

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

-----X
:

In re : **Chapter 11**

:

MILAGRO HOLDINGS, LLC, et al., : **Case No. 15-11520 (KG)**

:

Debtors.¹ : **Jointly Administered**

:

:

:

-----X

DECLARATION OF JAMES DALOIA OF PRIME CLERK LLC REGARDING THE SOLICITATION OF VOTES AND TABULATION OF BALLOTS CAST ON THE DEBTORS’ AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE DATED SEPTEMBER 1, 2015

I, James Daloia, declare, under the penalty of perjury:

1. I am the Director of Solicitation and Disbursements at Prime Clerk LLC (“*Prime Clerk*”), located at 830 Third Avenue, 9th Floor, New York, New York 10022. I am over the age of eighteen years and not a party to the above-captioned action. Unless otherwise noted, I have personal knowledge of the facts set forth herein.

2. I submit this Declaration with respect to the solicitation of votes and the tabulation of ballots cast on the *Debtors’ Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated September 1, 2015 [Docket No. 193] (as may be amended, supplemented, or modified from time to time, the “*Amended Plan*”).² Except as otherwise noted, all facts set forth herein are based on my personal knowledge, knowledge that I

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Milagro Holdings, LLC (7232); Milagro Oil & Gas, Inc. (7173); Milagro Exploration, LLC (9260); Milagro Producing, LLC (9330); Milagro Mid-Continent, LLC (8804); and Milagro Resources, LLC (6134). The Debtors’ mailing address is 1301 McKinney Street, Suite 500, Houston, Texas 77010.

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Amended Plan or Disclosure Statement Order (as defined below).

acquired from individuals under my supervision, and my review of relevant documents. I am authorized to submit this Declaration on behalf of Prime Clerk. If I were called to testify, I could and would testify competently as to the facts set forth herein.

3. This Court authorized Prime Clerk's retention as (i) the claims and noticing agent to the above-captioned debtors and debtors in possession (collectively, the "**Debtors**") pursuant to the *Order Authorizing the Appointment of Prime Clerk LLC as Claims and Noticing Agent*, dated July 17, 2015 [Docket No. 34] and (ii) administrative advisor pursuant to the *Order Authorizing Employment and Retention of Prime Clerk LLC as Administrative Advisor, Effective as of the Petition Date*, dated August 17, 2015 [Docket No. 142] (collectively, the "**Retention Orders**"). The Retention Orders authorize Prime Clerk to assist the Debtors with, among other things, the (a) service of solicitation materials and (b) tabulation of votes cast to accept or reject the Amended Plan. Prime Clerk and its employees have considerable experience in soliciting and tabulating votes to accept or reject Chapter 11 plans.

Service and Transmittal of Solicitation Packages and the Tabulation Process

4. Pursuant to the *Order: (A) Approving Disclosure Statement and Notice Thereof; (B) Fixing Voting Record Date; (C) Approving Solicitation Materials and Procedures for Distribution Thereof; (D) Approving Forms of Ballots and Establishing Procedures for Voting on Plan Tabulating Votes; (E) Scheduling Hearing and Approving Notice and Procedures for Filing Objections to (I) Confirmation of the Plan, And (II) Proposed Cure Costs and Assumption of Contracts and Leases that may be Assumed Under the Plan; and (F) Granting Related Relief*, dated September 1, 2015 [Docket No. 192] (the "**Disclosure Statement Order**"), the Court established procedures to solicit votes from and tabulate ballots submitted by holders entitled to vote on the Amended Plan (the "**Solicitation Procedures**"). Prime Clerk adhered to the Solicitation Procedures outlined in the Disclosure Statement Order, the ballots and notices

distributed to parties entitled to vote on the Amended Plan. I supervised the solicitation and tabulation performed by Prime Clerk's employees.

5. The Solicitation Procedures established August 28, 2015 as the record date (the "***Voting Record Date***") for determining which creditors were entitled to vote on the Amended Plan. Pursuant to the Amended Plan and the Solicitation Procedures, only holders as of the Voting Record Date in the following class were entitled to vote to accept or reject the Amended Plan (the "***Voting Class***"):

Plan Class	Class Description
4	Notes Claims

No other classes were entitled to vote on the Amended Plan.

6. In accordance with the Solicitation Procedures, Prime Clerk worked closely with the Debtors' advisors to identify the holders entitled to vote in the Voting Class as of the Voting Record Date, and to coordinate the distribution of solicitation materials to these holders. A detailed description of Prime Clerk's distribution of solicitation materials is set forth in Prime Clerk's *Affidavit of Service of Solicitation Materials*, which was filed with this Court on September 15, 2015 [Docket No. 213].

7. In accordance with the Solicitation Procedures, Prime Clerk received, reviewed, determined the validity of, and tabulated the ballots submitted to vote on the Amended Plan. Each ballot submitted to Prime Clerk was date-stamped, scanned, assigned a ballot number, entered into Prime Clerk's voting database and processed in accordance with the Solicitation Procedures. To be included in the tabulation results as valid, a ballot must have been (a) properly completed pursuant to the Solicitation Procedures, (b) executed by the relevant holder entitled to vote on the Amended Plan (or such holder's authorized representative), (c) returned to

Prime Clerk via an approved method of delivery set forth in the Solicitation Procedures and (d) received by Prime Clerk by (i) 5:00 p.m. (Eastern Time) on October 1, 2015 (the “**Voting Deadline**”) for holders in the Voting Class.

8. All valid ballots cast by holders entitled to vote in the Voting Classes and received by Prime Clerk on or before the Voting Deadline were tabulated pursuant to the Solicitation Procedures.

9. The final tabulation of votes cast by timely and properly completed ballots received by Prime Clerk is attached hereto as **Exhibit A**.

10. A report of all ballots excluded from the final tabulation prepared by Prime Clerk, and the reasons for exclusion of such ballots, is attached hereto as **Exhibit B**.

[Remainder of page intentionally left blank]

To the best of my knowledge, information and belief, I declare under penalty of perjury that the foregoing information concerning the distribution, submission and tabulation of ballots in connection with the Amended Plan is true and correct.

Dated: October 5, 2015



James Daloia
Director of Solicitation and Disbursements
Prime Clerk LLC

Exhibit A

Milagro Holdings, LLC., et al.
Exhibit A - Tabulation Summary

Class	Class Description	Number Accepting	Number Rejecting	Amount Accepting	Amount Rejecting	Class Voting Result
		%	%	%	%	
4	Notes Claims	66	0	\$197,999,000.00	\$0.00	ACCEPTS
		100%	0.00%	100%	0.00%	

Exhibit B

Milagro Holdings, LLC., et al.
Exhibit B - Ballots Excluded from Tabulation

Class	Class Description	Participant Number	Participant Name	CUSIP	Customer Identification Number	Amount Voted	Accept / Reject	Reason(s) for Exclusion
4	Note Claims	0010	BROWN BROTHERS HARRIMAN	59870WAB8	6003677	\$210,000.00	N/A	BALLOT DOES NOT INDICATE A VOTE TO ACCEPT OR REJECT THE PLAN
4	Note Claims	2803	US BANK NA	59870WAB8	19-8701	\$1,950,000.00	N/A	BALLOT DOES NOT INDICATE A VOTE TO ACCEPT OR REJECT THE PLAN
4	Note Claims	2803	US BANK NA	59870WAB8	19-8702	\$1,700,000.00	N/A	BALLOT DOES NOT INDICATE A VOTE TO ACCEPT OR REJECT THE PLAN
4	Note Claims	0901	RBC INVESTORS SERVICES BANK	59870WAB8	14152	\$205,000.00	N/A	BALLOT DOES NOT INDICATE A VOTE TO ACCEPT OR REJECT THE PLAN; UNABLE TO VERIFY RECORD DATE POSITION