquidation would be as follows:

- generation of cash proceeds from asset sales;
- payment of costs related to the liquidation; and
- distribution of net proceeds to claimants.

It is assumed the appointed Chapter 7 trustee will retain lawyers, financial advisors, and investment bankers to assist in the liquidation. This Liquidation Analysis further assumes the assets are marketed on an accelerated timeline and the sale transactions are consummated within three months from the Liquidation Date. Asset values in the liquidation process are assumed to be driven by, among other things: (a) the accelerated time frame in which the assets are marketed and sold; (b) negative partner and vendor reaction; (c) the loss of key personnel; (d) forward commodity price curves; and (e) the general forced nature of the sale.

1. Generation of Cash Proceeds from Assets

The Liquidation Analysis process begins by determining the amounts of proceeds that would be generated from a hypothetical Chapter 7 liquidation. The Trustee would be required to:

- sell or otherwise monetize the assets owned by the Debtors to multiple buyers, which may occur pursuant to sales of asset groups or on a piecemeal basis;
- determine the amount of net proceeds generated during the period from conversion to sale closing;
- reconcile each Class of Claims asserted against the Estates to determine the amount of Allowed Claims per Class; and
- distribute net cash proceeds generated from the sale of all of the Debtors' assets in accordance with the absolute priority rule.

2. Costs to Liquidate the Business and Administer the Estate Under Chapter 7 (Liquidation Adjustments)

The gross amount of cash available in the liquidation would be the sum of proceeds from the disposition of the Debtors' assets and cash held by the Debtors at the time of the commencement of the Chapter 7 cases. This amount would be adjusted by the following cash sources and uses:

- post-Liquidation Date operating cash flow (whether positive or negative) generated through completion of the liquidation;
- costs related to the retention and severance of certain of the Debtors' personnel during the initial three-month liquidation period;
- other costs required to execute the liquidation, assuming a three-month liquidation period followed by a three-month wind-down period;
- trustee, professional, and other administrative fees; and
- Royalty and working interest payments that are not property of the estate, including amounts owed to third-party royalty and working interest holders and drilling advances paid by working interest partners.

3. Distribution of Net Proceeds to Claimants

Any available net proceeds would be allocated to Holders of Claims in strict priority in accordance with section 726 of the Bankruptcy Code:

- <u>Superpriority Carve-Out Claims</u> - includes fees paid to the U.S. Trustee and Clerk of the Bankruptcy Court, and certain Professional Fees;

- Structurally Senior Claims – includes claims from counterparties that are likely able to assert liens on corresponding assets, including certain trade vendors as well as Ad Valorem taxing authorities;

- Secured Claims - includes Claims arising under the Debtors' first and second lien secured credit facilities;

- Superpriority Adequate Protection Claims - includes claims attributed to diminution in the value of collateral of Prepetition Secured Parties (as defined in the Cash Collateral Order).

- Chapter 11 Administrative & Priority Claims - includes Claims for post-petition accounts payable, post-petition accrued expenses, taxes, and employee obligations, Claims arising under section 503(b)(9) of the Bankruptcy Code, and certain Unsecured Claims entitled to priority under section 507 of the Bankruptcy Code;

- General Unsecured Claims - includes unsecured funded debt, prepetition trade Claims, prepetition rejection damages Claims, damages arising from the termination or rejection of the Debtors' various supply agreements or contracts, and numerous other types of prepetition liabilities; and

- Interests - includes Interests in the Debtors.

The claims, costs, expenses, fees and such other claims that may arise in a liquidation case would be paid in full from the distributable Chapter 7 liquidation proceeds before the balance of those proceeds would be made available to pay pre-Chapter 7 priority or unsecured claims. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. The assumed distributions to creditors, as reflected in the Liquidation Analysis, are estimated in accordance with the absolute priority rule and consider the location of assets and claims at each Debtor.

III. Summary of Estimated Net Proceeds Methodology and Other Assumptions

A. Cash

Cash at the Debtors is based on cash balances as of June 30, 2016, adjusted for the projected change in cash from June 30, 2016 to the Liquidation Date[3]. All projected cash and equivalents on hand are considered to be recoverable at 100%. Projected cash includes:

- Encumbered Cash: Contains both normal operating cash and certain restricted cash amounts. Restricted cash consists primarily of proceeds from sale of encumbered assets and unwinding hedges.

[3] Projected cash and equivalents figures may change based on shift in emergence date, revisions to liquidity forecast and change in mix between encumbered and unencumbered cash.

- Unencumbered Cash: Consists primarily of proceeds from sales of unencumbered assets and cash flow generated from unencumbered wells.

B. Accounts Receivable

Accounts Receivable balances are based on the projected balance as of the Liquidation Date, adjusted to remove the allowance for doubtful accounts as implied in the liquidation assumptions. The Liquidation Analysis assumes that efforts to recover Accounts Receivable will lead to recoveries between 82% and 91%. Accounts Receivable includes the following categories:

- Product Sales Accounts Receivable: Related to sale of produced oil, natural gas, and natural gas liquids, typically due within 30 days of receipt and are assumed to be highly collectible based on counterparty credit quality and payment history.

- Joint Interest Billings ("JIB") Receivables: Related to reimbursement of operating expense from JIB partners and are assumed to be highly collectible based on the Debtors ability to offset with working interest disbursements.

- Other Accounts Receivable: Includes receivables related to overpayment of joint interest billings to a third-party, post-closing adjustments due from buyers, and ad-valorem taxes paid by Samson on behalf of a third-party. These amounts are assumed to be partially collectible based on type of asset and counterparty credit quality.

C. Prepaid and Other Current Assets

Prepaid balances are based on projected balance as of the Liquidation Date, and include prepayments related to D&O and other insurance policies, royalties, severance taxes, utility deposits, surety bonds, and technology licenses. This Liquidation Analysis assumes recoveries of between 39% and 45% for prepaid and other assets.

D. Derivative Assets

Current and Non-current Derivative Assets balances of $8 million using strip pricing are projected as of the Liquidation Date, and include derivative contracts related to gas production[4]. The Liquidation Analysis assumes recoveries of 100% based on contemplated hedge unwinding.

E. Property, Plant, and Equipment

Property, plant and equipment consists primarily of the following assets:

- Oil and Gas Properties including reserve assets, minerals, leasehold assets and surplus surface equipment; and

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[4] May change based on change in pricing.

- Other Property Plant and Equipment including automobiles, computer hardware / software, land, buildings, office equipment, and production equipment (compressors, gathering systems, disposal wells, and other related miscellaneous equipment).

Oil and Gas Properties: The Liquidation Analysis assumes that the Trustee sells or otherwise monetizes the reserves and associated equipment owned by the Debtors after a three-month period. The estimated values realized for such assets reflect, among other things, the following factors:

- long-term supply and demand fundamentals for oil and natural gas;
- projected oil and natural gas prices;
- production and operating performance for each asset;
- operating and maintenance costs for each asset; and
- capital and environmental expenditure requirements.

After a review of the assets, the Debtors and their advisors concluded that the forced sale of the Debtors' assets in the compressed timeframe that may likely prevail during a Chapter 7 liquidation would likely result in a valuation discount relative to "fair value."

Oil and Gas Properties projected book value as of January 31, 2017 was adjusted to represent a Liquidation range of $225 - $384 million for the sale of remaining asset packages: East Texas, Greater Green River and Powder River Basin[5].

In total, the Liquidation Analysis assumes recoveries of between 58% to 100% of the Liquidation Balance for the Oil and Gas Properties.

Other Property Plant and Equipment: Projected book value as of January 31, 2017 was adjusted to represent a Liquidation Balance of $32 million. Valuation of production related assets (compressors, gathering systems, disposal wells and other related miscellaneous equipment) that are tied to Debtors' reserve assets are excluded as the valuation for those assets is implied in the valuation of oil and gas properties described in the section above. For the remaining assets (automobiles, computer hardware / software, land, buildings, office equipment), the Liquidation Analysis assumes recoveries of 19% to 20%.

F. Investments in Subsidiaries

This Liquidation Analysis assumes estimated recoverable value to Samson Investment Company in certain non-Debtor subsidiaries (Cimarron Oilfield Supply; Samson Grace Holdings Enterprises, Inc.) after payment of all liabilities of such non-Debtor subsidiaries. Investments in

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[5] Result of delay of confirmation may result in a shift of the emergence date from January 31, 2017 to February 28, 2017 or thereafter and may impact liquidation range.

subsidiaries are assumed to be unencumbered. Investments in subsidiaries assumed to have a liquidation value of $11 – $14 million[6].

G. Other Non-Current Assets

Other Non-Current Assets include the following:

- inventory warehouse stock: Inventory held at Samson or third party yards, consisting of casing and accessories, coil tubing and accessories, line pipe, and wellhead equipment and accessories;
- prepaid drilling costs and other miscellaneous long term prepaid assets;
- long term deposits; and
- capitalized loan commitment fees.

This Liquidation Analysis assumes recoveries of between 35% and 42% for Other Non-Current Assets.

H. Summary of Estimated Liquidation Adjustments

Post-Conversion Cash Flow: This adjustment is based on estimated cash flow generated (used) by individual operating Debtor entities for the period from the Liquidation Date to the end of the three-month asset monetization period, based on the Debtors' Financial Projections. Post-Conversion Cash Flow amounts are allocated to each legal entity based on the ratable gross liquidation proceeds generated by such legal entity[7].

Employee Termination Costs: This adjustment assumes that conversion to a Chapter 7 liquidation will trigger employee termination costs, including severance, accrued and unpaid paid time-off and COBRA. Estimates of costs are based on a range of 50% and 100% of the max obligations owed to non-insiders at the high end and low end of the liquidation range, respectively[8]. Costs are allocated to each legal entity based on the ratable gross liquidation proceeds generated by such legal entity.

Post Asset Sale Estate Wind-Down Costs: This adjustment is based on assumed support functions that would be required for the wind-down of the Debtors' estates following the monetization of the Debtors' assets. These Estate Wind-Down functions are assumed to occur over a three-month period following the asset monetization period. Certain non-essential

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6 Ongoing review and research of oil and gas properties located at Samson Grace Holdings Enterprise, Inc. may result in the reallocation of value from Samson Grace Holdings Enterprise, Inc. to the Debtors.

7 Post-Conversion Cash Flow may improve materially as a result of an improvement in pricing.

8 To the extent certain reductions in force occur prior to the termination date, the impact of employee termination costs could be lower.

functions, including corporate development, land administration, engineering and procurement, are assumed to cease upon the conclusion of the asset monetization period and the commencement of the Estate Wind-Down period. All other support functions are assumed to continue at heavily reduced proportions to normal operating environments. These functions are assumed to continue to be scaled back over the three-month Estate Wind-Down period. Certain key employees may be required to be retained by the Debtors' estates, or via a transition services agreement with the buyer(s) of the assets to perform these functions over the three-month Estate Wind-Down period. Estate Wind-Down costs are allocated to each legal entity based on the ratable gross liquidation proceeds generated by such legal entity.

Professional Fees: Includes cost to retain key professionals (attorneys and investment bankers) assumed at 2.5% of liquidation proceeds, excluding cash and derivative assets.

Trustee Fees: Trustee fees necessary to facilitate the sale of the Debtors' businesses likely would be approximately 3% of available liquidation proceeds. These fees would be used for developing marketing materials and facilitating the solicitation process for the parties, in addition to general administrative expenses, such as Trustee's compensation. Pursuant to section 326(a) of the Bankruptcy Code, the Trustee could be entitled to fees of up to three percent 3% of any distributions (including distributions to creditors and other parties in interest, such as professionals) exceeding $1 million.

Royalty and Working Interest Payments: Includes amounts owed to third parties, including amounts owed to third-party royalty and working interest holders, gas imbalances and drilling advances paid by working interest partners.

Post-Conversion Professional Fee Carve Out: Per the cash collateral order, assumed to be zero as included in Professional Fees above.

I. Estimated Claim Amounts

In preparing the Liquidation Analysis, the Debtors have estimated an amount of Allowed Claims for each Class based upon a review of the Debtors' projected balance sheets as of the Liquidation Date, adjusted as discussed herein. The Debtors currently expect the amount of Allowed Claims to generally correspond to the amounts set forth on the Debtors' balance sheets, but there can be no assurances that this convergence will occur. Subject to the following paragraphs, the estimate of all Allowed Claims in the Liquidation Analysis is based on the par value of those Claims on the Debtors' balance sheets.

The Plan contemplates that Holders of Secured Claims will not waive any recoveries on account of any deficiency claim and such Claims will be entitled to share in any distributions Pro Rata with Holders of Unsecured Claims.

A liquidation also is likely to trigger certain Claims that otherwise would not exist. Examples of these kinds of Claims include various potential employee Claims (for such items as potential WARN Act Claims), Claims related to the rejection of unexpired leases and executory contracts, and other potential Allowed Claims. These additional Claims could be significant and some will be entitled to priority in payment over General Unsecured Claims. Those priority Claims may need to be paid in full from the liquidation proceeds before any balance would be made available to pay General Unsecured Claims or to make any distribution in respect of Interests. No adjustment has been made for these potential claims.

Accordingly, the actual amount of Allowed Claims could be materially different from the amount of Allowed Claims estimated in the Liquidation Analysis. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied upon for any other purpose, including, any determination of the value of any distribution to be made on account of allowed claims under the Plan. Nothing contained in this Liquidation Analysis is intended to be, or constitutes, a concession, admission, or allowance of any Claim by the Debtors. The Debtors reserve all rights to supplement, modify, or amend the analysis set forth herein.

Intercompany balances have been excluded from the Liquidation Analysis as these claims have not been historically settled in the ordinary course, are not evidenced by promissory notes or agreement evidencing the requirement to repay. It is therefore assumed that such claims would be expunged in a Chapter 7 liquidation.

J. Cash Collateral Assumptions

Subject to court approval, the Debtors have agreed to provide adequate protection to the First Lien Secured Parties and the Second Lien Secured Parties, pursuant to sections 361, 363(c)(2) and 363(e) of the Bankruptcy Code, of their interests in the Prepetition Collateral (as defined in the Cash Collateral Order) in an amount equal to the aggregate Postpetition diminution in value of the applicable agent or secured party's interest in the Prepetition Collateral from and after the Petition Date ("Diminution"). This Liquidation Analysis assumes that the adequate protection package negotiated and proposed by the Debtors is approved by the court. Subject to court approval, the proposed adequate protection package for the First Lien Secured Parties includes: (i) superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code, which claims have priority over all administrative expenses, subject to the Carve Out; (ii) adequate protection liens, including first-priority liens on Unencumbered Property (as defined in the Cash Collateral Order), junior priority liens on certain existing liens, and certain priming liens on the Prepetition Collateral; (iii) adequate protection payments in an amount equal to all accrued and unpaid prepetition or Postpetition interest, fees and costs due and payable under the First Lien Credit Agreement; (iv) reasonable and documented fees and expenses incurred by the First Lien Agent, including the reasonable professional fees, expenses, and disbursements; (v) compliance with various financial reporting requirements; (vi) certain restrictions on asset sales and dispositions; and (vii) compliance with a budget, subject to variances set forth in the Cash Collateral Order.

Subject to court approval, the proposed adequate protection package for the Second Lien Secured Parties includes: (i) superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code, which claims have priority over all administrative expenses, subject to the Carve Out and the First Lien Secured Parties' superpriority administrative claims; (ii) adequate protection liens, including liens on Unencumbered Property, subject to the adequate protection liens granted to the First Lien Secured Parties; (iii) reasonable and documented fees and expenses incurred by the Second Lien Agent, including the reasonable professional fees, expenses, and disbursements (of counsel and other third-party consultants); (iv) compliance with various financial reporting requirements; (v) certain restrictions on asset sales and dispositions; and (vi) compliance with a budget, subject to variances set forth in the Cash Collateral Order.

For purposes of the Liquidation Analysis, total Diminution for the period from September 16, 2015 to January 31, 2017, was estimated as the sum of the Unsecured Creditor's Committee professionals' case costs, and estimated at $18 - $24 million[9]. To the extent additional amounts were allowed on account of total Diminution, the resulting impact would be a reduction in distributable value available to administrative and General Unsecured Claims. Alternatively, to the extent these amounts are less, the resulting impact would be an increase in distributable value to administrative and General Unsecured Claims.

K. Unencumbered Assets/Avoidance Actions

Based on the analysis and methodologies described below, the Debtors estimate that there would be approximately $125 - $135 million of unencumbered assets that would be available for distribution in a liquidation, all of which amounts would be distributed first to holders of superpriority administrative claims, then to holders of administrative claims, and then to holders of General Unsecured Claims[10]. Unencumbered assets consist of: unencumbered cash, certain unencumbered oil and gas reserves, surplus machinery and equipment, inventory warehouse stock, surface rights and buildings, and investments in subsidiaries.

This Liquidation Analysis does not include any estimates for recovery in a liquidation by the Trustee on account of certain avoidance actions and other causes of action. The Debtors and Alan Miller, who serves as the disinterested director of each of the Debtors, have been investigating potential causes of action under Chapter 5 of the Bankruptcy Code. To the extent necessary, the liquidation analysis will be updated to reflect the range of potential recoveries, if any, associated with any such Chapter 5 causes of action not otherwise assigned directly to unsecured creditors.

IV. Conclusion

BASED ON THIS HYPOTHETICAL LIQUIDATION ANALYSIS VERSUS THE IMPLIED REORGANIZATION VALUE AND ANTICIPATED DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS AND INTERESTS UNDER THE PLAN, THE DEBTORS' PLAN SATISFIES THE REQUIREMENTS OF 1129(A)(7) OF THE BANKRUPTCY CODE.

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[9] High end of range may be greater to the extent there is a shift in emergence date.

[10] Ongoing review and research of oil and gas properties located as Samson Grace Holdings Enterprise, Inc. may result in the reallocation of value from unencumbered to encumbered assets. Conversely, since preparation of this Liquidation Analysis, research has discovered additional unencumbered compressors with anticipated value of approximately $5 million.

In addition, the Debtors believe that the present value of distributions from the liquidation proceeds, to the extent available, may be further reduced because such distributions in a Chapter 7 case may not occur until after the six-month period assumed in the analysis. Moreover, in the event that litigation becomes necessary to resolve claims asserted in the Chapter 7 cases, distributions to creditors could be further delayed, which both decreases the present value of those distributions and increases administrative expenses that could diminish the liquidation proceeds available to prepetition creditors. THE EFFECTS OF THIS DELAY ON THE VALUE OF DISTRIBUTIONS UNDER THE HYPOTHETICAL LIQUIDATION HAVE NOT BEEN CONSIDERED IN THIS LIQUIDATION ANALYSIS.

Upon application of the above assumptions and estimates, the assumed recoveries for the Debtors are summarized in the following tables.

V. Detailed Liquidation Analysis

The table below provides the detailed calculation of the recoveries under a Chapter 7 liquidation. For ease of illustration and comparison with the estimated recoveries pursuant to the Plan, the estimated liquidation recoveries and proceeds waterfall are shown by Debtor grouping. This Liquidation Analysis also demonstrates that the best interests test is satisfied on an entity-by-entity basis by Debtor, as will be established to the extent necessary in connection with the Confirmation process. For the avoidance of doubt, neither the Plan nor this Liquidation Analysis contemplates the substantive consolidation of any of the Debtors' estates.

Samson Resources Corporation
Liquidation Analysis
Consolidated Debtors

($ 000's)

Assets	Notes	6.30.16 Net Book Value (NBV)	1.31.17 Projected NBV	Adjustments	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:									
Current Assets									
Encumbered Cash		$ 222,253	$ 731,201	$ -	$ 731,201	100%	100%	$ 731,201	$ 731,201
Unencumbered Cash		-	97,074	-	97,074	100%	100%	97,074	97,074
Product Sales AR		44,116	22,006	-	22,006	90%	100%	19,806	22,006
JIB AR		19,443	11,815	-	11,815	90%	95%	10,633	11,224
Income Tax WH AR		224	-	-	-	0%	0%	-	-
Other AR		5,594	4,332	-	4,332	23%	36%	1,006	1,575
Allowance for Doubtful Accounts		(4,437)	(4,437)	4,437	-	0%	0%	-	-
Accounts Receivable, Net		$ 64,940	$ 33,717	$ 4,437	$ 38,154	82%	91%	$ 31,445	$ 34,806
Prepaid Expenses and Other		10,300	8,258	-	8,258	39%	45%	3,238	3,701
Derivative Assets		22,194	7,733	-	7,733	100%	100%	7,733	7,733
Total Current Assets		$ 319,687	$ 877,982	$ 4,437	$ 882,420	99%	99%	$ 870,691	$ 874,515
Property Plant and Equipment, net									
Oil and Gas Properties, Full Cost Method									
Proved Developed Properties		$ 60,739	$ 16,512	$ 367,976	$ 384,488	58%	100%	$ 224,513	$ 384,488
Proved Properties		462,192	125,650	(125,650)	-	0%	0%	-	-
Unproved Properties		264,284	71,847	(71,847)	-	0%	0%	-	-
Oil and Gas Properties		$ 787,214	$ 214,009	$ 170,479	$ 384,488	58%	100%	$ 224,513	$ 384,488
Other Property and Equipment, Net		244,279	218,956	(186,897)	32,059	19%	20%	6,067	6,484
Total Property Plant and Equipment, Net		$ 1,031,494	$ 432,966	$ (16,418)	$ 416,548	55%	94%	$ 230,579	$ 390,972
Other Assets									
Investment in Subsidiaries		$ -	$ -	$ 14,175	$ 14,175	75%	100%	$ 10,659	$ 14,175
Intercompany Receivables		-	-	-	-	0%	0%	-	-
Non-Current Derivative Assets		4,367	-	-	-	0%	0%	-	-
Deferred Charges		80,781	30,585	(30,585)	-	0%	0%	-	-
Inventory - Warehouse Stock & M&E		0	-	1,696	1,696	75%	100%	1,272	1,696
Other Long Term Assets		8,452	8,081	-	8,081	0%	0%	-	-
JV Cash Call		5,113	5,113	-	5,113	48%	57%	2,435	2,907
Deposits		6,344	6,344	-	6,344	67%	77%	4,253	4,887
Non-Current Other		2,724	2,724	-	2,724	17%	19%	455	520
Other Non-Current Assets		$ 22,633	$ 22,262	$ 1,696	$ 23,958	35%	42%	$ 8,415	$ 10,010
Total Other Assets		$ 107,781	$ 52,847	$ (14,714)	$ 38,133	50%	63%	$ 19,073	$ 24,185
Total Assets		$ 1,458,961	$ 1,363,795	$ (26,695)	$ 1,337,100	84%	96%	$ 1,120,344	$ 1,289,672
Less: Liquidation Adjustments									
Post-Conversion Cash Flow								16,213	16,213
Estate Wind-Down Costs								(1,348)	(1,348)
Severance Costs								(10,185)	(5,092)
Post-Conversion Professional Fees								(7,108)	(11,342)
Ch. 7 Trustee Fees								(33,610)	(38,690)
Working Interest and Royalty Payments								(23,192)	(23,192)
Post-Conversion Professional Fee Carve Out								-	-
Total Liquidation Adjustments								(59,230)	(63,451)
Net Liquidation Proceeds Available for Distribution								**1,061,114**	**1,226,221**

Summary of Hypothetical Chapter 7 Waterfall Scenario

($ in 000's)		Claims		Recovery Estimate %		Recovery Estimate $	
		Low	High	Low	High	Low	High
Net Liquidation Proceeds Available for Distribution						**$ 1,061,114**	**$ 1,226,221**
Less: Superpriority Carve-Out Claims	1	$ 16,876	$ 9,272	100.0%	100.0%	16,876	9,272
Remaining Amount Available for Distribution						1,044,238	1,216,949
Less: Unencumbered Asset Adj.						124,559	135,400
Remaining Amount Available for Distribution						919,679	1,081,549
Less: Structurally Senior Claims	2	$ 38,753	$ 38,753	100.0%	100.0%	38,753	38,753
Remaining Amount Available for Distribution						880,927	1,042,797
Less: Class 3: First Lien Secured Claims	3	$ 945,779	$ 945,779	93.1%	100.0%	880,927	945,779
Remaining Amount Available for Distribution						-	97,018
Less: Class 4: Second Lien Secured Claims	4	$ 1,011,528	$ 1,011,528	0.0%	9.6%	-	97,018
Remaining Amount Available for Distribution						-	-
Plus: Unencumbered Asset Adj.						124,559	135,400
Adjusted Remaining Amount Available for Distribution						124,559	135,400
Less: Superpriority Admin. Adequate Protect. Claim	5	$ 24,106	$ 17,923	100.0%	100.0%	24,106	17,923
Remaining Amount Available for Distribution						100,453	117,477
Less: Administrative / Priority Claims							
Administrative Claims	6	$ 27,559	$ 27,559	100.0%	100.0%	27,559	27,559
Priority Tax Claims	7	505	505	100.0%	100.0%	505	505
Total Administrative / Priority Claims		$ 28,064	$ 28,064			28,064	28,064
Remaining Amount Available for Distribution						72,389	89,413
Less: Class 5: General Unsecured Claims							
First Liens (Deficiency Claim)		$ 40,746	$ -	2.1%	0.0%	851	-
Second Liens (Deficiency Claim)		1,011,528	896,586	2.1%	2.7%	21,118	24,207
Admin / Priority Claims (Deficiency Claim)		-	-	0.0%	0.0%	-	-
Unsecured Debt Claims	8	2,379,440	2,379,440	2.1%	2.7%	49,675	64,242
Other General Unsecured Claims	9	35,702	35,702	2.1%	2.7%	745	964
TBD				0.0%	0.0%	-	-
Total General Unsecured Claims		**$ 3,467,415**	**$ 3,311,728**			**72,389**	**89,413**
Remaining Amount Available for Distribution						-	-
Memo: Recovery for First Lien Inclusive of Adequate Protection:		905,033	945,779	95.7%	100.0%		
Memo: Recovery for Second Lien Inclusive of Adequate Protection:		-	114,941	0.0%	11.4%		
Memo: Recovery for Second Lien Inclusive of Deficiency Recovery & Adequate Protection:		21,118	139,148	2.1%	13.8%		

[1] Carve-Out for pre-conversion professional fees per the cash collateral order, estimated at $9-$17 million.

[2] Structurally Senior Claims includes claims from counterparties that are likely able to assert liens on corresponding assets, including certain trade vendors as well as ad valorem taxing authorities.

[3] First Lien Claim reflects current RBL balance of $943 million as well as BMO hedge settlement liability of approximately $3 million.

[4] Reflects outstanding balance of the Term Loan of $1.0 billion plus accrued interest of $11.5 million as of petition date.

[5] Includes claims attributed to diminution in the value of collateral of Pre-Petition Secured Parties as defined in the Cash Collateral Order. Equal to estimated UCC Professional's case costs.

[6] Includes claims for post-petition accounts payable and post-petition accrued expenses.

[7] Includes severance taxes due to various state and local authorities.

[8] Reflects outstanding balance of the Unsecured Notes of $2.25 billion plus accrued interest of $129 million as of petition date.

[9] Estimated based on detailed review of accounts payable. Additionally, includes amounts for estimated accrued management fee which is not expected to be waived in a liquidation.

Name of Plan Class	Description of Class	Claim Amount - ($)	Percentage Recovery		
			Plan	Liquidation - Low	Liquidation - High
Class 1: Other Priority Claims	Any allowed Claim against any Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.	$ 3,900	100.0%	100.0%	100.0%
Class 2: Other Secured Claims[1]	Any Secured Claim against any Debtor that is not a First Lien Claim.	928	100.0%	100.0%	100.0%
Class 3: First Lien Secured Claims	All Claims against the Debtor arising under the First Lien Loan Documents.	945,779	100.0%	95.7%	100.0%
Class 4: Second Lien Secured Claims	Any Second Lien Claim that is Secured.	1,011,528	22.0%	0.0%	11.4%
Class 5: General Unsecured Claims[2]	Any Claim against any Debtor that is not otherwise paid in full during the Chapter 11 Cases pursuant to an order of the Court and is not: (a) an Administrative Claim; (b) a Priority Tax Claim; (c) an Other Priority Claim; (d) an Other Secured Claim; (e) a First Lien Secured Claim; (f) a Second Lien Secured Claim; (g) an Intercompany Claim; or (h) a Section 510(b) Claim.	2,423,818	7.0% - 7.5%	2.1%	2.7%
Class 6: Section 510(b) Claims	Any Claims arising from (a) rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors, (b) purchase or sale of such a security or (c) reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.	n/a	n/a	n/a	n/a
Class 7: Intercompany Claims	Any Claim held by one Debtor or a Non-Debtor Subsidiary against another Debtor.	7,896,830	0.0% - 100.0%	n/a	n/a
Class 8: Intercompany Interests	Other than an Interest in Parent, (a) an Interest in one Debtor or Non-Debtor Subsidiary held by another Debtor or Non-Debtor Subsidiary or (b) an Interest in a Debtor or a Non-Debtor Subsidiary held by an Affiliate of a Debtor or a Non-Debtor Subsidiary.	n/a	n/a	n/a	n/a
Class 9: Interests in Parent	Consists of all Interests in the Parent	n/a	n/a	n/a	n/a
Total Claims		**$ 12,282,782**			

Memo: Recovery for Second Lien Inclusive of Deficiency Recovery & Adequate Protection:	n/a	2.1%	13.8%

[1] Claim amount listed here ~$.3MM lower than amounts flowing through liquidation waterfall per latest estimates.
[2] Claim amount listed here ~$8MM higher than amounts flowing through liquidation waterfall per latest estimates.