

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 17, 2017**

Basic Energy Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-32693 (Commission File Number)	54-2091194 (I.R.S. Employer Identification No.)
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801 Cherry Street, Suite 2100 Fort Worth, Texas (Address of principal executive offices)	76102 (Zip Code)
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Registrant's telephone number, including area code: **(817) 334-4100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

Unaudited Pro Forma Condensed Consolidated Financial Information

As previously discussed, Basic Energy Services, Inc. (the "Company") and certain of its domestic subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court") on October 25, 2016. On December 9, 2016, the Court confirmed the Company's First Amended Joint Prepackaged Chapter 11 Plan of Basic Energy Services, Inc. and its Affiliated Debtors (as confirmed, the "Prepackaged Plan"), and on December 23, 2016, the Company emerged from bankruptcy.

Included in this filing as Exhibit 99.1 is the unaudited pro forma condensed consolidated statement of operations of the Company for the year ended December 31, 2016, giving effect to (i) the consummation of the Prepackaged Plan; (ii) the adoption of fresh start accounting; and (iii) the reduction of the Company's senior unsecured notes and long-lived assets.

Indemnification Agreements

Previously, in 2010, the Company approved a form of indemnification agreement to be entered into with each of its directors and certain officers (each, an "Indemnitee"). During 2017, following the Company's emergence from Chapter 11 on December 23, 2016, the Company's Board of Directors approved a form of indemnification agreement to be entered into with new non-employee directors and certain new officers. The new form of indemnification agreement has terms which are, in all material respects, the same as those contained in the previously existing indemnification agreement, the form of which was previously filed as Exhibit 10.1 to the Company's Form 8-K filed on March 15, 2010.

Each indemnification agreement provides that the Company will indemnify the applicable Indemnitee to the fullest extent permitted by applicable law in the event that such Indemnitee, by reason of such Indemnitee's relationship with the Company, is or is threatened to be made a party to or participant in any threatened, pending or completed proceeding, other than a proceeding by or in the right of the Company, against expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee or on his or her behalf in connection with such proceeding, provided that such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal proceeding, provided that he or she also had no reasonable cause to believe his or her conduct was unlawful. The indemnification agreement further provides that the Company will indemnify such Indemnitee to the fullest extent permitted by applicable law in the event that such Indemnitee, by reason of such Indemnitee's relationship with the Company, is or is threatened to be made a party to or participant in any threatened, pending or completed proceeding brought by or in the right of the Company to procure a judgment in its favor, against expenses actually and reasonably incurred by such Indemnitee or on his or her behalf in connection with such proceeding, provided that such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. Notwithstanding the foregoing, no indemnification against expenses incurred by such Indemnitee in connection with such a proceeding brought by or in the right of the Company will be made in respect of any claim, issue or matter as to which such Indemnitee is adjudged to be liable to the Company or if applicable law prohibits such indemnification being made; provided, however, that, in such event, indemnification against such expenses will nevertheless be made by the Company if and to the extent that the court in which such proceeding has been brought or is pending so determines. The indemnification agreement also provides for the advance of all reasonable expenses incurred by such Indemnitee in connection with any proceeding covered by the indemnification agreement. The Indemnitee will be required to repay any amounts so advanced if and to the extent that it is ultimately determined that he or she is not entitled to be indemnified by the Company against such expenses.

The foregoing descriptions of the prior form and the new form of indemnification agreement are qualified in their entirety by reference to the full text of the 2010 form of indemnification agreement and the new form of indemnification agreement, which are filed as Exhibits 10.1 and 10.2, respectively, hereto and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Prior Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K filed March 15, 2010).

10.2 Form of Indemnification Agreement.

99.1 Unaudited Pro Forma Consolidated Financial Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Basic Energy Services, Inc.

Date: May 17, 2017

By: /s/ Alan Krenek

Alan Krenek

Senior Vice President, Chief Financial Officer,
Treasurer and Secretary

EXHIBIT INDEX

Exhibit No.	Description
10.1	Prior Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K filed March 15, 2010).
10.2	Form of Indemnification Agreement.
99.1	Unaudited Pro Forma Consolidated Financial Information

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is effective as of [_____, 20__], by and among Basic Energy Services, Inc., a Delaware corporation (the "Company"), and [NAME] (the "Indemnitee").

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify certain of its Authorized Representatives (as defined below) of the Company to the fullest extent permitted by applicable law so that they will serve or continue to serve as such free from undue concern that they will not be adequately protected;

WHEREAS, the Indemnitee is willing to serve and continue to serve as an Authorized Representative on the condition that he be so indemnified; and

WHEREAS, to the extent permitted by law, this Agreement is a supplement to and in furtherance of the provisions of the certificate of incorporation (the "Certificate") and bylaws of the Company (the "Bylaws"), in each case as amended and effect on the date hereof, or resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of the Indemnitee thereunder;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, the Company and the Indemnitee do hereby covenant and agree as follows:

1. *Services by the Indemnitee.* The Indemnitee agrees to continue to serve at the request of the Company as an Authorized Representative. Notwithstanding the foregoing, the Indemnitee may at any time and for any reason resign from any such position.

2. *Indemnification - General.* The Company shall indemnify, and advance Expenses (as hereinafter defined) to, the Indemnitee as provided in this Agreement and to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of the Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

3. *Proceedings Other Than Proceedings by or in the Right of the Company.* The Indemnitee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of his Corporate Status (as hereinafter defined), he is, or is threatened to be made, a party to or participant in any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 3, the Company shall indemnify the Indemnitee against Expenses, judgments, penalties, fines and amounts paid in settlement (as and to the extent permitted hereunder) actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, if he also had no reasonable cause to believe his conduct was unlawful.

4. *Proceedings by or in the Right of the Company.* The Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, the Company shall indemnify the Indemnitee against Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Notwithstanding the foregoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which the Indemnitee shall have been adjudged to be liable to the Company or if applicable law prohibits such indemnification; provided, however, that if applicable law so permits, indemnification against Expenses shall nevertheless be made by the Company in such event if and to the extent that the court in which such Proceeding shall have been brought or is pending, shall so determine.

5. *Indemnification for Expenses of a Party Who is Wholly or Partly Successful.*

(a) To the extent that the Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, the Company shall indemnify the Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If the Indemnitee is not wholly successful in defense of any Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify the Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each such claim, issue or matter as to which the Indemnitee is successful, on the merits or otherwise. For purposes of this Section 5(a), the term "successful, on the merits or otherwise," shall include, but shall not be limited to, (i) the termination of any claim, issue or matter in a Proceeding by withdrawal or dismissal, with or without prejudice, (ii) termination of any claim, issue or matter in a Proceeding by any other means without any express finding of liability or guilt against the Indemnitee, with or without prejudice or (iii) the expiration of

120 days after the making of a claim or threat of a Proceeding without the institution of the same and without any promise or payment made to induce a settlement. The provisions of this Section 5(a) are subject to Section 5(b) below.

(b) In no event shall the Indemnitee be entitled to indemnification under Section 5(a) above with respect to a claim, issue or matter to the extent (i) applicable law prohibits such indemnification, or (ii) an admission is made by the Indemnitee in writing to the Company or in such Proceeding or a final, nonappealable determination is made in such Proceeding that the standard of conduct required for indemnification under this Agreement has not been met with respect to such claim, issue or matter.

6. *Indemnification for Expenses as a Witness.* Notwithstanding any provisions herein to the contrary, to the extent that the Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding, the Company shall indemnify the Indemnitee against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith.

7. *Advancement of Expenses.* The Company shall advance all reasonable Expenses incurred by or on behalf of the Indemnitee in connection with any Proceeding within 10 days after the receipt by the Company of a statement or statements from the Indemnitee requesting such advance or advances from time to time, whether prior to or after the final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by or on behalf of the Indemnitee. The Indemnitee hereby expressly undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined by a final, non-appealable adjudication or arbitration decision that the Indemnitee is not entitled to be indemnified against such Expenses. All amounts advanced to the Indemnitee by the Company pursuant to this Section 7 shall be without interest. The Company shall make all advances pursuant to this Section 7 without regard to the financial ability of the Indemnitee to make repayment, without bond or other security and without regard to the prospect of whether the Indemnitee may ultimately be found to be entitled to indemnification under the provisions of this Agreement. Any required reimbursement of Expenses by the Indemnitee shall be made by the Indemnitee to the Company within 10 days following the entry of the final, non-appealable adjudication or arbitration decision pursuant to which it is determined that the Indemnitee is not entitled to be indemnified against such Expenses.

8. *Procedure for Determination of Entitlement to Indemnification.*

(a) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Company a written request therefor, along with such documentation and information as is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification; provided, however, that no deficiency in any such request, documentation or information shall adversely affect the Indemnitee's rights to indemnification or advancement of expenses under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that the Indemnitee has requested indemnification.

(b) Upon written request by the Indemnitee for indemnification pursuant to the first sentence of Section 8(a) hereof, a determination, if required by applicable law, with respect to the Indemnitee's entitlement thereto shall be made in the specific case: (i) by the Board by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined); or (ii) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel (as hereinafter defined), as selected pursuant to Section 8(d), in a written opinion to the Board (which opinion may be a "more likely than not" opinion), a copy of which shall be delivered to the Indemnitee. If it is so determined that the Indemnitee is entitled to indemnification, the Company shall make payment to the Indemnitee within 10 days after such determination. The Indemnitee shall cooperate with the Person or Persons making such determination with respect to the Indemnitee's entitlement to indemnification, including providing to such Person or Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Subject to the provisions of Section 10 hereof, any costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating with the Person or Persons making such determination shall be borne by the Company, and the Company hereby agrees to indemnify and hold the Indemnitee harmless therefrom.

(c) Notwithstanding the foregoing, if a Change of Control has occurred, the Indemnitee may require a determination with respect to the Indemnitee's entitlement to indemnification to be made by Independent Counsel, as selected pursuant to Section 8(d), in a written opinion to the Board (which opinion may be a "more likely than not" opinion), a copy of which shall be delivered to the Indemnitee.

(d) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) or (c) hereof, the Independent Counsel shall be selected as provided in this Section 8(d). If a Change of Control shall not have occurred, the Independent Counsel shall be selected by the Board (including a vote of a majority of the Disinterested Directors if obtainable), and the Company shall give written notice to the Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change of Control shall have occurred, the Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and approved by the Company (which approval shall not be unreasonably withheld, conditioned or delayed). If (i) an Independent Counsel is to

make the determination of entitlement pursuant to Section 8(b) or (c) hereof, and (ii) within 20 days after submission by the Indemnitee of a written request for indemnification pursuant to Section 8(a) hereof, no Independent Counsel shall have been selected, either the Company or the Indemnitee may petition the Chancery Court of the State of Delaware for the appointment as Independent Counsel of a Person selected by such court or by such other Person as such court shall designate. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 8(b) or (c) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 8(d), regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(a)(iv) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

9. Presumptions and Effect of Certain Proceedings; Construction of Certain Phrases.

(a) In making a determination with respect to whether the Indemnitee is entitled to indemnification hereunder, the Person(s) making such determination shall presume that the Indemnitee is entitled to indemnification under this Agreement if the Indemnitee has submitted a request for indemnification in accordance with Section 8(a) of this Agreement, and anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(b) Subject to the terms of Section 16 below, the termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of the Indemnitee to indemnification or create a presumption that the Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his conduct was unlawful.

(c) For purposes of any determination of the Indemnitee's entitlement to indemnification under this Agreement or otherwise, the Indemnitee shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal Proceeding, to have also had no reasonable cause to believe his conduct was unlawful, if it is determined by the Board or by the Independent Counsel, as applicable, that Indemnitee's action is based on the Indemnitee's reliance in good faith on the records or books of account of the Company or another enterprise, including financial statements, or on information supplied to the Indemnitee by the officers of the Company or another enterprise in the course of their duties, or on the advice of legal or financial counsel for the Company or the Board (or any committee thereof) or for another enterprise or its board of directors (or any committee thereof), or on information or records given or reports made by an independent certified public accountant or by an appraiser or other expert selected by the Company or the Board (or any committee thereof) or by another enterprise or its board of directors (or any committee thereof). For purposes of this Section 9(c), the term "another enterprise" means any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which the Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent. The provisions of this Section 9(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of the Company shall not be imputed to the Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 9(c) are satisfied, it shall in any event be presumed that the Indemnitee has acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal Proceeding, that he also had no reasonable cause to believe his conduct was unlawful. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(d) For purposes of this Agreement, references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to an employee benefit plan; references to "serving at the request of the Company" shall include, but shall not be limited to, any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants or its beneficiaries; and if the Indemnitee has acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, he shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as used in this Agreement. The provisions of this Section 9(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

10. Remedies of the Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 8 of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) the determination of entitlement to indemnification is to be made by the Board pursuant to Section 8(b) of this Agreement and such determination shall not have been made and delivered to the Indemnitee in writing within twenty (20) days after

receipt by the Company of the request for indemnification, (iv) the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) or (c) of this Agreement and such determination shall not have been made in a written opinion to the Board and a copy delivered to the Indemnitee within forty-five (45) days after receipt by the Company of the request for indemnification, (v) payment of indemnification is not made pursuant to Section 6 of this Agreement within 10 days after receipt by the Company of a written request therefor or (vi) payment of indemnification is not made within 10 days after a determination has been made that the Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 8 or 9 of this Agreement, the Indemnitee shall be entitled to an adjudication in the Court of Chancery of the State of Delaware of his entitlement to such indemnification or advancement of Expenses. Alternatively, the Indemnitee, at his sole option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. The Indemnitee shall commence such Proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which the Indemnitee first has the right to commence such Proceeding pursuant to this Section 10(a); provided, however, that the foregoing clause shall not apply in respect of a Proceeding brought by the Indemnitee to enforce his rights under Section 5 of this Agreement.

(b) In the event that a determination is made pursuant to Section 8 of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 10 shall be conducted in all respects as a *de novo* trial or a *de novo* arbitration (as applicable) on the merits, and the Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 10, the Company shall have the burden of proving that the Indemnitee is not entitled to indemnification, and the Company shall be precluded from referring to or offering into evidence a determination made pursuant to Section 8 of this Agreement that is adverse to the Indemnitee's right to indemnification. If the Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 10, the Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 7 until a final determination is made with respect to the Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or have lapsed).

(c) If a determination is made or deemed to have been made pursuant to Section 8 or 9 of this Agreement that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 10, absent (i) an intentional misstatement by the Indemnitee of a material fact, or an intentional omission by the Indemnitee of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(e) In the event that the Indemnitee, pursuant to this Section 10, seeks a judicial adjudication or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Agreement, the Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses actually and reasonably incurred by him in such judicial adjudication or arbitration to the fullest extent permitted by law; *provided, however*, that until a final determination is made, the Indemnitee shall be entitled under Section 7 to receive payment of Expenses hereunder with respect to such Proceeding. In the event that a Proceeding is commenced by or in the right of the Company against the Indemnitee to enforce or interpret any of the terms of this Agreement, the Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses actually and reasonably incurred by him in such Proceeding (including with respect to any counter-claims or cross-claims made by the Indemnitee against the Company in such Proceeding) to the fullest extent permitted by law; *provided, however*, that until a final determination is made, the Indemnitee shall be entitled under Section 7 to receive payment of Expenses hereunder with respect to such Proceeding.

(f) Any judicial adjudication or arbitration determined under this Section 10 shall be final and binding on the parties.

11. *Defense of Certain Proceedings.* In the event the Company shall be obligated under this Agreement to pay the Expenses of any Proceeding against the Indemnitee in which the Company is a co-defendant with the Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by the Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Indemnitee shall nevertheless be entitled to employ or continue to employ his own counsel in such Proceeding. Employment of such counsel by the Indemnitee shall be at the cost and expense of the Company unless and until the Company shall have demonstrated to the reasonable satisfaction of the Indemnitee and the Indemnitee's counsel that there is complete identity of issues and defenses and no conflict of interest between the Company and the Indemnitee in such Proceeding, after which time further employment of such counsel by the Indemnitee shall be at the cost and expense of the Indemnitee. In all events, if the Company shall not, in fact, have timely employed counsel to assume the defense of such Proceeding, then the fees and Expenses of the Indemnitee's counsel shall be at the cost and expense of the Company.

12. *Exception to Right of Indemnification or Advancement of Expenses.* Notwithstanding any other provision of this

Agreement, the Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding, or any claim therein, brought or made by the Indemnitee against:

(a) the Company, except for (i) any claim or Proceeding in respect of this Agreement and/or the Indemnitee's rights hereunder, (ii) any claim or Proceeding to establish or enforce a right to indemnification under any statute or law, other agreement with the Company or the Company's Certificate or Bylaws as now or hereafter in effect, and (iii) any counter-claim or cross-claim brought or made by him against the Company in any Proceeding brought by or in the right of the Company against him; or

(b) any other Person, except for Proceedings or claims approved by the Board.

13. *Contribution.*

(a) If, with respect to any Proceeding, the indemnification provided for in this Agreement is held by a court of competent jurisdiction to be unavailable to the Indemnitee for any reason other than that the Indemnitee did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to a criminal Proceeding, that the Indemnitee had reasonable cause to believe his conduct was unlawful, the Company shall contribute to the amount of Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein in such proportion as is appropriate to reflect the relative benefits received by the Indemnitee and the relative fault of the Indemnitee versus the other defendants or participants in connection with the action or inaction which resulted in such Expenses, judgments, penalties, fines and amounts paid in settlement, as well as any other relevant equitable considerations.

(b) The Company and the Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 13 were determined by pro rata or per capita allocation or by any other method of allocation which does not take into account the equitable considerations referred to in Section 13(a) above.

(c) No Person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) shall be entitled to contribution from any Person who was not found guilty of such fraudulent misrepresentation.

14. *Officer and Director Liability Insurance.*

(a) The Company shall use all commercially reasonable efforts to obtain and maintain in effect during the entire period for which the Company is obligated to indemnify the Indemnitee under this Agreement, one or more policies of insurance with reputable insurance companies to provide the directors and officers of the Company with coverage for losses from wrongful acts and omissions and to ensure the Company's performance of its indemnification obligations under this Agreement. In all such insurance policies, the Indemnitee shall be named as an insured in such a manner as to provide the Indemnitee with the same rights and benefits as are accorded to the most favorably insured of the Company's directors and officers. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that the Indemnitee is covered by such insurance maintained by a subsidiary or parent of the Company.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors or officers of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise which the Indemnitee serves at the request of the Company, the Indemnitee shall be named as an insured under and shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for the most favorably insured director or officer under such policy or policies.

(c) In the event that the Company is a named insured under any policy or policies of insurance referenced in either Section 14(a) or (b) above, the Company hereby covenants and agrees that it will not settle any claims or Proceedings that may be covered by such policy or policies of insurance and in which the Indemnitee has or may incur Expenses, judgments, penalties, fines or amounts paid in settlement without the prior written consent of the Indemnitee.

15. *Security.* Upon reasonable request by the Indemnitee, the Company shall provide security to the Indemnitee for the Company's obligations hereunder through an irrevocable bank letter of credit, funded trust or other similar collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee, which consent may be granted or withheld at the Indemnitee's sole and absolute discretion.

16. *Settlement of Claims.* The Company shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, which consent shall not be unreasonably withheld.

17. *Duration of Agreement.* This Agreement shall be unaffected by the termination of the Corporate Status of the

Indemnitee and shall continue for so long as the Indemnitee may have any liability or potential liability by virtue of his Corporate Status, including, without limitation, the final termination of all pending Proceedings in respect of which the Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by the Indemnitee pursuant to Section 10 of this Agreement relating thereto, whether or not he is acting or serving in such capacity at the time any liability or Expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

18. *Remedies of the Company.* The Company hereby covenants and agrees to submit any and all disputes relating to this Agreement that the parties are unable to resolve between themselves to binding arbitration pursuant to the rules of the American Arbitration Association and waives all rights to judicial adjudication of any matter or dispute relating to this Agreement except where judicial adjudication is requested or required by the Indemnitee.

19. *Limitation of Liability.* Notwithstanding any other provision of this Agreement, neither party shall have any liability to the other for, and neither party shall be entitled to recover from the other, any consequential, special, punitive, multiple or exemplary damages as a result of a breach of this Agreement.

20. *Subrogation.* In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

21. *Definitions.* For purposes of this Agreement:

(a) “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes hereof, “control” (including, with correlative meaning, the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, by contract or otherwise.

(b) “Authorized Representative” means (i) a director, officer, employee, agent or fiduciary of the Company or any Subsidiary and (ii) a person serving at the request of the Company or any Subsidiary as a director, officer, employee, fiduciary or other representative of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise.

(c) “Board” means the Board of Directors of the Company.

(d) “Change of Control” shall mean a change in control of the Company occurring after the date of this Agreement of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement. Without limiting the foregoing, such a Change in Control shall be deemed to have occurred if, after the date of this Agreement, (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 22% or more of the combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such person attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board; or (iv) approval by the shareholders of the Company of a liquidation or dissolution of the Company.

(e) “Company” means Basic Energy Services, Inc., a Delaware corporation.

(f) “Corporate Status” describes the status of an individual who is or was an officer, director, employee or agent of the Company or any of the Company’s Affiliates, or is or was serving at the request of the Company or any of its Affiliates as an officer, director, employee, agent or trustee of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise.

(g) “Disinterested Director” means a director of the Company who is not and was not a party to, or otherwise involved

in, the Proceeding for which indemnification is sought by the Indemnitee.

(h) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(i) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or being or preparing to be a witness in a Proceeding.

(j) “Independent Counsel” means a law firm or a member of a law firm that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee’s rights under this Agreement

(k) “Person” means a natural person, firm, partnership, joint venture, association, corporation, company, limited liability company, trust, business trust, estate or other entity.

(l) “Proceeding” includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative.

22. *Non-Exclusivity.* The Indemnitee’s rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Certificate, the Bylaws, any other agreement, a vote of stockholders, a resolution of directors or otherwise.

23. *Remedies Not Exclusive.* No right or remedy herein conferred upon the Indemnitee is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative of and in addition to the rights and remedies given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy of the Indemnitee hereunder or otherwise shall not be deemed an election of remedies on the part of the Indemnitee and shall not prevent the concurrent assertion or employment of any other right or remedy by the Indemnitee.

24. *Changes in Law.* In the event that a change in applicable law after the date of this Agreement, whether by statute, rule or judicial decision, expands or otherwise increases the right or ability of a Delaware corporation to indemnify (or otherwise pay or advance Expenses as to any Proceeding for the benefit of) a member of its board of directors or an officer, the Indemnitee shall, by this Agreement, enjoy the greater benefits so afforded by such change. In the event that a change in applicable law after the date of this Agreement, whether by statute, rule or judicial decision, narrows or otherwise reduces the right or ability of a Delaware corporation to indemnify (or otherwise pay or advance Expenses as to any Proceeding for the benefit of) a member of its board of directors or an officer, such change shall have no effect on this Agreement or any of the Indemnitee’s rights hereunder, except and only to the extent required by law.

25. *Interpretation of Agreement; Negligence.* The Company and the Indemnitee acknowledge and agree that it is their intention that this Agreement be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law. **WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COMPANY AND THE INDEMNITEE EACH HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT (A) THE INDEMNIFICATION PROVIDED UNDER THIS AGREEMENT SHALL EXTEND TO AND INCLUDE, BUT SHALL NOT BE LIMITED TO, INDEMNIFICATION FOR EXPENSES, JUDGMENTS, PENALTIES, FINES AND AMOUNTS PAID IN SETTLEMENT ARISING, IN WHOLE OR IN PART, OUT OF THE SOLE OR CONCURRENT NEGLIGENCE OF THE INDEMNITEE AND (B) THIS SECTION 25 CONSTITUTES A CONSPICUOUS NOTICE OF SUCH AGREEMENT FOR ALL PURPOSES.**

26. *Severability.* If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions will be deemed reformed to the extent necessary to conform to applicable law and to give maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision or provisions held invalid, illegal or unenforceable.

27. *Governing Law; Jurisdiction and Venue; Specific Performance.*

(a) The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(b) ANY "ACTION OR PROCEEDING" (AS SUCH TERM IS DEFINED BELOW) ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE FILED IN AND LITIGATED OR ARBITRATED SOLELY BEFORE THE CHANCERY COURT OF THE STATE OF DELAWARE OR AN ARBITRATION HEARING HELD IN HARRIS COUNTY, TEXAS, AND EACH PARTY TO THIS AGREEMENT: (i) GENERALLY AND UNCONDITIONALLY ACCEPTS THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND VENUE THEREIN, AND WAIVES TO THE FULLEST EXTENT PROVIDED BY LAW ANY DEFENSE OR OBJECTION TO SUCH JURISDICTION AND VENUE BASED UPON THE DOCTRINE OF "FORUM NON CONVENIENS;" AND (ii) GENERALLY AND UNCONDITIONALLY CONSENTS TO SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY DELIVERY OF CERTIFIED OR REGISTERED MAILING OF THE SUMMONS AND COMPLAINT IN ACCORDANCE WITH THE NOTICE PROVISIONS OF THIS AGREEMENT. FOR PURPOSES OF THIS SECTION, THE TERM "*ACTION OR PROCEEDING*" IS DEFINED AS ANY AND ALL CLAIMS, SUITS, ACTIONS, HEARINGS, ARBITRATIONS OR OTHER SIMILAR PROCEEDINGS, INCLUDING APPEALS AND PETITIONS THEREFROM, WHETHER FORMAL OR INFORMAL, GOVERNMENTAL OR NON-GOVERNMENTAL, OR CIVIL OR CRIMINAL. THE FOREGOING CONSENT TO JURISDICTION SHALL NOT CONSTITUTE GENERAL CONSENT TO SERVICE OF PROCESS IN THE STATE OF DELAWARE OR THE STATE OF TEXAS FOR ANY PURPOSE EXCEPT AS PROVIDED ABOVE, AND SHALL NOT BE DEEMED TO CONFER RIGHTS ON ANY PERSON OTHER THAN THE PARTIES TO THIS AGREEMENT.

(c) The Company acknowledges that the Indemnitee may, as a result of the Company's breach of its covenants and obligations under this Agreement, sustain immediate and long-term substantial and irreparable injury and damage which cannot be reasonably or adequately compensated by damages at law. Consequently, the Company agrees that the Indemnitee shall be entitled, in the event of the Company's breach or threatened breach of its covenants and obligations hereunder, to obtain equitable relief from a court of competent jurisdiction, including enforcement of each provision of this Agreement by specific performance and/or temporary, preliminary and/or permanent injunctions enforcing any of the Indemnitee's rights, requiring performance by the Company, or enjoining any breach by the Company, all without proof of any actual damages that have been or may be caused to the Indemnitee by such breach or threatened breach and without the posting of bond or other security in connection therewith. The Company waives the claim or defense therein that the Indemnitee has an adequate remedy at law, and the Company shall not allege or otherwise assert the legal position that any such remedy at law exists. The Company agrees and acknowledges that: (i) the terms of this Section 27(c) are fair, reasonable and necessary to protect the legitimate interests of the Indemnitee; (ii) this waiver is a material inducement to the Indemnitee to enter into the transactions contemplated hereby; and (iii) the Indemnitee relied upon this waiver in entering into this Agreement and will continue to rely on this waiver in its future dealings with the Company. The Company represents and warrants that it has reviewed this provision with its legal counsel, and that it has knowingly and voluntarily waived its rights referenced in this Section 27 following consultation with such legal counsel.

28. *Nondisclosure of Payments.* Except as expressly required by Federal securities laws, the Company shall not disclose any payments under this Agreement without the prior written consent of the Indemnitee. Any payments to the Indemnitee that must be disclosed shall, unless otherwise required by law, be described only in the Company proxy or information statements relating to special and/or annual meetings of the Company's shareholders, and the Company shall afford the Indemnitee a reasonable opportunity to review all such disclosures and, if requested by the Indemnitee, to explain in such statement any mitigating circumstances regarding the events reported.

29. *Notice by the Indemnitee; Notice to Insurers.*

(a) The Indemnitee agrees to promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder; *provided, however*, that the failure of the Indemnitee to timely provide such notice shall not affect the Indemnitee's right to be indemnified or to receive adjustment of Expenses under this Agreement except if, and then only to the extent that, the Company is actually prejudiced by such failure.

(b) If, at the time of the receipt by the Company of a notice of a Proceeding pursuant to Section 29(a) above, the Company has insurance in effect which may cover such Proceeding, the Company shall give prompt notice of commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such

Proceeding in accordance with the terms of such policies.

30. *Notices.* All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and received for by the party to whom said notice or other communication shall have been directed, or (b) mailed by U.S. certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed: (i) If to the Company: Basic Energy Services, Inc., 801 Cherry Street, Suite 2100, Fort Worth, Texas 76102, Attention: President; and (ii) if to any other party hereto, including the Indemnatee, to the address of such party set forth on the signature page hereof; or to such other address as may have been furnished by any party to the other(s), in accordance with this Section 30.

31. *Modification and Waiver.* No supplement, modification or amendment of this Agreement or any provision hereof shall limit or restrict in any way any right of the Indemnatee under this Agreement with respect to any action taken or omitted by the Indemnatee in his Corporate Status prior to such supplement, modification or amendment. No supplement, modification or amendment of this Agreement or any provision hereof shall be binding unless executed in writing by both of the Company and the Indemnatee. No waiver of any provision of this Agreement shall be deemed or shall constitute a wavier of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

32. *Headings.* The headings of the Sections or paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

33. *Gender.* Use of the masculine pronoun in this Agreement shall be deemed to include usage of the feminine pronoun where appropriate.

34. *Identical Counterparts.* This Agreement may be executed in one or more counterparts (whether by original, photocopy or facsimile signature), each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement. Only one such counterpart executed by the party against whom enforcement is sought must be produced to evidence the existence of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

ATTEST: **BASIC ENERGY SERVICES, INC.**

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: _____

INDEMNITEE

[NAME]

Address: _____

Basic Energy Services, Inc.
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information of Basic Energy Services, Inc. ("Basic" or the "Company"), gives effect to the consummation of the Company's Prepackaged Plan, as described below, which became effective on December 23, 2016 (the "Effective Date"), and our adoption of fresh start accounting. We elected to apply fresh start accounting effective December 31, 2016, to coincide with the timing of our normal December accounting period close. We evaluated the events between December 23, 2016 and December 31, 2016 and concluded that the use of an accounting convenience date of December 31, 2016 (the "Convenience Date") did not have a material impact on our results of operations or financial position. As such, the application of fresh start accounting was reflected in our Consolidated Balance Sheet as of December 31, 2016 and fresh start accounting adjustments related thereto were included in our Consolidated Statement of Operations for the year ended December 31, 2016.

The unaudited pro forma condensed consolidated financial statement is based on the Company's historical consolidated financial statements. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2016 should be read in conjunction with the audited consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

The unaudited pro forma condensed consolidated financial statement is for informational and illustrative purposes only and is not necessarily indicative of the financial results that would have occurred if the Effective Date had occurred on January 1, 2016. The pro forma adjustments, as described in the accompanying notes, are based upon currently available information. The historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Prepackaged Plan becoming effective, (ii) factually supportable, and (iii) expected to have a continuing impact on the Company's consolidated results.

References to "Successor" or "Successor Company" relate to the reorganized Company subsequent to December 31, 2016. References to "Predecessor" or "Predecessor Company" refer to the results of operations of the Company on and prior to December 31, 2016.

EMERGENCE FROM VOLUNTARY REORGANIZATION

On October 25, 2016, Basic and certain of its subsidiaries filed voluntary petitions for reorganization under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware to pursue a prepackaged plan of reorganization (as confirmed, the "Prepackaged Plan"). The Prepackaged Plan was confirmed by the Bankruptcy Court on December 9, 2016, and the Company emerged from the bankruptcy proceedings on December 23, 2016.

On the Effective Date, the Company:

- Appointed new members to the Successor Company's board of directors to replace directors of the Predecessor Company;
- Issued to the Predecessor Company's former stockholders, in exchange for the cancellation and discharge of the Predecessor Company's common stock:
 - 75,001 shares of the Successor Company's common stock; and
 - Warrants to purchase 2,066,627 shares of the Successor Company's common stock at an initial exercise price of \$55.25 per share, which warrants will expire on December 23, 2023;
- Issued to the Company's former holders of senior notes due 2019 and senior notes due 2022, in exchange for the cancellation and discharge of such notes, 14,925,000 shares of the Successor Company's common stock;
- Issued 10,825,620 shares of the Successor Company's common stock to certain participants in a rights offerings conducted pursuant to the Prepackaged Plan;
- Issued time-based restricted stock unit awards ("RSUs") for 809,416 shares and stock option awards for 323,770 shares, which awards vest on one-third tranches on each of the Effective Date and the first and second anniversaries of the Effective Date (and resulted in the issuance of 269,810 shares of Successor Company common stock in connection with the immediately vested RSUs on the Effective Date); and
- Entered into an amended and restated ABL Credit Agreement, and paid closing fees and expenses in connection therewith of approximately \$1,610,000, along with fees, charges and other amounts payable under the prior ABL Credit Agreement.

The foregoing is a summary of the substantive provisions of the Prepackaged Plan and related transactions and is not intended to be a complete description of, or a substitute for a full and complete reading of, the Prepackaged Plan and the other documents referred to above.

FRESH START ACCOUNTING

In accordance with ASC 852, Reorganizations (“ASC 852”), fresh start accounting was required upon the Company’s emergence from Chapter 11 because (i) the holders of the then-existing voting shares of the Predecessor received less than 50% of the voting shares of the Successor and (ii) the reorganization value of the Predecessor assets immediately prior to confirmation of the Prepackaged Plan was less than the total of all post-petition liabilities and allowed claims.

All conditions required for the adoption of fresh start accounting were met when the Company’s Prepackaged Plan became effective on December 23, 2016. The implementation of the Prepackaged Plan and the application of fresh start accounting materially changed the carrying amounts and classifications reported in the Company’s consolidated financial statements and resulted in the Company becoming a new entity for financial reporting purposes. As a result of the application of fresh start accounting and the effects of the implementation of the Prepackaged Plan, and the use of the convenience period financial statement date of December 31, 2016, the financial statements after December 31, 2016 are not comparable with the financial statements on and prior to December 31, 2016.

Upon the application of fresh-start accounting, the Company allocated the reorganization value to its individual assets and liabilities in conformity with ASC 805, Business Combinations (“ASC 805”). Reorganization value represents the fair value of the Successor Company’s assets before considering liabilities. The excess reorganization value over the fair value of identified tangible and intangible assets is reported as goodwill.

The estimated enterprise value and the equity value are highly dependent on the achievement of the future financial results contemplated in the projections that were set forth in the Prepackaged Plan. The estimates and assumptions made in the valuation are inherently subject to significant uncertainties. The primary assumptions for which there is a reasonable possibility of the occurrence of a variation that would have significantly affected the reorganization value include the assumptions regarding revenue growth, operating expenses, the amount and timing of capital expenditures and the discount rate utilized.

Fresh start accounting reflects the value of the Successor Company as determined in the confirmed Prepackaged Plan. Under fresh start accounting, asset values are remeasured and allocated based on their respective fair values in conformity with the purchase method of accounting for business combinations in ASC 805. Liabilities existing as of the Effective Date, other than deferred taxes, were recorded at the present value of amounts expected to be paid using appropriate risk-adjusted interest rates. Deferred taxes were determined in conformity with applicable accounting standards. Predecessor accumulated depreciation, accumulated amortization, and retained deficit were eliminated.

Basic Energy Services, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
(in thousands, except per share amounts)

	<u>Predecessor</u>		<u>Pro Forma</u>
	<u>Year Ended</u>		<u>Consolidated for the</u>
	<u>December 31, 2016</u>	<u>Pro Forma</u>	<u>Year Ended</u>
		<u>Adjustments</u>	<u>December 31, 2016</u>
Revenues:			
Completion and remedial services	\$ 184,567	\$ —	\$ 184,567
Fluid services	191,725	—	191,725
Well servicing	163,966	—	163,966
Contract drilling	7,239	—	7,239
Total revenues	<u>547,497</u>	<u>—</u>	<u>547,497</u>
Expenses:			
Completion and remedial services	158,762	—	158,762
Fluid services	161,535	—	161,535
Well servicing	140,274	—	140,274
Contract drilling	7,079	—	7,079
General and administrative, including stock-based compensation of \$17,675	135,331	(8,837) (A)	126,494
Depreciation and amortization	218,205	(121,616) (B)	96,589
Restructuring costs	20,743	(20,743) (C)	—
Loss on disposal of assets	1,014	—	1,014
Goodwill impairment	646	—	646
Total expenses	<u>843,589</u>	<u>(151,196)</u>	<u>692,393</u>
Operating loss	(296,092)	151,196	(144,896)
Other income (expense):			
Reorganization items, net	264,306	(264,306) (D)	—
Interest expense	(96,625)	50,950 (E)	(45,675)
Interest income	26	—	26
Bargain purchase gain on acquisition	662	—	662
Other income	467	—	467
Loss before income taxes	(127,256)	(62,160)	(189,416)
Income tax (expense) benefit	3,883	— (F)	3,883
Net loss	<u>\$ (123,373)</u>	<u>\$ (62,160)</u>	<u>\$ (185,533)</u>
Net loss available to common stockholders	<u>\$ (123,373)</u>	<u>\$ (62,160)</u>	<u>\$ (185,533)</u>
Weighted average basic and diluted shares outstanding:	41,998,669	(G)	25,999,383
Loss per share of common stock:			
Basic and diluted	<u>\$ (2.94)</u>	<u>\$ —</u>	<u>\$ (7.14)</u>

See accompanying notes to consolidated financial statements.

Basic Energy Services, Inc.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Note 1 - Basis of Presentation

The unaudited pro forma condensed consolidated statement of operations is based on the Company's historical consolidated statements of operations as adjusted to give effect to the consummation of the Prepackaged Plan and the adoption of fresh start accounting. The unaudited pro forma consolidated statement of operations for the twelve months ended December 31, 2016 give effect to the consummation of the Prepackaged Plan and the adoption of fresh start accounting as if they had occurred on January 1, 2016. Because the effects of the consummation of the Prepackaged Plan and the adoption of fresh start accounting are reflected in the audited consolidated balance sheet as of December 31, 2016, included in the Annual Report on Form 10-K for the year ended December 31, 2016, no unaudited pro forma condensed consolidated balance sheet is included herein.

Note 2 - Pro Forma Adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed consolidated statement of operations:

- (A) Reflects the elimination of \$8.8 million compensation expense related to acceleration of Predecessor Company restricted shares.
- (B) Represents the reduction in depreciation and amortization expense following the fair value measurement of the Company's tangible and intangible assets as part of applying fresh start accounting upon emergence from Chapter 11 bankruptcy.
- (C) Reflects the elimination of \$20.7 million of legal and professional fees related to debt restructuring and bankruptcy advisors that were incurred prior to the bankruptcy petition date.
- (D) Represents the elimination of reorganization items that were directly attributable to the Chapter 11 reorganization which consist of \$540.3 million gain on debt discharge partially offset by \$220.5 million loss on fresh start accounting revaluations, \$23.3 million write-off of debt issuance costs, \$19.7 million of professional fees incurred in connection with the Chapter 11 proceeding, \$8.4 million for fair value of warrants issued to Predecessor stockholders, \$1.4 million for distribution of Successor Company equity to Predecessor Company equity holders, and \$2.7 million in other costs.
- (E) Reflects the elimination of \$49.1 million of interest expense related to Predecessor Company Senior Notes cancelled as part of the Prepackaged Plan, \$2.2 million decrease in amortization of debt issuance costs, partially offset by the amortization of \$0.3 million related to the premium of the Predecessor Company Senior Notes.
- (F) The income tax effect of the pro forma adjustments is zero. The adjustments to loss before income taxes would result in zero change in current income tax receivable or payable.
- (G) Represents the change in weighted average basic and diluted shares outstanding after giving effect to the reorganization. The Company did not include potentially dilutive instruments, such as warrants, RSUs and stock options, in its calculation of diluted loss per share during the period presented, as the effect would be anti-dilutive.