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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ALASKA**

In re:	§	Chapter 11
	§	
Cook Inlet Energy, LLC, <i>et al.</i> ; ¹	§	Case No. 15-00236
	§	
Debtors.	§	Jointly Administered

**NOTICE OF INTERIM ORDER ESTABLISHING NOTIFICATION PROCEDURES,
APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF STOCK IN MILLER
ENERGY RESOURCES, INC. AND APPROVING RESTRICTIONS ON CLAIMING
WORTHLESS SECURITIES DEDUCTIONS REGARDING STOCK IN THE DEBTORS**

TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN THE DEBTORS²:

PLEASE TAKE NOTICE that on October 1, 2015 (the “Commencement Date”), Miller Energy Resources, Inc. (“Miller”) and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”) commenced a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Section 362(a) of the Bankruptcy Code operates

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are Cook Inlet Energy, LLC, an Alaska limited liability company (6643); Miller Energy Resources, Inc., a Tennessee corporation (8629); Miller Drilling, TN LLC, a Tennessee limited liability company (8891); Miller Energy Services, LLC, a Delaware limited liability company (8670); Miller Energy GP, LLC, a Delaware limited liability company (0999); Miller Rig & Equipment, LLC, a Delaware limited liability company (8727); East Tennessee Consultants, Inc., a Tennessee corporation (3108); East Tennessee Consultants II, L.L.C., a Tennessee limited liability company (0107); Anchor Point Energy, LLC, an Alaskan limited liability company (7946); Savant Alaska, LLC, a Colorado limited liability company (0579); and Nutaaq Operating LLC, an Alaska limited liability company (2908)

² All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Interim Order.

as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates, or to exercise control over property of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on December 17, 2015 the United States Bankruptcy Court for the District of Alaska (the "Bankruptcy Court"), having jurisdiction over this chapter 11 case, upon motion of the Debtors (the "Motion"), entered an interim order (i) finding that the Debtors' net operating loss carryforwards (the "NOLs") and certain other tax attributes, other excess credit carryforwards (together with the NOLs, the "Tax Attributes") are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; (ii) finding that any purchase, sale or other transfer of Stock and any declaration of worthlessness for federal or state tax purposes with respect to Stock by certain shareholders could severely limit the Debtors' ability to use the Tax Attributes for purposes of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"); and (iii) approving the procedures as set forth herein to preserve the Tax Attributes pursuant to sections 105(a) and 362(a) of the Bankruptcy Code *retroactively effective as of November 25, 2015* [Docket No. 373] (the "Interim Order"). **ANY ACQUISITION IN VIOLATION OF THE RESTRICTIONS SET FORTH BELOW SHALL BE NULL AND VOID AB INITIO AS AN ACT IN VIOLATION OF THE AUTOMATIC STAY UNDER SECTIONS 105(A) AND 362 OF THE BANKRUPTCY CODE.**

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading in Stock and the declaration of worthlessness for federal or state tax purposes with respect to Stock by certain shareholders:

(a) Stock Ownership, Acquisition, and Disposition³

1. Notice of Substantial Stock Ownership. Any person or Entity (as such term is defined in section 382 of the Internal Revenue Code), that is a Beneficial Owner, at any time on or after the Motion Date, of Stock (including Options, as hereinafter defined, to acquire such securities) in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors and the Debtors' attorneys, a Notice of Substantial Stock Ownership (a "Substantial Ownership Notice"), in the form annexed to the Motion as Exhibit "C", which describes specifically and in detail the Stock ownership of such person or Entity, on or before the date that is the later of: (a) fifteen (15) business days after the entry of the Interim Order (annexed to the Motion as Exhibit "G"), and (b) fifteen (15) business days after that person or Entity qualifies as a Substantial Equityholder. At the holder's election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors and the Debtors' attorneys) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns.

³ Capitalized terms used in Paragraphs (a)-(g) but not otherwise defined herein shall have the meaning ascribed to them in Paragraph (a)(5).

2. Acquisition of Stock or Options. At least fifteen (15) business days prior to the proposed date of any transfer of Stock (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Stock Beneficially Owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “Proposed Equity Acquisition Transaction”), such person, Entity or Substantial Equityholder (a “Proposed Equity Transferee”) shall file with the Court, and serve upon the Debtors and the Debtors’ attorneys, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Miller Energy Resources, Inc.’s Stock (an “Equity Acquisition Notice”), in the form annexed to the Motion as Exhibit “D”, which describes specifically and in detail the proposed transaction in which Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors and the Debtors’ attorneys) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns and proposes to purchase or otherwise acquire.
3. Disposition of Stock or Options. At least fifteen (15) business days prior to the proposed date of any transfer or other disposition of Stock (including Options to acquire such securities) that would result in a decrease in the amount of Stock Beneficially Owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “Proposed Equity Disposition Transaction,” and together with a Proposed Equity Acquisition Transaction, a “Proposed Equity Transaction”), such person, Entity, or Substantial Equityholder (a “Proposed Equity Transferor”) shall file with the Court, and serve upon the Debtors and the Debtors’ attorneys, a Notice of Intent to Sell, Trade or Otherwise Transfer Miller Energy Resources, Inc. Stock (an “Equity Disposition Notice,” and together with an Equity Acquisition Notice, an “Equity Trading Notice”), in the form annexed to the Motion as Exhibit “E”, which describes specifically and in detail the proposed transaction in which Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors and the Debtors’ attorneys) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns and proposes to sell or otherwise transfer.
4. Procedures. If written approval of the proposed transaction is filed with the Court by the Debtors within fifteen (15) calendar days following the receipt of an Equity Trading Notice, then the transaction may proceed. If written approval of the proposed transaction is not filed by the Debtors with the Court within such period, then the transaction may not be consummated unless approved by a final and nonappealable order of the Court. Further transactions within the scope of this section must be the subject of additional notices as set forth herein with additional waiting periods.

5. Definitions. For purposes of this Motion and the Interim Order and Final Order, the following terms have the following meanings:

- (i) 50-Percent Shareholder. A “50-Percent Shareholder” is any person or Entity (within the meaning of the U.S. Department of Treasury regulations section 1.382-3(a)) that owns, or has owned during the three (3) year period ending on the Motion Date, fifty percent (50%) or more of any class or series of Stock (within the meaning of section 382(g)(4)(D) of the Internal Revenue Code);
- (ii) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that Beneficially Owns at least 4.5% of all issued and outstanding shares of any class of Stock. For Common Stock, such amount is 2,100,295 shares of Common Stock.⁴ For Preferred Stock, such amount is 1,158 shares of Series B Preferred Stock, 146,250 shares of Series C Preferred Stock, and 157,488 shares of Series D Preferred Stock.⁵
- (iii) Beneficial Ownership. “Beneficial Ownership” (or any variation thereof of Stock and Options to acquire Stock) shall be determined in accordance with applicable rules under section 382 of the Internal Revenue Code, the U.S. Department of Treasury regulations (“Treasury Regulations”) promulgated thereunder and rulings issued by the Internal Revenue Service, and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (e.g., a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) in certain cases, the ownership of an Option to acquire Stock. The term Beneficial Ownership of Stock shall include any variation of beneficial ownership of Stock and an Option to acquire Stock.
- (iv) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

⁴ Calculated as 46,673,223 shares of Miller Common Stock issued and outstanding as of September 29, 2015, multiplied by .045, equals 2,100,295.035.

⁵ Calculated as follows on three series of issued and outstanding Miller Preferred Stock: 25,750 shares of 12% Series B Preferred Stock, multiplied by .045, equals 1,158.75. 3,250,000 shares of 10.75% Series C Cumulative Redeemable Preferred Stock, multiplied by .045, equals 146,250. 3,499,723 shares of 10.5% Series D Fixed Rate/Floating Rate Cumulative Redeemable Preferred Stock, multiplied by .045, equals 157,487.535.

- (v) Common Stock. Defined in the Plan as “Miller Common Stock,” means, without duplication, (i) Miller’s common stock, par value \$0.0001 per share, issued and outstanding immediately prior to the Effective Date, (ii) the Miller Existing Restricted Common Stock and (iii) the Miller Existing Option Shares.
- (vi) Preferred Stock. Defined in the Plan as “Miller Preferred Stock Interests,” means the (i) 10.75% Series C Cumulative Redeemable Preferred Stock, (ii) 10.5% Series D Fixed Rate/Floating Rate Cumulative Redeemable Preferred Stock and (iii) Series B Redeemable Preferred Stock, in each case as provided for in the Amended and Restated Charter of Miller as of January 29, 2015.
- (vii) Stock. “Stock” means Common Stock or Preferred Stock.

(b) Claiming a Worthless Securities Deduction by 50-Percent Shareholders of Miller Energy Resources, Inc.

1. Notice of Intent to Claim Worthless Securities Deduction. At least twenty-eight (28) business days before a 50-Percent Shareholder files any federal income tax return, or any amendment to such a return, claiming a Worthless Securities Deduction with respect to its Stock for a tax year of the 50-Percent Shareholder ending before the effective date of the Debtors’ chapter 11 plan, such 50-Percent Shareholder must file with the Court, and serve upon the Debtors and the Debtors’ attorneys, a Notice of Intent to Claim Worthless Securities Deduction, (the “Notice of Intent to Claim Worthless Securities Deduction”), substantially in the form annexed to the Motion as Exhibit “F”. At the holder’s election, the Notice of Intent to Claim Worthless Securities Deduction that is filed with the Court (but not such notice served upon the Debtors and the Debtors’ attorneys) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns.
2. Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein, whether to approve a 50-Percent Shareholder’s proposed Worthless Securities Deduction. A Worthless Securities Deduction that is not approved, in writing, by the Debtors within fourteen (14) calendar days after the filing of a Notice of Intent to Claim Worthless Securities Deduction shall be deemed rejected and shall not be effective unless approved by a final and non-appealable order of this Court.

(c) Noncompliance with Procedures. Any purchase sale or other transfer of Stock in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee. In the event that a 50-Percent Shareholder claims a Worthless Securities Deduction in violation of the procedures set forth herein, such Worthless Securities Deduction shall be null and void *ab initio*, and such shareholder shall be required to file an amended federal income tax return eliminating such Worthless Securities Deduction.

(d) Confidentiality. Except to the extent information contained in any submission to the Court pursuant to the procedures set forth herein is public or in connection with an audit or other investigation by the Internal Revenue Service or other taxing authority, the Debtors and the Debtors' attorneys shall keep all additional information provided in connection with these procedures strictly confidential; *provided, however*, that the Debtors may disclose the information to their counsel and professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors (as applicable), each of whom shall keep all such notices strictly confidential. To the extent non-public information is requested in these procedures or requests for information related thereto, all non-public information may be redacted from any filing made with the Court.

(e) Cooperation. Any person or Entity making a filing pursuant to these procedures shall, upon reasonable request by the Debtors, (i) provide the Debtors any additional information in connection with the evaluation of the action contemplated in such notice, and (ii) use reasonable efforts to elicit cooperation from its shareholders, partners, officers, directors, members or other beneficial owners in connection therewith.

(f) Interpretation. These procedures are intended to preserve, to the maximum extent possible, the Debtors' ability to obtain the maximum benefit from their Tax Attributes and, accordingly, any interpretative question that may arise under these procedures shall be resolved in the manner that will reduce the risks that an ownership change may occur prior to the effective date.

(g) Debtors' Right to Waive. The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Motion.

FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.

ANY PROHIBITED ACQUISITION OR OTHER TRANSFER OF STOCK AND ANY CLAIM OF A WORTHLESS SECURITIES DEDUCTION IN VIOLATION OF THE INTERIM ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES OR SANCTIONS BEING IMPOSED BY THE BANKRUPTCY COURT.

THE DEBTORS MAY WAIVE, IN WRITING, ANY AND ALL RESTRICTIONS, STAYS, AND NOTIFICATION PROCEDURES CONTAINED IN THE INTERIM ORDER.

PLEASE TAKE FURTHER NOTICE that any person or Entity desirous of acquiring an interest restricted by the Interim Order may request relief for cause at any time and the Debtors may oppose such relief.

PLEASE TAKE FURTHER NOTICE that, if timely objections are received, there shall be a hearing held on **January 19, 2016 at 10:00 a.m. (Alaska Time)** to consider, on a final basis, the relief requested in the Motion **at the Historic Courtroom, Old Federal**

Building, 605 West Fourth Ave., Anchorage, Alaska 99501 before the Honorable Judge Gary Spraker. Parties outside of Anchorage must contact the In-Court Clerks at (907) 271-2640 prior to the hearing to arrange for telephonic attendance. The hearing may be adjourned without notice by an announcement of the adjourned date at the hearing.

PLEASE TAKE FURTHER NOTICE that **RESPONSES OR OBJECTIONS, IF ANY, TO THE RELIEF SOUGHT IN THE MOTION SHALL BE FILED** with the Bankruptcy Court and served upon: (i) counsel to the Debtors, Andrews Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002, Attn: David A. Zdunkewicz and Timothy A. (“Tad”) Davidson; (ii) counsel to the Lenders, Bracewell & Giuliani LLP, CityPlace I, 34th Floor, 185 Asylum Street, Hartford, CT 06103, Attn: Evan D. Flaschen (evan.flaschen@bgllp.com); (iii) Counsel to the Creditors’ Committee, Snow Spence Green LLP, America Tower, 2929 Allen Parkway, Suite 2800, Houston, Texas 77019, Attn: Phil Snow (philsnow@snowspencelaw.com); and (iv) the United States Trustee, 700 Stewart St., Suite 5103, Seattle, Washington 98101, Attn: Thomas Buford (thomas.a.buford@usdoj.gov) **SO AS TO BE RECEIVED NO LATER THAN 5:00 P.M. (PREVAILING ALASKA TIME) SEVEN (7) DAYS PRIOR TO THE DATE OF THE HEARING TO CONSIDER, ON A FINAL BASIS, THE RELIEF REQUESTED IN THE MOTION.**

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws, and do not excuse compliance therewith.

Dated: December 23, 2015

Respectfully submitted,

ANDREWS KURTH LLP

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ATTORNEYS FOR DEBTORS