

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

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-32693

BASIC ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

801 Cherry Street, Suite 2100, Fort Worth, Texas

(Address of principal executive offices)

54-2091194

(I.R.S. Employer Identification No.)

76102

(Zip code)

(817) 334-4100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.01 per share	BASX*	The OTCQX Best Market*

* Until December 2, 2019, Basic Energy Services, Inc.'s common stock traded on the New York Stock Exchange under the symbol "BAS". On December 3, 2019, Basic Energy Service, Inc.'s common stock began trading on the OTCQX® Best Market tier of the OTC Markets Group Inc. Deregistration under Section 12(b) of the Act became effective on March 16, 2020.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

There were 24,899,932 shares of the registrant's common stock outstanding as of May 14, 2021.

BASIC ENERGY SERVICES, INC.

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CAUTIONARY STATEMENT
REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements are subject to risks and uncertainties. These statements may relate to, but are not limited to, information or assumptions about us, our capital and other expenditures, dividends, financing plans, capital structure, cash flows, pending legal or regulatory proceedings and claims, future economic performance, operating income, costs savings and management's plans, strategies, goals and objectives for future operations and goals. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things, the risk factors discussed in this quarterly report, and in our most recent Annual Report on Form 10-K and other factors, most of which are beyond our control.

The words "believe," "estimate," "expect," "anticipate," "project," "intend," "plan," "seek," "could," "should," "may," "potential" and similar expressions are intended to identify forward-looking statements. All statements other than statements of current or historical fact contained in this quarterly report are forward-looking statements. Although we believe that the forward-looking statements contained in this quarterly report are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this quarterly report may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Important factors that may affect our expectations, estimates or projections include:

- our dependency on domestic oil and natural gas industry spending;
- local and global impacts of the COVID-19 pandemic;
- the sustained decline in, or substantial volatility of, oil and natural gas prices, and any related changes in expenditures by our customers;
- our access to current or future financing arrangements, including ability to raise funds in the capital market or from other financing sources;
- substantial doubt about our ability to continue as a going concern, including our ability to reduce operating, administrative, and capital expenditures;
- our ability to satisfy our liquidity needs, including our ability to generate sufficient liquidity or cash flow or to obtain sufficient financing to fund our operations or otherwise meet our obligations as they come due in the future;
- our dependence on collections from our customers to provide our operating cash flows;
- competition within our industry;
- energy efficiency and technology trends;
- potential future asset impairments;
- our ability to fund our capital expenditure requirements;
- our borrowing capacity, covenant compliance under instruments governing any of our existing or future indebtedness and cash flows;
- a potential future downgrade of our credit rating;
- operating hazards, including cyber-security and other risks incidental to our services;
- environmental and other governmental regulations;
- our ability to successfully execute, manage and integrate acquisitions;
- the impact of Ascribe's voting control of the Company;
- our dependency on several significant customers;
- the effects of future acquisitions or dispositions on our business;
- uncertainties about our ability to successfully execute our business and financial plans and strategies;
- our ability to replace or add workers at economic rates;
- the impact of regulations over climate change, hydraulic fracturing, and other environmental regulations;
- changes in regulatory, geopolitical, social, economic, tax or monetary policies and other factors resulting from the transition to the Biden administration and Democratic control of Congress;
- the limitations on net operating loss carryforwards following the March 2020 ownership change;
- negative impacts of the delisting of our common stock from the New York Stock Exchange; and
- other risks associated with the current trading price and potential dilution of our common stock.

Our forward-looking statements speak only as of the date of this quarterly report. Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements included herein are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

PART I — FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (Unaudited)

Basic Energy Services, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(dollars in thousands, except per share amounts)	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 94,347	\$ 128,403
Costs of services, excluding depreciation and amortization	77,171	102,175
Selling, general and administrative	18,054	26,232
Depreciation and amortization	10,797	14,765
Impairments and other charges	7,258	99,694
Acquisition related costs	—	11,684
Gain on disposal of assets	(1,993)	(37)
Total operating expenses	111,287	254,513
Operating loss	(16,940)	(126,110)
Interest expense, net	(12,024)	(10,557)
Loss on derivative	(4,798)	(3,552)
Loss from continuing operations before income taxes	(33,762)	(140,219)
Income tax benefit	(287)	(3,790)
Loss from continuing operations	(33,475)	(136,429)
Loss from discontinued operations	(3,797)	(8,452)
Net loss	\$ (37,272)	\$ (144,881)
Loss from continuing operations per share, basic and diluted	\$ (1.35)	\$ (5.48)
Loss from discontinued operations per share, basic and diluted	\$ (0.15)	\$ (0.34)
Net loss per share, basic and diluted	\$ (1.50)	\$ (5.82)

See accompanying notes to unaudited condensed consolidated financial statements.

Basic Energy Services, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(dollars in thousands, except share data)	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,889	\$ 1,902
Restricted cash	15,513	8,083
Trade accounts receivable, net of allowance of \$1,805 and \$3,053, respectively	53,846	60,351
Inventories	8,546	8,716
Assets held for sale	7,344	4,383
Prepaid expenses and other current assets	11,925	12,010
Total current assets	<u>102,063</u>	<u>95,445</u>
Property and equipment, net of accumulated depreciation of \$179,801 and \$172,296, respectively	197,766	210,563
Operating lease right-of-use assets	8,896	9,614
Intangible assets, net of accumulated amortization of \$1,222 and \$1,099, respectively	6,055	6,178
Other assets, net	16,319	27,273
Total assets	<u>\$ 331,099</u>	<u>\$ 349,073</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 68,463	\$ 64,944
Accrued expenses	67,327	55,264
Current portion of insurance reserves	24,181	22,587
Current portion of finance lease liabilities	6,839	7,520
Current portion of operating lease liabilities	1,800	1,936
Other current liabilities	2,058	8,371
Total current liabilities	<u>170,668</u>	<u>160,622</u>
Long-term debt, net	327,572	317,763
Insurance reserves	19,478	19,636
Asset retirement obligations	10,157	9,697
Operating lease liabilities	8,195	8,488
Other long-term liabilities	12,881	13,499
Total liabilities	<u>548,951</u>	<u>529,705</u>
Series A Participating Preferred Stock; \$0.01 par value; 5,000,000 authorized and 118,805 outstanding	22,000	22,000
Stockholders' deficit:		
Common stock; \$0.01 par value; 198,805,000 shares authorized; 27,912,059 shares issued and 24,899,932 shares outstanding	279	279
Additional paid-in capital	493,819	493,767
Retained deficit	(728,616)	(691,344)
Treasury stock, at cost, 3,012,127 shares	(5,334)	(5,334)
Total stockholders' deficit	<u>(239,852)</u>	<u>(202,632)</u>
Total liabilities and stockholders' deficit	<u>\$ 331,099</u>	<u>\$ 349,073</u>

See accompanying notes to unaudited condensed consolidated financial statements.

Basic Energy Services, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (37,272)	\$ (144,881)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	10,797	14,765
Goodwill and other long-lived asset impairments	7,277	97,115
Loss on derivative	4,798	3,552
Inventory write-downs	—	4,846
Accretion of asset retirement obligations	468	467
Provision for expected credit losses, net of recoveries	(576)	1,567
Amortization of debt discounts and debt issuance costs	2,273	1,108
Stock-based compensation	52	1,336
Loss (gain) on disposal of assets	(2,544)	2,619
Deferred income taxes	(262)	(3,674)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	7,081	17,473
Inventories	170	700
Prepaid expenses and other assets	166	(1,800)
Accounts payable	3,432	(5,839)
Accrued expenses	12,277	9,702
Other liabilities	(464)	(1,770)
Net cash provided by (used in) operating activities	7,673	(2,714)
Cash flows from investing activities:		
Capital expenditures	(331)	(5,595)
Proceeds from sale of assets	5,460	40,274
Payments to acquire business, net of cash acquired	—	(59,350)
Net cash provided by (used in) investing activities	5,129	(24,671)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	23,000
Repayments of long-term debt	(2,385)	(8,999)
Repurchases of common stock	—	(6)
Payments of debt issuance costs	—	(225)
Other financing activities	—	(1,525)
Net cash provided by (used in) financing activities	(2,385)	12,245
Net increase (decrease) in cash, cash equivalents and restricted cash	10,417	(15,140)
Cash, cash equivalents and restricted cash - beginning of period	9,985	36,217
Cash, cash equivalents and restricted cash - end of period	\$ 20,402	\$ 21,077
Supplemental cash flow information and non-cash investing and financing activities:		
Interest paid	\$ 1,570	\$ 1,229
Income taxes paid, net of refunds	(5)	(119)
Fair value of long-term debt issued to settle derivative obligation	9,500	—
Operating lease liabilities incurred from obtaining right-of-use assets	719	1,007
Finance lease liabilities incurred from obtaining right-of-use assets	—	498
Capital expenditures included in accounts payable	(87)	(1,594)
Issuance of Series A Participating Preferred Stock	—	22,000
Recognition of derivative liability	—	9,713

See accompanying notes to unaudited condensed consolidated financial statements.

Basic Energy Services, Inc.
Condensed Consolidated Statements of Stockholders' Deficit
(Unaudited)

(in thousands)	Common Stock		Additional Paid-in Capital	Treasury		Retained Deficit	Total Stockholders' Deficit
	Shares	Amount		Shares	Amount		
Balance at December 31, 2020	27,912	\$ 279	\$ 493,767	3,012	\$ (5,334)	\$ (691,344)	\$ (202,632)
Amortization of stock-based compensation	—	—	52	—	—	—	52
Net loss	—	—	—	—	—	(37,272)	(37,272)
Balance at March 31, 2021	27,912	\$ 279	\$ 493,819	3,012	\$ (5,334)	\$ (728,616)	\$ (239,852)

	Common Stock		Additional Paid-in Capital	Treasury		Retained Deficit	Total Stockholders' Deficit
	Shares	Amount		Shares	Amount		
Balance at December 31, 2019	27,912	\$ 279	\$ 472,594	3,008	\$ (8,581)	\$ (423,169)	\$ 41,123
Amortization of stock-based compensation	—	—	1,336	—	—	—	1,336
Purchase of treasury stock	—	—	(3,263)	(73)	3,256	—	(7)
Acquisition related capital contribution	—	—	22,904	—	—	—	22,904
Net loss	—	—	—	—	—	(144,881)	(144,881)
Balance at March 31, 2020	27,912	\$ 279	\$ 493,571	2,935	\$ (5,325)	\$ (568,050)	\$ (79,525)

See accompanying notes to unaudited condensed consolidated financial statements.

BASIC ENERGY SERVICES, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation and Current Environment

Description of Business

Basic Energy Services, Inc. and subsidiaries ("Basic", the "Company", "we", "us" or "our") provides wellsite services essential to maintaining production from the oil and gas wells within its operating areas. The Company's operations are managed regionally and are concentrated in major United States onshore oil-producing regions located in Texas, California, New Mexico, Oklahoma, Arkansas, Louisiana, Wyoming, North Dakota, Colorado, and Montana. Our operations are focused in prolific basins that have historically exhibited strong drilling and production economics in recent years as well as natural gas-focused shale plays characterized by prolific reserves. Specifically, the Company has a significant presence in the Permian Basin, Bakken, Los Angeles and San Joaquin Basins, Eagle Ford, Haynesville and Powder River Basin.

Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial reporting. Accordingly, certain information and disclosures normally included in our annual financial statements have been condensed or omitted. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020.

In the opinion of management, the condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature considered necessary for a fair presentation of the results of operations, financial position and cash flows of the Company and its subsidiaries for the periods presented and are not indicative of the results that may be expected for a full year. The Company's financial statements have been prepared on a consolidated basis and all intercompany accounts and transactions have been eliminated.

Current Environment, Liquidity and Going Concern

Demand for services offered by our industry is a function of our customers' willingness and ability to make operating and capital expenditures to explore for, develop and produce hydrocarbons in the United States. Our customers' expenditures are affected by both current and expected levels of commodity prices. Industry conditions during 2021 continue to be influenced by factors that impacted the supply and demand of the global oil markets in 2020, primarily the outbreak of the novel coronavirus ("COVID-19") and the resulting lower demand for oil. The increased price of West Texas Intermediate oil ("WTI") in the first quarter of 2021 increased our customers' activity levels; however, we continue to maintain discipline to only offer our services into the market at profitable job margins, which we began to realize in the second half of the first quarter. This trend has continued into the second quarter. Our first quarter results were also negatively impacted by the severe winter storm that affected our Texas operating locations in February 2021.

As a result of weak energy sector conditions that began in 2020 and the resulting lower demand for our services, our customer pricing, our operating results, our working capital and our operating cash flows have been negatively impacted. During the last half of 2020, we had difficulty paying for our contractual obligations as they came due, and we continue to have this difficulty in 2021.

Management has taken several steps to generate additional liquidity, including reducing operating and administrative costs, employee headcount reductions, closing operating locations, implementing employee furloughs, other cost reduction measures, and the suspension of growth capital expenditures. The decline in customers' demand for our services has had a material adverse impact on the financial condition of the Company, resulting in recurring losses from operations, a net capital deficiency, and liquidity constraints that raise substantial doubt about the Company's ability to continue as a going concern within one year after the May 17, 2021 issuance date of these financial statements. Other steps that we may or are implementing to attempt to alleviate this substantial doubt include additional sales of non-strategic assets, obtaining waivers of debt covenant requirements from our lenders, restructuring or refinancing our debt agreements, or obtaining equity financing. In addition, we had a significant contractual obligation to pay cash or issue additional 10.75% senior secured notes due 2023 (the "Senior Notes") to our largest shareholder, Ascribe III Investments LLC ("Ascribe"), resulting from our acquisition of CJWS. On March 31, 2021, the Company negotiated a settlement of this obligation with Ascribe in exchange for issuing additional Senior Notes to Ascribe with an aggregate par value of \$47.5 million.

On April 15, 2021, the Company announced it elected to utilize the 30-day grace period under the terms of the

indenture governing its Senior Notes with respect to a \$ 16.3 million interest payment (the "Senior Notes Interest Payment") due that day. The Company believed it was in the best interests of all stakeholders to use the grace period to continue its ongoing discussions with its debtholders regarding strategic alternatives to improve the Company's long-term capital structure.

The Company also announced it had entered into a Forbearance Agreement (the "ABL Forbearance Agreement") on April 14, 2021 with a majority of the lenders under its revolving credit facility who agreed to forbear from exercising remedies in respect of certain events of default thereunder, including the failure to pay interest on the Senior Notes, until April 28, 2021 (subject to certain early termination events) (the "ABL Forbearance Period").

On April 28, 2021, the Company entered into the Limited Consent and First Amendment to the ABL Forbearance Agreement (the "ABL Forbearance Amendment") with a majority of its lenders under its revolving credit facility who agreed to extend the ABL Forbearance Period to May 15, 2021 and consent to the incurrence of the New Term Loan Facility (as defined below), if the Company completed certain asset sales, amended the indenture governing its Senior Notes to allow for the incurrence of the New Term Loan Facility and, obtained a forbearance for certain of its other indebtedness, as applicable. The Company satisfied these conditions and on May 3, 2021, the Company entered into a Super Priority Credit Agreement (the "Super Priority Credit Agreement"), among the Company, as borrower, the lenders party thereto and Cantor Fitzgerald Securities, as administrative agent and collateral agent.

The Super Priority Credit Agreement provides for a super priority loan facility consisting of term loans in a principal amount of \$ 10.0 million (the "New Term Loan Facility"). The proceeds of the New Term Loan Facility will be used for working capital and other general corporate purposes and the payment of fees and expenses in connection with the New Term Loan Facility and the other agreements entered into in connection with the New Term Loan Facility. The New Term Loan Facility originally matured on May 15, 2021; provided that such date could be extended for up to thirty days with the prior written consent of lenders holding 66 2/3% of the aggregate outstanding amount of the term loans. At the Company's election, loans outstanding under the New Term Loan Facility accrue interest at an annualized interest rate of either a base rate plus 10.00% or LIBOR plus 11.00%. The Company may prepay the New Term Loan Facility at any time if the Company simultaneously prepays the aggregate outstanding principal amount of its Senior Notes and Senior Secured Promissory Note, plus accrued and unpaid interest. On May 10, 2021, the Lenders under the New Term Loan Facility extended the maturity date of the facility to May 23, 2021 and corresponding adjustments to certain interim milestones therein.

On May 3, 2021, the Company and Ascribe entered into a consent letter (the "Ascribe Consent Letter") pursuant to which Ascribe agreed to forbear from exercising any rights or remedies they may have in respect of the Company's failure to pay interest on the notes described therein from. On May 14, 2021, the Company entered into an amendment to the Ascribe Consent Letter to extend the forbearance period to May 23, 2021.

On May 14, 2021, the Company entered into the (i) Second Amendment to the ABL Forbearance Agreement with a majority of its lenders under its revolving credit facility who agreed to extend the ABL Forbearance Period to May 23, 2021 and to make corresponding adjustments to certain interim milestones therein, and (ii) the Forbearance Agreement with the requisite number of lenders under the New Term Loan Facility who agreed to forbear from exercising remedies in respect of certain events of default thereunder, including the failure to pay interest on the Senior Notes following the expiration of the applicable grace period, until May 23, 2021 (subject to certain early termination events). In addition, on May 14, 2021, the holders of approximately \$316.4 million in aggregate principal amount, or 91.06%, of the \$347.5 million issued and outstanding Senior Notes, subject to certain conditions precedent and continuing conditions, agreed that during the Forbearance Period ending on May 23, 2021 (subject to certain early termination events) they would not enforce, or otherwise take any action to direct enforcement of, any of the rights and remedies available to the Holders, the Trustee of the Collateral Agent, under the Indenture for the Senior Notes, or otherwise, including, without limitation, any action to accelerate the Senior Notes with respect to the Senior Notes Interest Payment.

We are in continuing discussions with the holders of the Company's Senior Notes and other indebtedness regarding strategic alternatives including financings, refinancings, amendments, waivers, forbearances, asset sales, debt issuances, and exchanges of debt, a combination of the foregoing, or other out-of-court or in-court bankruptcy restructurings of our debt and other transactions to address our capital structure.

If the Company is unable to effectuate a successful debt restructuring, the Company expects that it will continue to experience adverse pressures on its relationships with counterparties who are critical to its business, its ability to access the capital markets, its ability to execute on its operational and strategic goals and its business, prospects, results of operations and liquidity generally. There can be no assurance as to when or whether, or on what terms the Company will implement any action as a result of these strategic initiatives, whether the implementation of one or

more such actions will be successful, whether the Company will be able to effect a refinancing of its Senior Notes or the effects the failure to take action may have on the Company's business, its ability to achieve its operational and strategic goals or its ability to finance its business or refinance or restructure its indebtedness. A failure to address the Company's level of corporate leverage in the near-term will have a material adverse effect on the Company's business, prospects, results of operations, liquidity and financial condition, and its ability to service its corporate debt as it becomes due.

Management has prepared these condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles applicable to a going concern, which contemplates that assets will be realized and liabilities will be discharged in the normal course of business as they become due. These condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material and adverse to the financial results of the Company.

Reclassifications

Certain reclassifications have been made to prior period amounts to conform to the current period presentation. These reclassifications do not impact net loss and do not reflect a material change to the information previously presented in our condensed consolidated financial statements.

Standards Adopted in 2021

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). ASU 2019-12 intends to simplify various aspects related to accounting for income taxes and removes certain exceptions to the general principles in the standard. Additionally, the ASU clarifies and amends existing guidance to improve consistent application of its requirements. The amendments of ASU 2019-12 were adopted as of January 1, 2021, and the impact of the adoption was not material.

Standards Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)" ("ASU 2020-04"), which provides optional expedients and exceptions for applying US GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The amendments are effective for all entities as of March 12, 2020, through December 31, 2022. We are currently evaluating the impacts of the provisions of ASU 2020-04 on our consolidated financial statements.

2. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the amounts shown in the condensed consolidated statements of cash flows:

(in thousands)	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 4,889	\$ 1,902
Restricted cash	15,513	8,083
Total cash, cash equivalents and restricted cash	<u>\$ 20,402</u>	<u>\$ 9,985</u>

The Company's restricted cash consisted of net advances made to the administrative agent under our asset-based revolving credit facility. See Note 4. Indebtedness and Borrowing Facility, for further discussion of the credit facility. The Company's restricted cash is classified as current assets in the condensed consolidated balance sheets.

3. Discontinued Operations

During the third and fourth quarters of 2019, the Company's management decided to divest all of its contract drilling rigs, and a majority of pressure pumping equipment and related ancillary equipment. The majority of the real estate and equipment was sold during late 2019 and the first quarter of 2020, with the remaining, primarily real estate assets classified as assets held for sale. The Company is pursuing additional transactions to divest the remainder of these non-strategic assets during 2021.

The operating results of the pressure pumping operations and contract drilling operations, which were historically included in the Completions & Remedial Services and Other Services segments, have been reclassified

as discontinued operations in the Condensed Consolidated Statement of Operations for the three month periods ended March 31, 2021 and 2020, and are detailed in the table below:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Revenues	\$ —	\$ 95
Costs of services	1,393	1,520
Selling, general and administrative	113	1,938
Asset impairment	2,842	2,333
Loss (gain) on disposal of assets	(551)	2,656
Total operating expenses	3,797	8,447
Operating loss	(3,797)	(8,352)
Interest expense	—	(100)
Loss from discontinued operations	\$ (3,797)	\$ (8,452)

Interest expense in discontinued operations is related to interest expense on finance lease assets that operated in the discontinued Completions & Remedial Services and Other Services segments. Impairment expense was recorded during the three month periods ended March 31, 2021 and 2020, associated with certain non-strategic assets with carrying values that were in excess of current estimated selling price.

During 2020 and 2021, a substantial majority of the assets related to these discontinued operations, were disposed. The remaining assets and liabilities related to the divested operations are included in the consolidated balance sheets as follows:

(in thousands)	March 31, 2021	December 31, 2020
Assets held for sale		
Property and equipment, net	\$ 3,194	\$ 1,523
Total assets held for sale	\$ 3,194	\$ 1,523
Other long term assets		
Real estate held for sale	\$ —	\$ 4,802
Liabilities related to assets held for sale		
Operating lease liabilities	\$ 422	\$ 508
Total liabilities related to assets held for sale	\$ 422	\$ 508

Consolidated statements of cash flow information related to these discontinued operations are detailed in the table below:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Cash Flows from Discontinued Operations		
Net cash provided (used) by operating activities	\$ (1,506)	\$ (3,467)
Net cash provided by investing activities	\$ —	\$ 39,021

Proceeds from the sale of assets related to discontinued operations totaled \$ 39.0 million for the first quarter of 2020.

4. Indebtedness and Borrowing Facility

Long-term debt consisted of the following:

(in thousands)	March 31, 2021	December 31, 2020
10.75% Senior Notes due 2023	\$ 347,500	\$ 300,000
Senior Secured Promissory Note	15,000	15,000
Second Lien Delayed Draw Promissory Note	15,000	15,000
Finance lease liabilities	14,601	16,986
Total principal amount	392,101	346,986
Less unamortized discount and debt issuance costs	(57,690)	(21,703)
Total debt	334,411	325,283
Less current portion of finance leases	(6,839)	(7,520)
Total long-term debt	\$ 327,572	\$ 317,763

Issuance of Senior Notes to Settle Make-Whole Reimbursement

On March 31, 2021, the Company negotiated a settlement of the contractual make-whole obligation to its controlling shareholder in exchange for issuing additional Senior Notes to this shareholder with an aggregate par value of \$47.5 million. The Company's make-whole obligation related to the acquisition of CJWS was accounted for as a derivative instrument until this settlement. The Senior Notes were issued at a fair value of \$9.5 million based on the market pricing of our Senior Notes on March 31, 2021, and resulted in a discount of \$38.0 million on these Senior Notes that will be accreted over the remaining term of the notes through 2023. We recorded a corresponding loss of \$4.8 million on this derivative instrument for the first quarter of 2021.

For further discussion of the Senior Notes, including events occurring subsequent to March 31, 2021, see Note 1. "Basis of Presentation and Current Environment."

ABL Credit Facility

On October 2, 2018, the Company entered into an asset-based lending credit agreement that expires on October 2, 2023. The credit agreement will expire on July 3, 2023, if the Senior Notes have not been redeemed by that time. The credit agreement included a revolving credit facility (the "ABL Credit Facility") with a maximum aggregate principal amount of \$75.0 million at December 31, 2020.

The amount of borrowings available under the ABL Credit Facility are limited to a borrowing base capacity, which is based on eligible accounts receivable and eligible pledged cash, which the Company can advance to the administrative agent as necessary. The ABL Credit Facility includes a sublimit for letters of credit of up to \$50.0 million.

Borrowings under the ABL Credit Facility bear interest at a rate per annum equal to an applicable rate, plus, at the Company's option, either a base rate or a LIBOR rate. The applicable rate in a fiscal quarter is determined by the average daily availability as a percentage of the borrowing base during the previous fiscal quarter.

If the availability under the ABL Credit Facility falls below \$ 9.4 million, then certain covenants including a consolidated fixed charge coverage ratio and cash dominion provisions will spring into effect. To avoid triggering certain of the consolidated fixed charge coverage ratios and cash dominion covenants which spring into effect under certain minimum availability covenant requirements defined in the ABL Credit Facility, we had \$15.5 million of our available cash balance advanced to the administrative agent as of March 31, 2021.

As of March 31, 2021, the Company had no borrowings and \$35.6 million of letters of credit outstanding under the ABL Credit Facility. As of March 31, 2021, we had \$11.2 million of availability under the ABL Credit Facility, but we are restricted from borrowing this amount because of restrictions regarding the minimum availability covenant noted above.

The ABL Credit Facility has a covenant whereby the Company would be in default if the report of its independent registered public accounting firm on the Company's annual financial statements included a going concern qualification or like exemption. On March 31, 2021, the Company obtained a waiver under the ABL Credit Facility with respect to any such default arising with respect to the 2020 audited financial statements and also agreed to reduce the maximum aggregate principal amount of the ABL Credit Facility from \$75.0 million to \$60.0 million. As a result, the Company was in compliance with the covenants under the ABL Credit Agreement at March 31, 2021.

For further discussion of the ABL Credit Facility, including events occurring subsequent to March 31, 2021, see Note 1. "Basis of Presentation and Current Environment."

The Company was also in compliance with the debt covenants under its other debt agreements as of March 31, 2021.

5. Revenues

The following table sets forth certain financial information with respect to the Company's disaggregation of revenues by geographic location and segment:

(in thousands)	Reportable Segments				
	Well Servicing	Water Logistics	Completion & Remedial Services	Total	
Three Months Ended March 31, 2021					
Central U.S.	\$ 24,742	\$ 17,276	\$ 7,732	\$ 49,750	
Western U.S.	30,114	11,299	4,203	45,616	
Eliminations	(49)	(761)	(209)	(1,019)	
Total	\$ 54,807	\$ 27,814	\$ 11,726	\$ 94,347	
(in thousands)	Well Servicing	Water Logistics	Completion & Remedial Services	Total	Discontinued Operations
Three Months Ended March 31, 2020					
Central U.S.	\$ 40,019	\$ 38,416	\$ 13,183	\$ 91,618	\$ 95
Western U.S.	19,662	8,206	13,595	41,463	—
Eliminations	(1,540)	(2,241)	(897)	(4,678)	—
Total	\$ 58,141	\$ 44,381	\$ 25,881	\$ 128,403	\$ 95

The Company had \$4.6 million and \$2.1 million of contract assets and no contract liabilities at March 31, 2021 and December 31, 2020, respectively.

6. Impairments and Other Charges

The following table summarizes our impairments and other charges:

(in thousands)	Three Months Ended March 31, 2021	
	2021	2020
Long lived asset impairments	\$ 4,435	\$ 84,217
Transaction costs	2,589	—
Field restructuring	234	66
Goodwill impairments	—	10,565
Inventory write-downs	—	4,846
	\$ 7,258	\$ 99,694

Long-lived asset impairments - In the first quarter of 2021, we incurred \$ 4.4 million of impairments for certain real estate held for sale, which was subsequently sold in May 2021. In March 2020, the reduction in demand for our services resulted in a long-lived asset impairment of \$84.2 million related to property and equipment in our Well Servicing segment.

Transaction costs - In connection with liability management, we incurred \$ 2.6 million of legal and professional consulting costs during the first quarter of 2021.

Field restructuring costs - In the first quarter of 2021, we incurred \$ 0.2 million of costs associated with yard closures in connection with our field restructuring initiative. We incurred \$0.1 million in the first quarter of 2020 related to yard closures.

Goodwill impairments - On March 31, 2020, due to the reduction in demand for our services, we determined that the fair value of the Well Servicing reporting unit was less than its carrying value, which resulted in a goodwill impairment of \$10.6 million for this reporting unit.

Inventory write-downs - In connection with the downturn in our business in the first quarter of 2020, we recorded a \$ 4.8 million write-down of certain parts inventory in our Well Servicing segment.

7. Income Taxes

The Company provides a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. Based on this

evaluation, as of March 31, 2021, a valuation allowance continues to be recorded on the net deferred tax assets for all federal and state tax jurisdictions.

8. Commitments and Contingencies

Litigation

FASB ASC 450 - "Contingencies" ("ASC 450") governs the Company's disclosure and recognition of loss contingencies, including pending claims, lawsuits, disputes with third parties, investigations and other actions that are incurred in the operation of our business. ASC 450 uses the following defined terms to describe the likelihood of a future loss: probable – the future event or events are likely to occur, remote – the chance of the future event or events is slight, and reasonably possible – the chance of the future event or events occurring is more than remote but less than likely. ASC 450 also contains certain requirements with respect to how we accrue for and disclose information concerning our loss contingencies. We accrue for a loss contingency when we conclude that the likelihood of a loss is probable and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is within a range of amounts, and no amount in the range constitutes a better estimate than any other amount, we accrue for the amount at the low end of the range. We adjust our accruals from time to time as we receive additional information, but the loss we incur may be significantly greater than or less than the amount we have accrued. We disclose loss contingencies if there is at least a reasonable possibility that a material loss has been incurred. No accrual or disclosure is required for losses that are remote.

Arlisa Ann Carr, Individually and as Representative of the Estate of Dexture Carr, Deceased v. Dewan Tyrel Mosley and C&J Well Services, Inc. : On or around October 2, 2018, Arlisa Carr filed a lawsuit against CJWS in the 115th District Court of Upshur County, Texas (Cause No.630-18), which alleged, among other things, that CJWS was negligent with respect to an automobile accident in March 2018. MS. Carr was seeking monetary relief of more than \$1 million. CJWS denied these allegations and the case was set for trial in May 2021. Immediately before the commencement of the trial we settled this matter for \$2.5 million, which resulted in a \$1.4 million charge to earnings in the first quarter of 2021.

We believe that costs associated with other litigation matters, individually or in the aggregate, will not have a material adverse effect on our consolidated financial statements.

Sales and Use Tax Audits

The Company is subject to sales and use tax audits as a normal course of its business. The Company is currently subject to sales and use tax audits conducted by the Texas State Comptroller's office for audit periods from 2010 through 2016. Based on the Company's analysis, the potential liability associated with these audits, including costs to be incurred in defending and settling these audits, range from \$6.0 million up to \$31.0 million. This range could potentially change in future periods as the appeal process progresses.

9. Net Loss Per Share

The following table sets forth the computation of basic and diluted loss per share:

(in thousands, except share and per share data)	Three Months Ended March 31,	
	2021	2020
<i>Numerator (both basic and diluted):</i>		
Loss from continuing operations	\$ (33,475)	\$ (136,429)
Loss from discontinued operations, net of tax	(3,797)	(8,452)
Net loss available to common stockholders	<u>\$ (37,272)</u>	<u>\$ (144,881)</u>
<i>Denominator:</i>		
Weighted-average shares used for basic and diluted earnings per share (a)	24,900	24,914
Loss from continuing operations per share, basic and diluted:	\$ (1.35)	\$ (5.48)
Loss from discontinued operations per share, basic and diluted:	(0.15)	(0.34)
Net loss per share, basic and diluted:	<u>\$ (1.50)</u>	<u>\$ (5.82)</u>

(a) The Company has issued potentially dilutive instruments. However, the Company did not include these instruments in its calculation of diluted loss per share, because to include them would be anti-dilutive.

The following table sets forth weighted average shares outstanding of potentially dilutive instruments:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Series A Preferred stock	118,805	28,722
Warrants	2,067	2,067
Unvested restricted stock units	159	420
Stock options	194	227
Total	121,225	31,436

10. Fair Value Measurements

Nonrecurring Fair Value Measurements

Certain assets and liabilities are not measured at fair value on an ongoing basis, but are subject to fair value measurements only in certain circumstances. For further discussion of these measurements, see Note 6. "Impairments and Other Charges." and Note 4. "Indebtedness and Borrowing Facility."

The following table summarizes our fair value measurements made on a nonrecurring basis as of various dates during 2021. Please note that these amounts represent the carrying amounts and fair values at the time of each measurement.

(in thousands)	Date of Measurement	Hierarchy Level	Carrying Amount	Fair Value
Real estate held for sale	March 31, 2021	3	\$ 12,107	\$ 4,830
Senior Notes	March 31, 2021	2	\$ 9,500	\$ 9,500

The fair value of the real estate was based on a purchase and sale agreement entered into in April 2021. The fair value of the Senior Notes was based on their trading price as of March 31, 2021.

Fair Values of Financial Instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximate their carrying amounts due to the short maturities of these instruments.

The following is a summary of the carrying amounts and estimated fair values of the Company's long-term debt and make-whole derivative instrument:

(in thousands, except hierarchy level)	Hierarchy Level	March 31, 2021		December 31, 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Fair Value of Debt					
10.75% Senior Notes due 2023	2	\$ 299,813	\$ 69,500	\$ 289,359	\$ 44,992
Senior Secured Promissory Note	3	\$ 9,776	\$ 2,715	\$ 9,184	\$ 2,103
Second Lien Delayed Draw Promissory Note	3	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fair Value of Derivative Instrument					
Make-Whole	3	\$ —	\$ —	\$ 4,847	\$ 4,847

The fair values of the Senior Notes are based on their trading and bid/ask prices. The fair values of the Senior Secured Promissory Note as of March 31, 2021 are estimated considering its security as compared to the Senior Notes as well as the difference between the stated interest rate of this promissory note and market rates. The fair values of the Second Lien Promissory Note approximate its carrying amounts after considering the sufficiency of its security. The underlying of the make-whole derivative instrument was the fair value of our Senior Notes. Therefore, the fair value of this derivative was based on the trading price of our Senior Notes.

11. Business Segment Information

The Company's reportable business segments are Well Servicing, Water Logistics, and Completion & Remedial Services. Costs related to other business activities, primarily corporate headquarters functions, are disclosed separately from the three operating segments as "Corporate and Other." Corporate expenses include general corporate expenses associated with managing all reportable operating segments. Corporate assets consist principally of working capital and debt financing costs.

The Company evaluates segment performance on revenue less cost of services. Products are transferred between segments and geographical areas on a basis intended to reflect as nearly as possible the market value of

the products. The following table sets forth certain financial information with respect to the Company's reportable segments:

(in thousands)	Well Servicing	Water Logistics	Completion & Remedial Services	Corporate and Other	Continuing Operations Total	Discontinued Operations
Three Months Ended March 31, 2021						
Revenues	\$ 54,807	\$ 27,814	\$ 11,726	\$ —	\$ 94,347	\$ —
Costs of services	44,124	24,287	8,760	—	77,171	1,393
Segment profits	10,683	3,527	2,966	—	17,176	(1,393)
Depreciation and amortization	1,973	5,327	2,422	1,075	10,797	—
Capital expenditures	—	197	134	—	331	—
Total assets	\$ 37,708	\$ 97,041	\$ 53,591	\$ 139,565	\$ 327,905	\$ 3,194
Three Months Ended March 31, 2020						
Revenues	\$ 58,141	\$ 44,381	\$ 25,881	\$ —	\$ 128,403	\$ 95
Costs of services	48,434	33,105	20,636	—	102,175	1,520
Segment profits	9,707	11,276	5,245	—	26,228	(1,425)
Depreciation and amortization	2,455	6,681	4,070	1,559	14,765	—
Capital expenditures	2,070	2,770	729	26	5,595	—
Total assets	\$ 47,032	\$ 134,893	\$ 80,290	\$ 219,159	\$ 481,374	\$ 10,346

The following table reconciles the segment profits reported above to the loss from continuing operations before income taxes as reported in the condensed consolidated statements of operations:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Segment profits	\$ 17,176	\$ 26,228
Selling, general and administrative	(18,054)	(26,232)
Depreciation and amortization	(10,797)	(14,765)
Gain on disposal of assets	1,993	37
Impairments and other charges	(7,258)	(99,694)
Acquisition related costs	—	(11,684)
Interest expense, net	(12,024)	(10,557)
Loss on derivative	(4,798)	(3,552)
Loss from continuing operations before income taxes	<u>\$ (33,762)</u>	<u>\$ (140,219)</u>

12. Subsequent Events

In April 2021, we entered into a purchase and sale agreement for the sale of certain non-core assets for a purchase price of \$ 6.6 million, not including the assumption of certain capital leases and an earn-out payment of up to \$1.0 million payable one year after closing. The closing date is expected to occur during the second quarter of 2021.

In May 2021, the Company completed a sale-leaseback transaction related to certain real property in California. The purchase price for the property consisted of \$10.5 million, subject to a holdback of approximately \$ 2.6 million for certain improvements to be constructed at the property. We entered into a simultaneous lease of the property for an initial term of three years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis ("MD&A") of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes that appear elsewhere in this Quarterly Report on Form 10-Q, as well as with our Annual Report on Form 10-K for the year ended December 31, 2020. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, or beliefs. Actual results could differ materially from those discussed in the forward-looking statements. Unless otherwise specified, all comparisons made are to the corresponding period of 2020.

Management's Overview

Basic Energy Services, Inc. and subsidiaries ("Basic", the "Company", "we", "us" or "our") provides wellsite services essential to maintaining production from the oil and gas wells within its operating areas. The Company's operations are managed regionally and are concentrated in major United States onshore oil-producing regions located in Texas, California, New Mexico, Oklahoma, Arkansas, Louisiana, Wyoming, North Dakota, Colorado, and Montana. Our operations are focused in prolific basins that have historically exhibited strong drilling and production economics in recent years as well as natural gas-focused shale plays characterized by prolific reserves. Specifically, the Company has a significant presence in the Permian Basin, Bakken, Los Angeles and San Joaquin Basins, Eagle Ford, Haynesville and Powder River Basin. Our results of operations include the results of C&J Well Services, Inc. ("CJWS") since the acquisition on March 9, 2020.

Summary Financial Results

- Total revenue for the first quarter of 2021 was \$94.3 million, which represented a decrease of \$34.1 million from the first quarter of 2020.
- Net loss from continuing operations for the first quarter 2021 was \$33.5 million, compared to \$136.4 million in the first quarter of 2020.
- Adjusted EBITDA⁽¹⁾ for the first quarter of 2021 was \$0.6 million, which represented a decrease from adjusted EBITDA of \$1.3 million in the first quarter of 2020. See later in this MD&A for our reconciliation of net loss to adjusted EBITDA.

⁽¹⁾Adjusted EBITDA is not a measure determined in accordance with GAAP. See "Supplemental Non-GAAP Financial Measure - Adjusted EBITDA" below for further explanation and reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Current Environment, Liquidity, and Going Concern

Demand for services offered by our industry is a function of our customers' willingness and ability to make operating and capital expenditures to explore for, develop and produce hydrocarbons in the United States. Our customers' expenditures are affected by both current and expected levels of commodity prices. Industry conditions during 2021 continue to be influenced by factors that impacted the supply and demand of the global oil markets in 2020, primarily the outbreak of the novel coronavirus ("COVID-19") and the resulting lower demand for oil. The increased price of West Texas Intermediate oil ("WTI") in the first quarter of 2021 increased our customers' activity levels; however, we continue to maintain discipline to only offer our services into the market at profitable job margins, which we began to realize in the second half of the first quarter. This trend has continued into the second quarter. Our first quarter results were also negatively impacted by the severe winter storm that affected our Texas operating locations in February 2021.

As a result of weak energy sector conditions that began in 2020 and the resulting lower demand for our services, our customer pricing, our operating results, our working capital and our operating cash flows have been negatively impacted. During the last half of 2020, we had difficulty paying for our contractual obligations as they came due, and we continue to have this difficulty in 2021.

Management has taken several steps to generate additional liquidity, including reducing operating and administrative costs, employee headcount reductions, closing operating locations, implementing employee furloughs, other cost reduction measures, and the suspension of growth capital expenditures. The decline in customers' demand for our services has had a material adverse impact on the financial condition of the Company, resulting in recurring losses from operations, a net capital deficiency, and liquidity constraints that raise substantial doubt about the Company's ability to continue as a going concern within one year after the May 17, 2021 issuance date of these financial statements. Other steps that we may or are implementing to attempt to alleviate this substantial doubt include additional sales of non-strategic assets, obtaining waivers of debt covenant requirements from our lenders, restructuring or refinancing our debt agreements, or obtaining equity financing. In addition, we had

a significant contractual obligation to pay cash or issue additional 10.75% senior secured notes due 2023 (the "Senior Notes") to our largest shareholder, Ascribe III Investments LLC ("Ascribe"), resulting from our acquisition of CJWS. On March 31, 2021, the Company negotiated a settlement of this obligation with Ascribe in exchange for issuing additional Senior Notes to Ascribe with an aggregate par value of \$47.5 million.

On April 15, 2021, the Company announced it elected to utilize the 30-day grace period under the terms of the indenture governing its Senior Notes with respect to a \$16.3 million interest payment (the "Senior Notes Interest Payment") due that day. The Company believed it was in the best interests of all stakeholders to use the grace period to continue its ongoing discussions with its debtholders regarding strategic alternatives to improve the Company's long-term capital structure.

The Company also announced it had entered into a Forbearance Agreement (the "ABL Forbearance Agreement") on April 14, 2021 with a majority of the lenders under its revolving credit facility who agreed to forbear from exercising remedies in respect of certain events of default thereunder, including the failure to pay interest on the Senior Notes, until April 28, 2021 (subject to certain early termination events) (the "ABL Forbearance Period").

On April 28, 2021, the Company entered into the Limited Consent and First Amendment to the ABL Forbearance Agreement (the "ABL Forbearance Amendment") with a majority of its lenders under its revolving credit facility who agreed to extend the ABL Forbearance Period to May 15, 2021 and consent to the incurrence of the New Term Loan Facility (as defined below), if the Company completed certain asset sales, amended the indenture governing its Senior Notes to allow for the incurrence of the New Term Loan Facility and, obtained a forbearance for certain of its other indebtedness, as applicable. The Company satisfied these conditions and on May 3, 2021, the Company entered into a Super Priority Credit Agreement (the "Super Priority Credit Agreement"), among the Company, as borrower, the lenders party thereto and Cantor Fitzgerald Securities, as administrative agent and collateral agent.

The Super Priority Credit Agreement provides for a super priority loan facility consisting of term loans in a principal amount of \$10.0 million (the "New Term Loan Facility"). The proceeds of the New Term Loan Facility will be used for working capital and other general corporate purposes and the payment of fees and expenses in connection with the New Term Loan Facility and the other agreements entered into in connection with the New Term Loan Facility. The New Term Loan Facility originally matured on May 15, 2021; provided that such date could be extended for up to thirty days with the prior written consent of lenders holding 66 2/3% of the aggregate outstanding amount of the term loans. At the Company's election, loans outstanding under the New Term Loan Facility accrue interest at an annualized interest rate of either a base rate plus 10.00% or LIBOR plus 11.00%. The Company may prepay the New Term Loan Facility at any time if the Company simultaneously prepays the aggregate outstanding principal amount of its Senior Notes and Senior Secured Promissory Note, plus accrued and unpaid interest. On May 10, 2021, the Lenders under the New Term Loan Facility extended the maturity date of the facility to May 23, 2021 and corresponding adjustments to certain interim milestones therein.

On May 3, 2021, the Company and Ascribe entered into a consent letter (the "Ascribe Consent Letter") pursuant to which Ascribe agreed to forbear from exercising any rights or remedies they may have in respect of the Company's failure to pay interest on the notes described therein from. On May 14, 2021, the Company entered into an amendment to the Ascribe Consent Letter to extend the forbearance period to May 23, 2021.

On May 14, 2021, the Company entered into the (i) Second Amendment to the ABL Forbearance Agreement with a majority of its lenders under its revolving credit facility who agreed to extend the ABL Forbearance Period to May 23, 2021 and to make corresponding adjustments to certain interim milestones therein, and (ii) the Forbearance Agreement with the requisite number of lenders under the New Term Loan Facility who agreed to forbear from exercising remedies in respect of certain events of default thereunder, including the failure to pay interest on the Senior Notes following the expiration of the applicable grace period, until May 23, 2021 (subject to certain early termination events). In addition, on May 14, 2021, the holders of approximately \$316.4 million in aggregate principal amount, or 91.06%, of the \$347.5 million issued and outstanding Senior Notes, subject to certain conditions precedent and continuing conditions, agreed that during the Forbearance Period ending on May 23, 2021 (subject to certain early termination events) they would not enforce, or otherwise take any action to direct enforcement of, any of the rights and remedies available to the Holders, the Trustee of the Collateral Agent, under the Indenture for the Senior Notes, or otherwise, including, without limitation, any action to accelerate the Senior Notes with respect to the Senior Notes Interest Payment.

We are in continuing discussions with the holders of the Company's Senior Notes and other indebtedness regarding strategic alternatives including financings, refinancings, amendments, waivers, forbearances, asset sales, debt issuances, and exchanges of debt, a combination of the foregoing, or other out-of-court or in-court bankruptcy restructurings of our debt and other transactions to address our capital structure.

If the Company is unable to effectuate a successful debt restructuring, the Company expects that it will continue to experience adverse pressures on its relationships with counterparties who are critical to its business, its ability to access the capital markets, its ability to execute on its operational and strategic goals and its business, prospects, results of operations and liquidity generally. There can be no assurance as to when or whether, or on what terms the Company will implement any action as a result of these strategic initiatives, whether the implementation of one or more such actions will be successful, whether the Company will be able to effect a refinancing of its Senior Notes or the effects the failure to take action may have on the Company's business, its ability to achieve its operational and strategic goals or its ability to finance its business or refinance or restructure its indebtedness. A failure to address the Company's level of corporate leverage in the near-term will have a material adverse effect on the Company's business, prospects, results of operations, liquidity and financial condition, and its ability to service its corporate debt as it becomes due.

Results of Operations

Revenues

Consolidated revenues decreased by 27% to \$94.3 million in the first quarter of 2021 from \$128.4 million in 2020, despite reflecting the full quarter impact of the CJWS acquisition. This decrease, particularly in our Water Logistics and Completion & Remedial Services segments, was primarily due to decreased demand for our services, and was further impacted by the February 2021 severe winter storm in Texas. Our reportable segment revenues consisted of the following:

(dollars in thousands)	Three Months Ended March 31,			
	2021		2020	
	Revenues	% of Total Revenues	Revenues	% of Total Revenues
Well Servicing	\$ 54,807	58%	\$ 58,141	45%
Water Logistics	27,814	30%	44,381	35%
Completion & Remedial Services	11,726	12%	25,881	20%
Revenues from continuing operations	\$ 94,347	100%	\$ 128,403	100%

Well Servicing Segment: The following table includes certain operating statistics related to our Well Servicing segment for the first quarter of 2021 and 2020, respectively.

Well Servicing	Weighted Average Number of Rigs	Rig hours	Rig Utilization Rate	Revenue Per Rig Hour	Segment Profits %
2021	514	127,700	35%	\$429	19%
2020	396	139,100	49%	\$397	17%

Well Servicing revenues decreased by 6% to \$54.8 million in the first quarter of 2021 from \$58.1 million in 2020. Rig hours decreased by 8%, due to decreased customer activity levels in 2021 and the February 2021 severe winter storm in Texas. These decreases were partially offset by the full quarter impact in 2021 of the CJWS acquisition. Revenue per rig hour increased 8% in the first quarter of 2021 due to the full quarter impact of the CJWS acquisition. Our weighted average number of rigs increased in 2021 due to the full quarter impact in 2021 of the CJWS acquisition.

Water Logistics Segment: The following table includes certain operating statistics related to our Water Logistics segment for the first quarter of 2021 and 2020, respectively.

Water Logistics	Pipeline Volumes (in bbls)	Trucking Volumes (in bbls)	Weighted Average Number of Fluid Service Trucks	Truck Hours	Segment Profits %
2021	3,395,000	3,133,000	1,170	252,500	13%
2020	3,620,000	5,825,000	908	374,300	25%

Water Logistics revenue decreased by 37% to \$27.8 million in the first quarter of 2021 from \$44.4 million in 2020. Our trucking volumes decreased 46% in the first quarter of 2021 due to decreased customer activity levels in 2021 and the February 2021 severe winter storm in Texas. These decreases were partially offset by the full quarter impact in 2021 of the CJWS acquisition. Our pipeline disposal volumes decreased 6% in the first quarter of 2021 due to decreased customer activity levels in 2021. Our weighted average number of water logistics trucks increased in 2021 due to the full quarter impact in 2021 of the CJWS acquisition.

Completion & Remedial Segment: Completion & Remedial Services revenues decreased by 55% to \$11.7 million in the first quarter of 2021 from \$25.9 million in 2020 due to decreased customer drilling and completion activity levels in 2021 and the February 2021 severe winter storm in Texas. These decreases were partially offset by the full quarter impact in 2021 of the CJWS acquisition.

Costs of Services

Consolidated costs of services, decreased by 24% to \$77.2 million during the first quarter of 2021 from \$102.2 million in 2020.

Well Servicing Segment: Costs of services for the Well Servicing segment decreased by 9% to \$44.1 million in the first quarter of 2021 from \$48.4 million in 2020, due to reduced activity levels and employee headcount. These decreases were partially offset by the full quarter impact in 2021 of the CJWS acquisition. Segment profits as a percentage of segment revenues increased to 19% in the first quarter of 2021 from 17% in 2020 due to our cost saving initiatives and the full quarter impact of the CJWS acquisition.

Water Logistics Segment: Costs of services for the Water Logistics segment decreased by 27% to \$24.3 million in the first quarter of 2021 from \$33.1 million in 2020 due to reduced activity levels and employee headcount. Segment profits as a percentage of segment revenues decreased to 13% in the first quarter of 2021 from 25% in 2020 due to decreased pricing for our services in 2021 and severe weather in the first quarter of 2021 leading to a decline in disposal volumes. Additionally, the segment profits for this segment in the first quarter of 2021 were negatively impacted by a \$1.4 million charge to earnings related to the settlement of an automobile insurance claim.

Completion & Remedial Segment: Costs of services for the Completion & Remedial Services segment decreased by 58% to \$8.8 million in the first quarter of 2021 from \$20.6 million in 2020 due to reduced activity levels and employee headcount. Segment profits as a percentage of segment revenues increased to 25% in the first quarter of 2021 from 20% in 2020 due to our cost saving initiatives and increased mix of higher margin work in the first quarter of 2021.

Selling, General and Administrative

Consolidated selling, general and administrative expenses decreased by \$8.1 million or 31% to \$18.1 million in the first quarter of 2021 from \$26.2 million in 2020. This decrease was due to lower employee headcount and the effect of our cost reduction initiatives that began in 2020. Stock-based compensation expense was \$0.1 million in the first quarter of 2021 compared to \$1.3 million in 2020.

Depreciation and Amortization

Consolidated depreciation and amortization decreased by \$4.0 million, or 27%, to \$10.8 million in the first quarter of 2021 from \$14.8 million in 2020. This decrease was due to impairments of long-lived assets in 2020 and decreased capital spending in 2021. Capital expenditures in the first quarter of 2021 were \$0.3 million compared to \$5.6 million in 2020. We also acquired \$0.5 million of finance leases in the first quarter of 2020 compared to zero in 2021.

Impairments and Other Charges

The following table summarizes our impairments and other charges:

(in thousands)	Three Months Ended March 31, 2021	
	2021	2020
Long lived asset impairments	\$ 4,435	\$ 84,217
Transaction costs	2,589	—
Field restructuring	234	66
Goodwill impairments	—	10,565
Inventory write-downs	—	4,846
	<u>\$ 7,258</u>	<u>\$ 99,694</u>

Long-lived asset impairments - In the first quarter of 2021, we incurred \$4.4 million of impairments for certain real estate held for sale, which was subsequently sold in May 2021. In March 2020, the reduction in demand for our services resulted in a long-lived asset impairment of \$84.2 million related to property and equipment in our Well Servicing segment.

Transaction costs - In connection with liability management, we incurred \$2.6 million of legal and professional consulting costs during the first quarter of 2021.

Field restructuring costs - In the first quarter of 2021, we incurred \$0.2 million of costs associated with yard

closures in connection with our field restructuring initiative. We incurred \$0.1 million in the first quarter of 2020 related to yard closures.

Goodwill impairments - On March 31, 2020, due to the reduction in demand for our services, we determined that the fair value of the Well Servicing reporting unit was less than its carrying value, which resulted in a goodwill impairment of \$10.6 million for this reporting unit.

Inventory write-downs - In connection with the downturn in our business in the first quarter of 2020, we recorded a \$4.8 million write-down of certain parts inventory in our Well Servicing segment.

Acquisition Related Costs

Acquisition related costs in the first quarter of 2020 was \$11.7 million due to legal and professional costs associated with the CJWS acquisition as well as severance costs paid to CJWS employees pursuant to the purchase agreement.

(Gain) Loss on Disposal of Assets

In the first quarter of 2021, we received proceeds of \$5.5 million from the sale of non-strategic property and equipment used in our continuing operations and recognized a \$2.0 million net gain on the sale of these assets. In the first quarter of 2020, we received proceeds of \$1.3 million from the sale of non-strategic property and equipment used in our continuing operations and recognized a small net gain on the sale of these assets.

Loss on Derivative

On March 31, 2021, the Company negotiated a settlement of a contractual make-whole obligation to its controlling shareholder in exchange for issuing additional Senior Notes to this shareholder with an aggregate par value of \$47.5 million. The Company's make-whole obligation was related to the acquisition of CJWS and was accounted for as a derivative instrument until this settlement. The Senior Notes were issued at a fair value of \$9.5 million based on the market pricing of our Senior Notes on March 31, 2021. The difference between the fair value of the Senior Notes and the fair value of the derivative instrument resulted in a \$4.8 million loss on this derivative instrument for the first quarter of 2021.

Interest Expense, net

The Company's interest expense consisted of the following:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Cash payments for interest	\$ 1,570	\$ 1,229
Change in accrued interest	8,096	8,220
Amortization of debt discounts and issuance costs	2,273	1,108
Interest income	—	(62)
Other	85	62
Interest expense, net	\$ 12,024	\$ 10,557

Consolidated net interest expense increased to \$12.0 million in the first quarter of 2021 from \$10.6 million in 2020. The increase in net interest expense in 2021 was primarily due to increased accretion of debt discounts and interest expense associated with debt issued during 2020.

Income Tax Benefit

Income tax benefit in the first quarter of 2021, was \$0.3 million compared to \$3.8 million in 2020. In the first quarter of 2020, the income tax benefit related to deferred tax liabilities acquired with the acquisition of CJWS which provided a source of future taxable income and allowed the Company to recognize a tax benefit on a portion of the Company's deferred tax assets.

The effective tax rates for the first quarters of 2021 and 2020, were 0.9% and 2.7%, respectively. The Company provides a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized. As of March 31, 2021, a valuation allowance continues to be recorded on the net deferred tax assets for all federal and state tax jurisdictions.

Discontinued Operations

In 2019, we decided to divest of substantially all of our contract drilling rigs, pressure pumping equipment and related ancillary equipment. Substantially all the assets were divested in 2020 and the Company is in the process of selling the remainder of these assets. For further discussion of financial results for discontinued operations, see

Note 3, "Discontinued Operations" in the notes to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Supplemental Non-GAAP Financial Measures - Adjusted EBITDA

Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. However, the Company believes Adjusted EBITDA is a useful supplemental financial measure used by management and directors and by external users of its financial statements, such as investors, to assess:

- The financial performance of its assets without regard to financing methods, capital structure or historical cost basis;
- The ability of its assets to generate cash sufficient to pay interest on its indebtedness; and
- Its operating performance and return on invested capital as compared to those of other companies in the oilfield services industry.

Adjusted EBITDA has limitations as an analytical tool and should not be considered an alternative to net income or loss, operating income or loss, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income or loss and operating income or loss, and these measures may vary among other companies.

The following table presents a reconciliation of net income or loss from continuing operations to Adjusted EBITDA:

(in thousands)	Quarter ended March 31,	
	2021	2020
Net loss from continuing operations	\$ (33,475)	\$ (136,429)
Income tax benefit	(287)	(3,790)
Interest expense, net	12,024	10,557
Depreciation and amortization	10,797	14,765
Gain on disposal of assets	(1,993)	(37)
Loss on derivative	4,798	3,552
Long lived asset impairments	4,435	84,217
Acquisition related costs	—	11,684
Transaction costs	2,589	—
Significant insurance claim	1,380	—
Field restructuring	234	66
Goodwill impairments	—	10,565
Stock-based compensation	52	1,336
Inventory write-downs	—	4,846
Adjusted EBITDA	\$ 554	\$ 1,332

Liquidity and Capital Resources

Historically, our primary capital resources have been our cash and cash equivalents, cash flows from our operations, availability under our ABL Credit Facility, additional secured indebtedness, proceeds from the sale of non-strategic assets, and the ability to enter into finance leases. At March 31, 2021, our sources of liquidity included our cash and cash equivalents of \$4.9 million, the potential sale of additional non-strategic assets, and potential additional secured indebtedness.

As of March 31, 2021, the Company had no borrowings and \$35.6 million of letters of credit outstanding under the ABL Credit Facility. As of March 31, 2021, we had \$11.2 million of availability under the ABL Credit Facility, but we are subject to borrowing restrictions. For further discussion of our ABL Credit Facility, see Note 4, "Indebtedness and Borrowing Facility" in the notes to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

In April 2021, we entered into a purchase and sale agreement for the sale of certain non-core assets for a purchase price of \$6.6 million, not including the assumption of certain capital leases and an earn-out payment of up to \$1.0 million payable one year after closing. The closing date is expected to occur during the second quarter of 2021. In May 2021, we completed a sale-leaseback transaction related to certain real property in California. The

purchase price for the property consisted of \$10.5 million, subject to a holdback of approximately \$2.6 million for certain improvements to be constructed at the property. We entered into a simultaneous lease of the property for an initial term of three years.

See Note 1. "Basis of Presentation and Current Environment" to the condensed consolidated financial statements included in this quarterly report for further discussion of the Company's efforts to improve its liquidity and long-term capital structure.

Cash Flow Summary

The Statement of Cash Flows for the periods presented includes cash flows from continuing and discontinued operations.

Cash Flows from Operating Activities

Net cash provided by operating activities was \$7.7 million in the first quarter of 2021, compared to net cash used in operating activities of \$2.7 million in 2020. The \$10.4 million increase was primarily due to improved working capital management in 2021 and transaction costs incurred during 2020 associated with our acquisition of CJWS.

Cash Flows from Investing Activities

Net cash provided by investing activities in the first quarter of 2021 was \$5.1 million compared to net cash used in investing activities of \$24.7 million in 2020. This change was partially due to a \$5.3 million decrease in capital expenditures in 2021. Our cash provided by investing activities in 2021 was due to proceeds from the sale of non-strategic assets. Our cash used in investing activities in 2020 was due to cash paid to purchase CJWS, which was partially offset by proceeds from the sale of assets related to our discontinued operations.

Cash Flows from Financing Activities

Net cash used in financing activities was \$2.4 million during the first quarter of 2021, compared to net cash provided by financing activities of \$12.2 million in 2020. This change was primarily due to a \$6.6 million decrease in payments on our finance leases in 2021. Our cash provided by financing activities in 2020 was primarily due to net proceeds of \$22.8 million received from the issuance of the Senior Secured Promissory Note and borrowings from the ABL Credit Facility.

Cash Requirements

Contractual Commitments and Obligations: On March 31, 2021, the Company negotiated a settlement of a contractual make-whole obligation to its controlling shareholder in exchange for issuing additional Senior Notes to this shareholder with an aggregate par value of \$47.5 million. As of March 31, 2021, there were no other significant changes to our contractual obligations outside the ordinary course of business since December 31, 2020. Please refer to our annual report on Form 10-K for the year ended December 31, 2020, for additional information regarding our contractual obligations. See Note 1. "Basis of Presentation and Current Environment" to the condensed consolidated financial statements included in this quarterly report for a discussion of the Company's efforts subsequent to March 31, 2021, to improve its liquidity and long-term capital structure, which have included additional contractual obligations.

Capital Expenditures: The nature of our capital expenditures consists of a base level of investment required to support our current operations and amounts related to growth and company initiatives. Our capital expenditures for 2021 represented the amount necessary to support our current operations. We estimate capital expenditures in 2021 will range from \$10 million to \$20 million, which will be used to support our operations.

Other Matters

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Recent Accounting Pronouncements

See Note 1. "Basis of Presentation and Current Environment" to the condensed consolidated financial statements included in this quarterly report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2021, at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the most recent fiscal quarter, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We may make changes in our internal control procedures from time to time in the future.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 8. "Commitments and Contingencies" to the condensed consolidated financial statements included in this quarterly report, which is incorporated by reference herein.

ITEM 1A. RISK FACTORS

During the quarter ended March 31, 2021, there have been no material changes in our risk factors disclosed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Neither we, nor any affiliated purchaser, purchased any of our equity securities during the quarter ended March 31, 2021.

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1*	Purchase Agreement, dated as of March 9, 2020, by and among the Company, Ascribe III Investments LLC, Basic Energy Services, Inc., NexTier holding Co. and C&J Well Services, Inc. (Incorporated by reference to Exhibit 2.3 to the Company's Annual Report on Form 10-K (SEC File No. 001-32693) filed on March 13, 2020).
3.1*	Second Amended and Restated Certificate of Incorporation of Basic Energy Services, Inc. (Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A12B (SEC File No. 001-32693) filed on December 23, 2016).
3.2*	Second Amended and Restated Bylaws of Basic Energy Services, Inc. (Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 8-A12B (SEC File No. 001-32693) filed on December 23, 2016).
3.3*	Certificate of Designations (Incorporated by reference to Exhibit 3.1 to Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on March 11, 2020).
4.1*	Specimen Stock Certificate representing Common Stock of the Company (Incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A12B (SEC File No. 001-32693), filed on December 23, 2016).
4.2*	Warrant Agreement between Basic, as issuer, and American Stock Transfer & Trust Company, LLC, as warrant agent, dated as of December 23, 2016. (Incorporated by reference to Exhibit 4.1 to Form 8-A12G (SEC File No. 001-32693) filed on December 23, 2016).
4.3*	Registration Rights Agreement, dated as of December 23, 2016, between Basic and certain stockholders (Incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form 8-A12B (SEC File No. 001-32693) filed on December 23, 2016).
4.4*	Indenture, dated as of October 2, 2018, by and among Basic Energy Services, Inc., the subsidiary guarantors party thereto and UMB Bank, N.A., as trustee and collateral agent (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on October 9, 2018).
4.5*	Form of 10.75% Senior Secured Note due 2023 (included as Exhibit A in Exhibit 4.4).
4.6*	First Supplemental Indenture, dated as of August 22, 2019, by and among Aqua Libre Midstream LLC, Aqua Libre Holdco LLC, Aqua Libre Asset Co. LLC, Basic Energy Services, Inc., the subsidiary guarantors party thereto and UMB Bank, N.A., as trustee and collateral agent (Incorporated by reference to Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q (SEC File No. 001-32693) filed on November 1, 2019).
4.7*	Second Supplemental Indenture, dated as of April 1, 2020, by and among C&J Well Services, Inc., KVS Transportation, Inc., Indigo Injection #3, LLC, Basic Energy Services, Inc., the subsidiary guarantors party thereto and UMB Bank, N.A., as trustee and collateral agent (Incorporated by reference to Exhibit 4.7 to the Company's Quarterly Report on Form 10-Q (SEC File No. 001-32693) filed on August 7, 2020).
4.8*	Third Supplemental Indenture, dated as of May 3, 2021 by and among Basic Energy Services, Inc., the guarantors party thereto and UMB Bank, N.A. as trustee and collateral agent (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on May 4, 2021).
10.1*	Super Priority Credit Agreement, dated as of May 3, 2021, by and among Basic Energy Services, Inc., the lenders party thereto, and Cantor Fitzgerald Securities, as administrative agent and collateral agent (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on May 4, 2021).
10.2*	Limited Consent and First Amendment to the Forbearance Agreement, dated as of April 28, 2021 by and among Basic Energy Services, certain of the Company's subsidiaries, Bank of America, N.A. as administrative agent and the Credit Agreement Forbearing Parties (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on May 4, 2021).
10.3*	Consent Letter, dated as of May 3, 2021, by and among Basic Energy Services, Inc. and Ascribe III Investments LLC (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (SEC File No. 001-32693) filed on May 4, 2021).
10.4*	Employment Agreement of Adam Hurley, effective as of July 19, 2018, and amended as of January 1, 2019 and as of April 27, 2021.
10.5#	Forbearance Agreement, dated as of May 14, 2021, by and among Basic Energy Services, Inc., the subsidiary guarantors party thereto and the Supporting Holders.
10.6#	Forbearance Agreement, dated as of May 14, 2021, by and among Basic Energy Services, Inc., the subsidiary guarantors party thereto, the lenders party thereto and Cantor Fitzgerald Securities, as administrative agent and collateral agent.
10.7#	Second Amendment to the Forbearance Agreement, dated as of May 14, 2021, by and among Basic Energy Services, Inc., the subsidiary guarantors party thereto and Bank of America, N.A. as administrative agent.
10.8#	Amendment to Consent Letter, dated as of May 14, 2021, by and among Basic Energy Services, Inc. and Ascribe III Investments LLC.
31.1#	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act.
31.2#	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act.
32.1##	Certification of Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2## [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
101.CAL# XBRL Calculation Linkbase Document
101.DEF# XBRL Definition Linkbase Document
101.INS# XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.LAB# XBRL Labels Linkbase Document
101.PRE# XBRL Presentation Linkbase Document
101.SCH# XBRL Schema Document

*Incorporated by reference

#Filed with this report

##Furnished with this report

†Management contract or compensatory plan or arrangement

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 thereunto duly authorized.

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President, Chief Executive Officer and
Director (Principal Executive Officer)

By: /s/ Adam L. Hurley
Name: Adam L. Hurley
Title: Executive Vice President, Chief Financial Officer,
Treasurer and Secretary (Principal Financial Officer)

Date: May 17, 2021

FORBEARANCE AGREEMENT

This **FORBEARANCE AGREEMENT** (this "Agreement"), dated as of May 14, 2021, among Basic Energy Services, Inc. (together with its successors and assigns, the "Issuer"), the Guarantors (together with the Issuer, the "Obligors") and the undersigned beneficial holders and/or investment advisors or managers of discretionary accounts for such beneficial holders (together with any party that executes a Forbearance Joinder Agreement (the form of which is attached hereto as Exhibit A) after the date hereof, (the "Supporting Holders") of the Issuer's 10.75% Senior Secured Notes due 2023 (the "Notes").

WHEREAS, the Issuer, the Guarantors and UMB Bank, N.A., as Trustee and Collateral Agent (in either or both such capacities, the "Trustee"), are parties to (1) that certain Indenture, dated as of October 2, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Indenture") under which the Notes were issued; (2) that certain Collateral Agency Agreement, dated as of October 2, 2018; (3) that certain ABL Collateral Rights Agreement (as defined in the Collateral Agency Agreement); (4) that certain Super Priority Intercreditor Agreement dated as of May 3, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Super Priority Intercreditor Agreement"), among the Obligors, the Trustee and Cantor Fitzgerald Securities, as administrative agent under that certain Super Priority Credit Agreement, dated as of May 3, 2021 (as amended, restated, supplemented or otherwise modified from time to time (the "Super Priority Credit Agreement"), among the Issuer, as borrower, the term loan lenders from time to time party thereto and the Cantor Fitzgerald Securities, as administrative agent; and (5) that certain Security Agreement dated as of October 2, 2018, and any related documents, mortgages, deeds of trust, agreements and instruments that serve to grant and provide collateral to the Trustee (as amended, restated, supplemented or otherwise modified from time to time, and collectively, with the Super Priority Intercreditor Agreement, the "Security Documents" and, together with the Indenture, the "Notes Documents");

WHEREAS, the Issuer, the Guarantors, and the Trustee have heretofore executed and delivered an Indenture, dated as of October 2, 2018 (as amended, supplemented, waived or otherwise modified, the "Indenture"), pursuant to which the Issuer has issued an aggregate principal amount of \$347,500,000 of 10.75% of Senior Secured Notes due 2023 of the Issuer (the "Notes");

WHEREAS, an interest payment on the Notes in the amount of \$16,335,000 was due on April 15, 2021 (the "April 2021 Interest Payment"), and the Issuer did not make such payment, which constitutes a Default under the Indenture (the "Interest Payment Default");

WHEREAS, at such time as the Issuer's nonpayment of the April 2021 Interest Payment will have continued for a period of 30 days, the same will become an Event of Default pursuant to Section 6.1 of the Indenture;

WHEREAS, the Issuer has not delivered the compliance certificate required by Section 3.15 due on April 30, 2021, the notice required by Section 3.17 in respect of the Interest Payment Default, or the certificates and documents required by Section 11.4(b) of the Indenture due on April 30, 2021 (the "Compliance Document Defaults");

WHEREAS, the Issuer is exploring a potential restructuring or recapitalization or other transaction (a "Potential Transaction"); and

WHEREAS, the Obligors have requested that each of the Supporting Holders agree to temporarily forbear during the Forbearance Period from the exercise of their right to accelerate the maturity of the Notes and declare all amounts under the Notes and the Indenture immediately due and payable, and from the exercise of any other rights and remedies available to them under the Notes Documents or otherwise under applicable law (collectively, the "Rights and Remedies") solely to the extent arising from the occurrence and continuation of the Interest Payment Default, subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION I. ACKNOWLEDGMENTS

1.01 Each of the Obligors hereby acknowledges and agrees, upon execution and delivery of this Agreement, subject to the terms set forth herein, that:

(a) The recital of facts set forth in this Agreement is true and correct in all material respects;

(b) Each Obligor hereby (i) ratifies and reaffirms the Notes Documents and the Obligations owing thereunder, (ii) acknowledges and affirms that the Notes Documents are and, after giving effect to this Agreement, shall remain unchanged and in full force and effect and (iii) ratifies and reaffirms the grant of first priority liens on and security interests in its properties and assets pursuant to the Note Documents as security for the obligations thereunder and confirms and agrees that such liens and security interests are valid, enforceable and perfected and secure all such obligations, including any additional obligations hereafter arising under the Notes Documents. Each Obligor agrees that the Notes Documents constitute valid and binding obligations and agreements of each of the Obligors enforceable against each Obligor in accordance with their respective terms;

(c) Each Obligor acknowledges and agrees that (i) the Interest Payment Default will constitute an Event of Default when it has continued for 30 days from the date of occurrence thereof (in the case of Interest Payment Default) and the Compliance Document Defaults will constitute an Event of Default when it has continued for 60 days from the date of this Agreement, (ii) the Issuer is required to pay interest on overdue instalments of interest in accordance with the Indenture and the Notes and (iii) except for the Interest Payment Default and the Compliance Document Defaults, no Defaults or Events of Default under the Indenture have occurred and are continuing as of the date hereof.

(d) The Supporting Holders have not waived, released or compromised, and do not hereby waive, release or compromise, any events, occurrences, acts, or omissions that may constitute or give rise to any defaults or Events of Default, including, without limitation, the Interest Payment Default and the Compliance Document Defaults, that existed or may have existed, or may presently exist, or may arise in the future, nor does any Supporting Holder waive any Rights and Remedies;

(e) The execution and delivery of this Agreement shall not (i) constitute an extension, modification, or waiver of any aspect of the Indenture or the Notes; (ii) extend the maturity of the Notes or the due date of any payment of any amount(s) due thereunder or payable in connection therewith; (iii) give rise to any obligation on the part of the Supporting Holders to extend, modify or waive any term or condition of the Notes; (iv) establish any course of dealing with respect to the Notes or otherwise; or (v) give rise to any defenses or counterclaims to the right of the Supporting Holders to compel payment of the Notes or any amounts(s) due thereunder or payable in connection therewith or otherwise enforce their rights and remedies set forth in the Notes Documents;

(f) The Supporting Holders' agreement to forbear in the exercise of their Rights and Remedies solely as to the Interest Payment Default, and to perform as provided herein, in each case to the extent permitted by the Indenture, shall not invalidate, impair, negate or otherwise affect the Trustee's or Supporting Holders' ability to exercise their Rights and Remedies under the Notes Documents or otherwise; and

(g) Any capitalized terms not defined in this Agreement have the meanings given to them in the Indenture.

SECTION II. FORBEARANCE

2.01 Forbearance. In consideration of, and in reliance upon the representations, warranties, agreements and covenants of the Obligors set forth herein, subject to the satisfaction of each of the conditions precedent to the effectiveness of this Agreement, from the Agreement Effective Date (as defined below) until the Termination Date (as defined below), each Supporting Holder (severally and not jointly) hereby agrees that during the Forbearance Period (as defined below) it will forbear from exercising any of the Rights and Remedies solely with respect to the Interest Payment Default (the "Forbearance"). For the avoidance of doubt, during the Forbearance Period, each Supporting Holder agrees that it (individually or collectively) will not deliver any notice or instruction to the Trustee directing the Trustee to exercise any of the Rights and Remedies with respect to the Interest Payment Default.

2.02 Trustee Action. In the event that the Trustee takes any action to declare all of the Notes immediately due and payable pursuant to Section 6.2 of the Indenture during the Forbearance Period solely due to the Interest Payment Default, each Supporting Holder agrees to rescind and cancel such acceleration to the fullest extent permitted under the Indenture.

2.03 Limitation on Transfers of Notes. (a) During the Forbearance Period, each of the Supporting Holders hereby agrees not to sell, assign, pledge, lend, hypothecate, transfer or otherwise dispose of (each, a "Transfer") any ownership (including beneficial ownership) of Notes (or any rights in respect thereof, including but not limited to the right to vote) held by such Supporting Holder as of the date hereof except to a party who (i) is already a Supporting Holder party to this Agreement, (ii) as of the date hereof, was, and as of the date of transfer, continues to be an entity that controls, is controlled by or is under common control with the transferor or for which such Supporting Holder acts as investment manager, advisor or subadvisor, provided, however, that such entity shall automatically be subject to the terms of this Agreement and deemed a party hereto, or (iii) prior to or contemporaneously with such Transfer, agrees in writing with the transferor to be bound by all of the terms of this

Agreement with respect to the relevant Notes being transferred to such purchaser (and with respect to any and all Notes it already may hold prior to such Transfer) by executing a Forbearance Joinder Agreement substantially in the form of Exhibit A hereto, and delivering an executed copy thereof, within three (3) business days of closing of such Transfer, to counsel to the Issuer. Any Transfer made in violation of this Section 2.03 shall be void ab initio, and the Issuer shall have the right to enforce the voiding of any such Transfer. This Agreement shall in no way be construed to preclude any Supporting Holder from acquiring additional Notes to the extent permitted by applicable law. However, such Supporting Holder shall, automatically and without further action, remain subject to this Agreement with respect to any Notes so acquired. Upon satisfaction of the foregoing requirements in this Section 2.03(a), the transferor shall be deemed to be released from its obligations under this Agreement to the extent of such transferred rights and obligations.

(b) Notwithstanding anything to the contrary herein, a Supporting Holder may Transfer any ownership in its Notes, or any option thereon or any right or interest therein, to a Qualified Marketmaker (as defined below) that acquires Notes with the purpose and intent of acting as a Qualified Marketmaker for such Notes, and such Qualified Marketmaker shall not be required to agree in writing to be bound by the terms of this Agreement or execute and deliver a separate support agreement in respect of such Notes if (A) such Qualified Marketmaker subsequently Transfers such Notes within five (5) business days of its acquisition to an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor of such Qualified Marketmaker and (B) the transferee otherwise is a transferee permitted under clause (a) above (including any requirement hereunder that such transferee agree in writing to be bound by the terms of this Agreement). To the extent that a Supporting Holder is acting in its capacity as a Qualified Marketmaker, it may Transfer any right, title, or interest in any Notes that such Supporting Holder acquires in its capacity as a Qualified Marketmaker from a holder of such Notes who is not a Supporting Holder without regard to the requirements set forth in clause (a) above but otherwise in compliance with this clause (b). As used herein, the term a "Qualified Marketmaker" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers claims against the Issuer (or enter with customers into long and short positions in claims against the Issuer), in its capacity as a dealer or market maker in claims against the Issuers and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

2.04 Forbearance Period. The Forbearance shall commence on the Agreement Effective Date and continue until the earlier of (a) May 23, 2021 at 11:59 p.m. New York City time (or such later date that all of the Supporting Holders agree in writing) and (b) the date on which any Event of Termination (as defined below) shall have occurred (the earlier of (a) and (b), the "Termination Date" and the period commencing on the Agreement Effective Date and ending on the Termination Date, the "Forbearance Period"). From and after the Termination Date, the Forbearance shall immediately and automatically terminate and have no further force or effect, and each of the Supporting Holders shall be released from any and all obligations and agreements under this Agreement and shall be entitled to exercise any of the Rights and Remedies as if the forbearance under this Agreement had never existed, and all of the Rights and Remedies under the Notes Documents and in law and in equity shall be available without restriction or modification.

2.05 Limited Forbearance. The Forbearance is limited in nature and nothing contained herein is intended, or shall be deemed or construed (i) to impair the ability of the Supporting Holders or the Trustee to exercise any of the Rights and Remedies during the Forbearance Period for Defaults or Events of Default other than the Interest Payment Default, (ii) to constitute a waiver of the Interest Payment Default, the Compliance Document Defaults or any future Defaults or Events of Default or compliance with any term or provision of the Notes Documents or applicable law, other than as expressly set forth in this Section II or (iii) to establish a custom or course of dealing between the Obligor, on the one hand, and any Supporting Holder, on the other hand.

2.06 Further Acknowledgements

(a) The Obligor understand and accept the temporary nature of the Forbearance provided hereby and that the Supporting Holders have given no assurances that they will extend such Forbearance or provide further waivers or amendments to the Indenture or any other Notes Document.

(b) Nothing in this Agreement constitutes a legal obligation to participate in any Potential Transaction or any other transaction or to execute any related documents and no such legal obligation shall arise except pursuant to mutually agreeable executed definitive documentation.

(c) The Obligor further understand and accept that this Agreement shall constitute notice of the Compliance Document Defaults.

SECTION III. EVENTS OF TERMINATION

3.01 Events of Termination. The Forbearance Period shall automatically terminate if any of the following events shall occur (each, an "Event of Termination"):

(a) the failure of any Obligor to comply with any term, condition or covenant set forth in this Agreement, including, without limitation, the covenants in Section IV of this Agreement;

(b) (i) other than the Interest Payment Default and the Compliance Document Default, there occurs any Default or Event of Default under the Indenture or (ii) the Trustee or one or more holders of Notes representing 25% or more of the aggregate principal amount of Notes outstanding delivers any notice purporting to accelerate or seek any other remedy in respect of the Notes;

(c) a case under title 11 of the United States Code or any similar reorganization, liquidation, insolvency, or receivership proceeding under applicable law is commenced by any Obligor;

(d) the Issuer notifies any Supporting Holder or its representatives in writing that it has terminated discussions regarding a Potential Transaction;

(e) the Issuer cures the Interest Payment Default by making the April 2021 Interest Payment and pays any default interest or late penalties, and no other Default (other than the Compliance Document Defaults) or Event of Default has occurred and remains uncured at the time the Issuer cures such Interest Payment Default;

(f) that certain Forbearance Agreement dated as of April 14, 2021 (as amended by that certain Limited Consent and First Amendment to the Forbearance Agreement, dated April 28, 2021 and that certain Second Amendment to the Forbearance Agreement, dated May 14, 2021), by and among the Issuer, certain of the Issuer's subsidiaries, the ABL Agent, and the Credit Agreement Forbearing Parties party thereto with respect to that certain Credit Agreement, dated as of October 2, 2018 (as amended, restated, amended and restated, modified or supplemented from time to time), among the Issuer, the lenders party thereto, and Bank of America, N.A., as administrative agent (in such capacity, the "ABL Agent"), a Swing Line Lender and an L/C Issuer, shall terminate or otherwise cease to be in full force and effect, or shall be amended or otherwise modified (other than any amendment or modification to extend the termination date thereof or waive compliance by any Obligor with any covenant thereunder);

(g) that certain Consent Letter dated as of May 3, 2021 (as amended by that certain Amendment to Consent Letter, dated as of May 14, 2021), by Ascribe III Investments LLC and agreed to by the Issuer, shall terminate or otherwise cease to be in full force and effect, or shall be amended or otherwise modified (other than any amendment or modification to extend the termination date thereof or waive compliance by any Obligor with any covenant thereunder); or

(h) the occurrence of an Event of Default under and as defined in the Super Priority Credit Agreement (other than the occurrence of an event of default under Section 8.01(e) solely as a result of the Interest Payment Default unless and until the forbearance by the lenders thereunder with respect thereto shall have been terminated or expired).

SECTION IV. OTHER AGREEMENTS

4.01 Retention of Professionals: Expenses.

(a) No later than three (3) business days after the Agreement Effective Date, the Issuer shall pay all unpaid, invoiced, reasonable and documented fees and expenses of Davis Polk & Wardwell LLP ("Davis Polk"), counsel to the Supporting Holders, incurred through the Agreement Effective Date; thereafter the Issuer shall pay the fees and expenses of Davis Polk in accordance with the engagement letter executed with Davis Polk.

(b) No later than three (3) business days after the Agreement Effective Date, the Issuer shall pay all unpaid, invoiced, reasonable and documented monthly fees and out-of-pocket expenses of Ducera Partners LLC ("Ducera," and together with Davis Polk, the "Advisors"), financial advisors to the Supporting Holders, incurred through the Agreement Effective Date; thereafter the Issuer shall pay the fees and expenses of Ducera in accordance with the engagement letter, if any, with Ducera.

4.02 Release. Each Obligor (for itself and its Subsidiaries and controlled Affiliates and the successors, assigns, heirs and representatives of each Obligor) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge each Supporting Holder (other than any Supporting Holder that is an Affiliated Party) solely in its capacity as a beneficial holder of the Notes, together with its Affiliates, directors, officers, employees, attorneys, financial advisors, Advisors and consultants (each solely in its capacity as such) (each a "Released Party", and collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever

nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the date hereof directly arising out of, connected with or related to this Agreement, the Indenture or any other Notes Document, or any act, event or transaction related or attendant thereto, or the agreements of any Supporting Holder (other than any Supporting Holder that is an Affiliated Party) contained herein or therein. Notwithstanding anything to the contrary in this Agreement or otherwise, in no event shall any Affiliated Party (either in its capacity as Holder or beneficial owner of the Notes or in any other capacity) be a Released Party. Each Obligor represents and warrants that it has no knowledge of any claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a claim, in each case directly arising out of, connected with or related to this Agreement, the Indenture or any other Notes Document or the agreements of any Supporting Holder (other than a Supporting Holder that is an Affiliated Party), by any Releasor against any Released Party which would not be released hereby. The release of the Released Parties contained herein is a final release, even if there may exist a mistake on the part of any Releasors as to the extent and nature of any claim or damages of the Releasors against the Released Parties. Notwithstanding anything to the contrary in this Section 4.02 or otherwise in this Agreement, nothing in this Agreement shall or be deemed to (or is intended to) limit any of the Supporting Holder's rights to assert or prosecute any affirmative defenses or otherwise raise any defense or take any action to defend itself or themselves, including any defense available under Title 11 of the United States Code, in connection with any claim (whether direct or indirect) brought by any entity relating to any of the above-referenced claims arising from, in whole or in part, (x) the formulation, preparation, dissemination, negotiation, or filing of this Agreement or any contract, instrument, release, or other agreement or document created or entered into in connection with this Agreement, and (y) the pursuit of consummation, the administration and implementation of any transactions related to the Notes.

"Affiliated Party" shall mean (i) Ascribe III Investment LLC ("Ascribe"), (ii) any director, officer, agent or employee or Affiliate of Ascribe and (iii) any entity or person for which Ascribe acts as investment advisor or manager of discretionary accounts.

4.03 Tolling. During the Forbearance Period, the Obligors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches, or other doctrines relating to the passage of time with respect to any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Supporting Holder (or group thereof) (other than any Supporting Holder that is an Affiliated Party) has heretofore had or now or hereafter can, shall or may have against any of the Obligors, their respective Affiliated Parties, and each of the directors, officers, members, employees, agents, attorneys, financial advisors and consultants of each of the foregoing.

4.04 Notices. The Issuer hereby agrees to notify the Supporting Holders and Ascribe reasonably promptly in writing (which may be done by email to Davis Polk and Fried, Frank, Harris, Shriver & Jacobson LLP) of (a) any failure by any of the Obligors to comply with their obligations set forth in this Agreement, (b) the occurrence of any Event of Termination, or (c) service of a complaint upon an Obligor by a person commencing a material action against such Obligor. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by e-mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given when delivered by hand, or when sent by e-mail or facsimile transmission, answer back received, or on the first business day after delivery to any overnight delivery service, freight prepaid, or three (3) business days after being sent by certified or registered mail, return receipt requested, postage prepaid, and addressed as follows, or to such other address as may be hereafter notified by the respective parties hereto:

If to any Supporting Holder,
then to: The address of such Directing Holder
as set forth on the signature page
of this Agreement
with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: Damian S. Schaible
Adam L. Shpeen
Email: damian.schaible@davispolk.com
adam.shpeen@davispolk.com

-and-

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Brad Eric Scheler
Peter B. Siroka
Email: Brad.Eric.Scheler@friedfrank.com
Peter.Siroka@friedfrank.com

SECTION V. REPRESENTATIONS AND WARRANTIES

In consideration of the foregoing agreements, the Obligors jointly and severally hereby represent and warrant to each Supporting Holder as follows:

5.01 Such party is duly organized, validly existing and is not in violation in any respect of any term of its charter, bylaws or other constitutive documents, and the execution, delivery and performance of this Agreement are within such party's power and have been duly authorized by all necessary action.

5.02 This Agreement constitutes a valid and legally binding agreement, enforceable against such party in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or law).

5.03 No consent or authorization of, filing with, notice to or other act by or in respect of, any governmental or regulatory authority or any other person is required in connection with such party's entry into, and performance of, this Agreement, except for consents, authorizations, filings and notices which have been obtained or made and are in full force and effect or which are immaterial in nature; and the entry into and performance of this Agreement by such party does and will not conflict with, or result in the default under, any material agreement or document of such party, its constituent documents or any applicable law, regulation or court order, consent or ruling.

5.04 Each Supporting Holder represents and warrants that, as of the date hereof, it beneficially holds, or advises or manages for a beneficial holder, the aggregate principal amount of Notes set forth on the signature page attached hereto, and to that extent it advises or acts as a manager for any beneficial holder, it has the authority to enter into this Agreement on behalf of such beneficial holder and that this Agreement is a valid and legally binding agreement, enforceable against that holder and such party.

SECTION VI. EFFECTIVENESS

This Agreement will be effective as of the date when the following conditions have been satisfied (such date, the "Agreement Effective Date"):

(a) Agreement. Each of the Obligors and Supporting Noteholders representing at least

\$300,000,000 in aggregate principal amount of the Notes shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the other parties (which signature pages may be delivered by counsel and in electronic form).

(b) Representations and Warranties. The representations and warranties set forth in Section V shall be true and correct in all material respects as of such date.

(c) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing, other than the Interest Payment Default and the Document Compliance Default.

(d) Other Forbearance Agreements. Prior to the date of this Agreement, the Issuer shall have provided Davis Polk a copy of any other forbearance agreement (including any amendments thereto) to which any Obligor is a party that is currently in effect and/or are expected to become effective on or prior to the date of this Agreement.

SECTION VII. MISCELLANEOUS

7.01 Counterparts. This Agreement may be executed and delivered in any number of counterparts with the same effect as if the signatures on each counterpart were upon the same instrument. Any counterpart delivered by facsimile or by other electronic method of transmission shall be deemed an original signature thereto.

7.02 Interpretive Matters.

(a) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection and clause references herein are to this Agreement unless otherwise specified.

(b) The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any individual, corporation, company, partnership or other entity.

7.03 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without application of any choice of law provisions that would require the application of the law of another jurisdiction. Each party hereto hereby irrevocably and unconditionally consents to submit to the non-exclusive jurisdiction of the federal and state courts in the Borough of Manhattan, City of New York for any action, suit, or proceeding arising out of or relating to this Agreement and the transactions contemplated by this Agreement. Each party hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit, or proceeding arising out of this Agreement in any such court and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit, or proceeding brought in any such court has been brought in an inconvenient forum.

7.04 Successors and Assigns. This Agreement shall be binding upon each of the Issuer, the Guarantors, the Supporting Holders and their respective successors and assigns, and shall inure to the benefit of each such person and their permitted successors and assigns.

7.05 Additional Parties. Without in any way limiting the provisions hereof, additional holders or beneficial owners of Notes may elect to become parties to this Agreement by executing and delivering to the Issuer a Forbearance Joinder Agreement substantially in the form of Exhibit A hereto. Such additional holder or beneficial owner of Notes shall become a Supporting Holder under this Agreement in accordance with the terms of this Agreement.

7.06 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

7.07 Integration. This Agreement and any agreements referred to herein contain the entire understanding of the parties hereto with regard to the subject matter contained herein. Except as otherwise provided herein, this Agreement supersedes all prior or contemporaneous negotiations, promises, covenants, agreements and representations of every nature whatsoever with respect to the matters referred to in this Agreement, all of which have become merged and finally integrated into this Agreement. Each of the parties hereto understands that in the event of any subsequent litigation, controversy or dispute concerning any of the terms, conditions or provisions of this Agreement, no party shall be entitled to offer or introduce into evidence any oral promises or oral agreements between the parties relating to the subject matter of this Agreement not included or referred to herein and not reflected by a writing included or referred to herein.

7.08 Amendment. This Agreement may only be amended or modified in writing by the Issuer, the

Guarantors and each Supporting Holder.

7.09 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect, and any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable, in each case, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon any such determination of invalidity, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE ISSUER

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

GUARANTORS

BASIC ENERGY SERVICES LP, LLC
BASIC ENERGY SERVICES GP, LLC
BASIC ENERGY SERVICES, L.P.
TAYLOR INDUSTRIES, LLC
BASIC ESA, INC.
SCH DISPOSAL, L.L.C.
AGUA LIBRE HOLDCO LLC
AGUA LIBRE ASSET CO LLC
AGUA LIBRE MIDSTREAM LLC
C&J WELL SERVICES, INC.
KVS TRANSPORTATION, INC.
INDIGO INJECTION #3, LLC

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

[Signature Page to Forbearance Agreement]

SUPPORTING HOLDERS

ASCRIBE III INVESTMENTS LLC
299 Park Avenue, 34th Floor
New York, New York 10171

By: /s/ Lawrence First
Name: Lawrence First
Title: Chief Investment Officer

[Signature Page to Forbearance Agreement]

SUPPORTING HOLDERS

ALTAIR GLOBAL CREDIT
OPPORTUNITIES FUND (A), LLC

2425 Olympic Blvd., Suite 500E
Santa Monica, CA 90404

By: /s/ Haig Maghakian

Name: Haig Maghakian

Title: Authorized Person

[Signature Page to Forbearance Agreement]

SUPPORTING HOLDERS

GLENDON OPPORTUNITIES FUND, L.P.

2425 Olympic Blvd., Suite 500E
Santa Monica, CA 90404

By: /s/ Haig Maghakian

Name: Haig Maghakian

Title: Authorized Person

[Signature Page to Forbearance Agreement]

SUPPORTING HOLDERS

GUGGENHEIM PARTNERS
as Asset Manager for the beneficial holders listed
below

330 Madison Ave, New York, NY 10017

By: /s/ Kevin M. Robinson
Name: Kevin M. Robinson
Title: Attorney-in-Fact

[Signature Page to Forbearance Agreement]

Exhibit A

FORM OF FORBEARANCE JOINDER AGREEMENT

[●], 2021

Basic Energy Services, Inc.
[]
Attention: []
RE: Forbearance Agreement

Ladies and Gentlemen:

Reference is made to the Forbearance Agreement dated as of May [●], 2021 entered into between the Issuer, the Guarantors, and the Supporting Holders party thereto (such Forbearance Agreement, as in effect on the date hereof and as it may hereafter be amended, supplemented or otherwise modified from time to time, together with this Forbearance Joinder Agreement, being the "Forbearance Agreement"). Any capitalized terms not defined in this Forbearance Joinder Agreement have the meanings given to them in the Forbearance Agreement.

SECTION I. Joining Obligations Under the Forbearance Agreement. The undersigned (the "Joining Noteholder") hereby agrees, as of the date first above written, to join and to be bound as a Supporting Holder by all of the terms and conditions of the Forbearance Agreement, to the same extent as each of the other Supporting Holders thereunder. The undersigned further agrees, as of the date first above written, that each reference in the Forbearance Agreement to a "Supporting Holder" shall also mean and be a reference to the undersigned, including the making of each representation and warranty set forth in Section V of the Forbearance Agreement.

SECTION II. Execution and Delivery. Delivery of an executed counterpart of a signature page to this Forbearance Joinder Agreement by telecopier or in .PDF or similar format by email shall be effective as delivery of an original executed counterpart of this Forbearance Joinder Agreement. For the avoidance of doubt, the Obligors do not need to separately execute this Forbearance Joinder Agreement but are nevertheless bound by the terms of the Forbearance Agreement with respect to the Joining Noteholder as if such Joining Noteholder were a party to the Forbearance Agreement.

SECTION III. Governing Law. The parties hereto hereby agree that Section 7.03 of the Forbearance Agreement shall apply to this Forbearance Joinder Agreement.

[Signature Page Follows]

Very truly yours,
[•]

[JOINING NOTEHOLDER]

By: _____
Name: [•]
Title: [•]

Joining Noteholder's principal amount of Notes: \$ _____

[Signature Page to Joinder Forbearance Agreement]

FORBEARANCE AGREEMENT

THIS **FORBEARANCE AGREEMENT** (this "**Agreement**") is entered into as of May 14, 2021, by and among **BASIC ENERGY SERVICES, INC.**, a Delaware corporation (the "**Borrower**"), the Guarantors party hereto (the "**Guarantors**"), **CANTOR FITZGERALD SECURITIES**, as administrative agent for the Term Loan Lenders (in such capacity, the "**Administrative Agent**") and the Term Loan Lenders party hereto (the "**Forbearing Lenders**").

WITNESSETH:

WHEREAS, the Borrower, the Forbearing Lenders and the Administrative Agent are parties to that certain Super Priority Credit Agreement, dated as of May 3, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Credit Agreement**"; unless otherwise defined herein, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Credit Agreement);

WHEREAS, the Borrower has informed the Administrative Agent and the Term Loan Lenders that an Event of Default is anticipated to occur under (i) Section 8.01(e) of the Credit Agreement as a result of the Borrower's failure to pay interest on the Senior Notes that was due on April 15, 2021 ("**April 2021 Interest Payment**") following the expiration of a 30-day grace period provided for in the Senior Notes Indenture (the "**Acknowledged Event of Default**");

WHEREAS, the Borrower is exploring a potential restructuring or recapitalization or other transaction (a "**Potential Transaction**"); and

WHEREAS, notwithstanding the occurrence and continuance of the Acknowledged Event of Default, the Borrower has requested that the Administrative Agent and the Term Loan Lenders agree to, and the Administrative Agent (at the direction of the Forbearing Lenders) and the Forbearing Lenders (which constitute the Required Lenders) have agreed, although under no obligation to do so, to, forbear from exercising their rights and remedies solely as a result of the Acknowledged Event of Default and solely on the express terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Agreements and Acknowledgments.

(a) Each Loan Party acknowledges that the recitals set forth above are true and correct in all respects.

(b) Amount of Obligations. Each Loan Party acknowledges and agrees that (i) the aggregate unpaid principal balance of the Term Loans as of the date hereof is \$10,000,000 (the "**Current Outstanding Obligations**"). The foregoing amounts do not include accrued and unpaid interest, fees, expenses (including professional fees and expenses) and other Obligations and amounts which are chargeable or otherwise reimbursable under the Credit Agreement and the other Loan Documents. Neither the Borrower nor any other Loan Party has any rights of offset, defenses, claims or counterclaims with respect to the Current Outstanding Obligations or any of the other Obligations, and each of the Loan Parties are jointly and severally obligated with respect thereto, in each case, in accordance with the terms of the applicable Loan Documents.

(c) Acknowledged Event of Default. Each Loan Party acknowledges and agrees that (i) the Acknowledged Event of Default constitutes (or, upon its occurrence, will constitute) an Event of Default under the Credit Agreement, and (ii) as a result of the occurrence of such Event of Default, the Forbearing Lenders will, subject to the forbearance contemplated hereby, be entitled to accelerate the Obligations and to exercise all rights and remedies under the Loan Documents, applicable Law or otherwise, so long as such Acknowledged Event of Default is continuing. Each Loan Party further acknowledges and agrees that the Administrative Agent and Forbearing Lenders are not in any way agreeing to waive such Acknowledged Event of Default as a result of this Agreement or the performance by the parties of their respective obligations hereunder. Without limiting any other provision of this Agreement, each Loan Party further acknowledges and agrees that during the Forbearance Period

(as defined below) and following any Forbearance Termination Event (as defined below), an Event of Default shall be continuing, and the Loan Parties shall not, and shall not permit any Subsidiary to, take or cause any Person to take any action that is conditioned on no Default or Event of Default existing at the time of, or immediately after giving effect to, the taking of such action.

2. Forbearance: Forbearance Default Rights and Remedies.

(a) Forbearance. In reliance upon the representations, warranties and covenants of the Loan Parties contained in this Agreement, during the Forbearance Period, and without waiving the Acknowledged Event of Default or any other Default or Event of Default that may now exist or which may occur hereafter, each of the Administrative Agent and the Forbearing Lenders agrees that, subject to the terms and conditions of this Agreement, the Administrative Agent and the Forbearing Lenders shall forbear from exercising any remedies that it or they may have against the Borrower or any other Loan Party or their respective assets and properties solely as a result of the occurrence of the Acknowledged Event of Default. Such forbearance does not apply to any Default, Event of Default (other than the Acknowledged Event of Default) or other failure by the Borrower or any other Loan Party to perform in accordance with the Credit Agreement or any other Loan Document (including, without limitation, this Agreement). Notwithstanding the foregoing forbearance with respect to each Acknowledged Event of Default during the Forbearance Period, for the avoidance of doubt, an Event of Default, to the extent having occurred and continuing, shall continue to exist for all purposes under the Credit Agreement and the other Loan Documents.

(b) Effect of Forbearance Termination. Upon the termination of the Forbearance Period, the agreement of the Forbearing Lenders and the Administrative Agent hereunder to forbear as set forth in Section 2(a) above shall immediately terminate without the requirement of any demand, presentment, protest, or notice of any kind (including any written notice required by Article VIII of the Credit Agreement or any other Loan Document), all of which are hereby waived by the Borrower and each other Loan Party. The Borrower and each other Loan Party hereby agree that, after the Forbearance Termination Date, the Forbearing Lenders and the Administrative Agent may at any time, or from time to time, in their sole and absolute discretion, with respect to the Acknowledged Event of Default, exercise against any Loan Party (and its properties) any and all of their rights, remedies, powers and privileges under any or all of the Credit Agreement, any other Loan Document, applicable Law and/or equity, all of which rights, remedies, powers and privileges are fully reserved by each Forbearing Lender and the Administrative Agent.

(c) Limitation on Forbearance Extension. Except as set forth herein, none of the Forbearing Lenders or the Administrative Agent shall have any obligation to extend the Forbearance Period, or enter into any other agreement, waiver, forbearance or amendment, and the Forbearing Lenders' and the Administrative Agent's agreement to permit any such extension, or enter into any other agreement, waiver, forbearance or amendment shall be subject to the sole discretion of the Required Lenders (or, if required by Section 10.01 of the Credit Agreement, each Lender or affected Lender). Any agreement by any Forbearing Lender or the Administrative Agent to enter into any other waiver, forbearance or amendment must be set forth in writing (including by email). The Borrower and the other Loan Parties each acknowledge that the Forbearing Lenders and the Administrative Agent have not made any assurances concerning any possibility of an extension of the Forbearance Period or the entering into of any further waiver, forbearance or amendment. For the avoidance of doubt, nothing herein shall prevent Term Loan Lenders constituting the Required Lenders or the Administrative Agent from agreeing to any further forbearance agreement.

(d) Forbearance Termination Date. The "**Forbearance Termination Date**" means the earlier of the following to occur: (a) any Forbearance Termination Event and (b) May 23, 2021 at 11:59 p.m. New York time, as such date may be extended in writing (which may be by email) by the Administrative Agent and Lenders constituting Required Lenders, in each case in their sole discretion. The "**Forbearance Period**" shall commence on the Forbearance Effective Date and shall terminate immediately and automatically upon the Forbearance Termination Date. The occurrence of any of the following events or circumstances shall immediately and automatically constitute a "**Forbearance Termination Event**" following delivery of notice (including by email) to the Borrower by the Administrative Agent (acting at the direction of the Required Lenders) or counsel for the Required Lenders (and automatically upon the occurrence of an Event of Default under Section 8.01(f) of the Credit Agreement):

- (i) any Default or Event of Default under the Credit Agreement or any other Loan Document (other than the Acknowledged Event of Default);

(ii). any material breach by the Borrower or any other Loan Party of any covenant, term or other provision of this Agreement;

(iii). any representation, warranty or certification made or deemed made by the Borrower or any other Loan Party herein or which is contained in any certificate, document or financial or other statement furnished by the Borrower or any other Loan Party at any time under or in connection with this Agreement or otherwise shall be false or misleading in any material respect on the date as of which made, deemed made or furnished;

(iv). the commencement of any action, suit, litigation, investigation or other proceeding against the Administrative Agent or any Ad Hoc Group of Term Lenders by any of the Loan Parties, any Subsidiary thereof or entity controlled by, affiliated with, related to or under common control with any of the Loan Parties;

(v). any non-Forbearing Lender under the Credit Agreement shall commence a legal proceeding against any Loan Party or any Subsidiary or set off against any of their respective property, in each case, with respect to enforcement of the Credit Agreement or the obligations thereunder;

(vi). the ABL Forbearance Agreement shall terminate or otherwise cease to be in full force and effect, or shall be amended or otherwise modified (other than any amendment or modification to extend the termination date thereof or waive compliance by any Loan Party with any covenant thereunder);

(vii). the Ascibe Consent Letter shall be amended or otherwise modified (other than any amendment or modification to extend the termination date thereof or waive compliance by any Loan Party with any covenant thereunder);

(viii). that certain Forbearance Agreement, dated as of May 14, 2021, among the Borrower, the Guarantors party thereto and the Supporting Holders (as defined therein) of the Senior Notes shall terminate or otherwise cease to be in full force and effect, or shall be amended or otherwise modified (other than any amendment or modification to extend the termination date thereof or waive compliance by any Loan Party with any covenant thereunder); and

(ix). the Borrower notifies any Term Loan Lender or its representatives in writing that it has terminated discussions regarding a Potential Transaction.

3. Notice of Forbearance Termination Event. Each Loan Party shall provide written notice to the Administrative Agent and to the Advisors (as defined below) promptly (and in any event within one Business Day) of its obtaining knowledge of the occurrence of any Forbearance Termination Event, which notice shall state that such event occurred and set forth, in reasonable detail, the facts and circumstances that gave rise to such event. Such notice shall be delivered in accordance with Section 10.01 of the Credit Agreement.

4. Acknowledgment of Satisfaction. Nothing contained herein shall be deemed a waiver of (or otherwise affect the Administrative Agent or any Term Loan Lender's ability to enforce) any other Default or Event of Default under any of the Loan Documents, including (i) any Default or Event of Default as may now or hereafter exist and arise from or otherwise be related to any of the Acknowledged Event of Default (including any cross-default arising under the Credit Agreement by virtue of any matters resulting from the Acknowledged Event of Default), and (ii) any Default arising at any time after the Forbearance Effective Date and which is the same as or similar to the Acknowledged Event of Default.

5. Retention of Professionals; Expenses.

i.No later than three (3) business days after the Forbearance Effective Date, the Borrower shall pay all unpaid, invoiced, reasonable and documented fees and expenses of Davis Polk & Wardwell LLP ("**Davis Polk**"), counsel to the Ad Hoc Group of Term Loan Lenders, incurred through the Forbearance Effective Date; thereafter the Borrower shall pay the fees and expenses of Davis Polk in accordance with the engagement letter executed with Davis Polk.

ii.No later than three (3) business days after the Forbearance Effective Date, the Borrower shall pay all unpaid, invoiced, reasonable and documented monthly fees and out-of-pocket expenses of Ducera Partners LLC ("**Ducera**," and together with Davis Polk, the "**Advisors**"), financial advisors to the Ad Hoc Group of Term Loan Lenders, incurred through the Forbearance Effective Date; thereafter the Borrower shall pay the fees and expenses of Ducera in accordance with the engagement letter, if any, with Ducera.

iii.No later than three (3) business days after the Forbearance Effective Date, the Borrower shall pay all unpaid, invoiced, reasonable and documented fees and expenses of Shipman & Goodwin LLP, counsel to the Administrative Agent, incurred through the Forbearance Effective Date; thereafter the Borrower shall pay the fees and expenses of Davis Polk in accordance with the Credit Agreement.

6. Conditions. The effectiveness of this Agreement is subject to the satisfaction (or waiver) of the following conditions precedent (the date on which such effectiveness occurs, the "**Forbearance Effective Date**");

iv.the Administrative Agent shall have received this Agreement duly executed by the Borrower, the Guarantors, the Administrative Agent and the Required Lenders;

v.the representations and warranties set forth in Section 7 shall be true and correct in all material respects as of such date; and

vi.prior to the date of this Agreement, the Borrower shall have provided Davis Polk a copy of any other forbearance agreements (including any amendments thereto) to which any Loan Party is a party that are currently in effect and/or are expected to become effective on or prior to the date of this Agreement.

7. Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent as of the Forbearance Effective Date as follows:

vii.the execution, delivery and performance by each Loan Party of this Agreement: (i) are within such Person's corporate, limited liability company or company power, as applicable; (ii) have been duly authorized or approved by all necessary corporate, exempted company, limited liability company or company action, as applicable; (iii) do not contravene, violate, conflict with, or cause a breach or default under any provision of such Person's Organization Documents; (iv) do not violate any Laws, or any order or decree of any court or Governmental Authority in any material respect; (v) do not require the consent or approval of any Governmental Authority, except consents or approvals with or by any Governmental Authority which have already been obtained, taken, given or made; and (vi) do not result in the creation of any Lien on any property of such Loan Party except Liens created under the Loan Documents;

viii.this Agreement has been duly executed and delivered by each Loan Party hereto and this Agreement constitutes a legal, valid and binding obligation of such Person enforceable against it in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar Laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

ix.after giving effect to this Agreement, each representation or warranty by any Loan Party contained in the Credit Agreement and the other Loan Documents (other than as it relates to the Acknowledged Event of Default), are true or correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) on and as of the Forbearance Effective Date with the same effect as though made on and as of such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (unless such representations and warranties are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case they are true and correct in all respects) as of such earlier date);

x.no Default or Event of Default (other than the Acknowledged Event of Default) has occurred and is continuing or would result from the transactions contemplated by this Agreement; and

xi.as of the Forbearance Effective Date, there has been no change (i) in any Loan Party's legal name or (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it

maintains books or records relating to Collateral owned by it or any of its offices or facilities at which Collateral owned by it is located (including the establishment of any such new office or facility), in each instance other than changes which have previously been disclosed in writing to the Administrative Agent.

8. [Reserved].

9. Default Rate. The Borrower and each Loan Party acknowledge that, on and after the Forbearance Effective Date and for so long as an Event of Default (including the Acknowledged Event of Default) shall be continuing under the Credit Agreement, the Administrative Agent (at the direction of the Required Lenders) or the Required Lenders may at any time, in their sole and absolute discretion, request that the principal amount of the outstanding Obligations accrue interest at the Default Rate in the manner set forth in Section 2.08(b)(iii) of the Credit Agreement.

10. No Modification. Nothing contained herein shall be deemed to directly or indirectly, (a) create any obligation to continue to defer any enforcement action after the Forbearance Termination Date, (b) constitute a consent or waiver of any past, present or future violations, including Defaults and Events of Default, of any provisions of the Credit Agreement or any other Loan Documents, (c) constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents or (d) constitute a course of conduct or dealing among the parties for altering any Obligations or any other contract or instrument. Except as expressly stated herein, the Forbearing Lenders and the Administrative Agent reserve all of their respective rights, privileges, remedies and powers under the Credit Agreement, the other Loan Documents, applicable Law and/or equity. This Agreement shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Credit Agreement or any other Loan Document. The Credit Agreement and other Loan Documents remain unmodified and in full force and effect. This Agreement shall constitute a Loan Document.

11. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

12. **GOVERNING LAW. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 10.14 AND 10.15 OF THE CREDIT AGREEMENT RELATING TO GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVERS OF JURY TRIAL, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL, MUTATIS MUTANDIS.**

13. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14. Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

15. Construction. This Agreement and all other agreements and documents executed and/or delivered in connection herewith have been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Agreement or any such other agreements and documents nor any alleged ambiguity therein shall be interpreted or resolved against any party on the ground that such party or its counsel drafted this Agreement or such other agreements and documents, or based on any other rule of strict construction. Each of the parties hereto represents and declares that such party has carefully read this Agreement and all other agreements and documents executed in connection therewith, and that such party knows the contents thereof and signs the same freely and voluntarily. The parties hereto acknowledge that they have been represented by legal counsel of their own choosing in negotiations for and preparation of this Agreement and all other agreements and documents executed in connection herewith and that each of them has read the same and had their contents fully explained by such counsel and is fully aware of their contents and legal effect.

16. Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and permitted assigns. No Person other than the Loan Parties, the Administrative Agent, the Forbearing Lenders and, in the case of Section 20 hereof, the Released Parties, shall have any rights hereunder or be entitled to rely on this Agreement and all third-party beneficiary rights (other than the rights of the Released Parties under Section 20 hereof) are hereby expressly disclaimed.

17. Required Lender Direction. The Forbearing Lenders hereby (i) instruct the Administrative Agent to comply with this Agreement to the extent specified herein and to take the other actions (or refrain from acting), in each case, as expressly contemplated hereby and (ii) acknowledge and agree that (x) the direction set forth herein constitutes a direction from the Required Lenders under the provisions of Article XI of the Credit Agreement and (y) all sections of Article XI of the Credit Agreement shall apply to any and all actions (and inactions) taken by the Administrative Agent in accordance with such direction.

18. Further Assurances. Each of the Loan Parties hereby agrees to execute and deliver from time to time such other documents and take such other actions as may be reasonably requested in order to effectuate the terms hereof.

19. Reaffirmation. By its signature set forth below, each Loan Party hereby ratifies and confirms to the Administrative Agent and the Term Loan Lenders that, after giving effect to this Agreement and the transactions contemplated hereby, each of the Credit Agreement, each Security Document and each other Loan Document to which such Loan Party is a party continues in full force and effect and is the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or limiting creditors' rights generally or by equitable principles and each Loan Party hereby ratifies and confirms each such Loan Document. Except as expressly set forth herein, the execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Term Loan Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Obligations. Each Loan Party (i) acknowledges receipt of a copy of this Agreement and all other agreements, documents and instruments executed and/or delivered in connection herewith, (ii) consents to the terms and conditions of same without prejudice to any Loan Party's liability pursuant to any of the Loan Documents, (iii) agrees and acknowledges that each of the Loan Documents remains in full force and effect, that such Loan Party's obligations thereunder are without defense, setoff and counterclaim and that each of the Loan Documents is hereby ratified and confirmed, and (iv) ratifies and reaffirms each waiver of such Loan Party set forth in the Loan Documents to which it is a party. Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Agreement and the transactions contemplated hereby. In addition, each Loan Party reaffirms in all respects the first priority security interests and Liens granted by such Loan Party in and to the Collateral under the terms and conditions of the Collateral Documents to secure the Obligations and agrees that such security interests and Liens remain in full force and effect, are valid and perfected and are hereby ratified, reaffirmed and confirmed in all respects.

20. Releases. By its execution hereof and in consideration of the mutual covenants contained herein and other accommodations granted to the Loan Parties hereunder, each Loan Party, on behalf of itself and each of its Subsidiaries, and its or their successors, assigns and agents (collectively, the "Releasors"), does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Administrative Agent or any Forbearing Lender (but for the avoidance of doubt, not any other Term Loan Lender (including any Affiliated Lender)), together with its Affiliates, directors, officers, employees, attorneys, financial advisors, Advisors and consultants (each solely in its capacity as such) (each a "Released Party", and collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the date hereof directly arising out of, connected with or related to this Agreement, the Credit Agreement, the other Loan Documents, or any act, event or transaction related or attendant thereto, or the agreements of any Forbearing Lender (other than any Forbearing Lender that is an Affiliated Lender) contained herein or therein. Notwithstanding anything to the contrary herein, in no event shall any Affiliated Lender be a Released Party (in such capacity as a Term Loan Lender or otherwise). Each Loan Party represents and warrants that it has no knowledge of any claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a claim, in each case directly arising out of, connected with or related to this

Agreement, the Credit Agreement or any other Loan Document or the agreements of any Forbearing Lender, by any Releasor against any Released Party which would not be released hereby. The release of the Released Parties contained herein is a final release, even if there may exist a mistake on the part of any Releasors as to the extent and nature of any claim or damages of the Releasors against the Released Parties.

[Reminder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date set forth above.

BORROWER:

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

GUARANTORS:

**BASIC ENERGY SERVICES LP, LLC
BASIC ENERGY SERVICES GP, LLC
BASIC ENERGY SERVICES, L.P.
TAYLOR INDUSTRIES, LLC
BASIC ESA, INC.
SCH DISPOSAL, L.L.C.
AGUA LIBRE HOLDCO LLC
AGUA LIBRE ASSET CO LLC
AGUA LIBRE MIDSTREAM LLC
C&J WELL SERVICES, INC.
KVS TRANSPORTATION, INC.
INDIGO INJECTION #3, LLC**

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

ADMINISTRATIVE AGENT:

CANTOR FITZGERALD SECURITIES

By: /s/ James Buccola

Name: James Buccola

Title: Head of Fixed Income

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

TERM LOAN LENDERS:

PRIVATE DEBT INVESTORS FEEDER, LLC

By: Guggenheim Corporate Funding, LLC as
Manager,
as Term Loan Lender

By: /s/ John F. Mulreaney

Name: John F. Mulreaney

Title: Attorney-in-Fact

GUGGENHEIM CREDIT INCOME FUND

By: Guggenheim Partners Investment
Management, LLC,
as Term Loan Lender

By: /s/ Kevin M. Robinson

Name: Kevin M. Robinson

Title: Attorney-in-Fact

MAVERICK ENTERPRISES, INC

By: Guggenheim Partners Investment
Management, LLC,
as Term Loan Lender

By: /s/ Kevin M. Robinson

Name: Kevin M. Robinson

Title: Attorney-in-Fact

**NZC GUGGENHEIM MASTER FUND
LIMITED**

By: Guggenheim Partners Investment
Management, LLC,
as Term Loan Lender

By: /s/ Kevin M. Robinson

Name: Kevin M. Robinson

Title: Attorney-in-Fact

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

ARBOUR LANE – TX, L.P.
By: Arbour Lane – TX GP, LLC
Its General Partner, **as Term Loan Lender**

By: /s/ Dan Galanter
Name: Dan Galanter
Title: Manager

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

**WHITEBOX RELATIVE VALUE PARTNERS, L.P.
as Term Loan Lender**

By: Whitebox Advisors LLC its investment manager

By: /s/ Luke Harris
Name: Luke Harris
Title: General Counsel - Corporate,
Transactions & Litigation

**WHITEBOX CREDIT PARTNERS, L.P.
as Term Loan Lender**

By: Whitebox Advisors LLC its investment manager

By: /s/ Luke Harris
Name: Luke Harris
Title: General Counsel - Corporate,
Transactions & Litigation

**WHITEBOX GT FUND, LP
as Term Loan Lender**

By: Whitebox Advisors LLC its investment manager

By: /s/ Luke Harris
Name: Luke Harris
Title: General Counsel - Corporate,
Transactions & Litigation

**Whitebox Multi-Strategy Partners, L.P.,
as Term Loan Lender**

By: Whitebox Advisors LLC its investment manager

By: /s/ Luke Harris
Name: Luke Harris
Title: General Counsel - Corporate,
Transactions & Litigation

PANDORA SELECT PARTNERS, L.P.

as Term Loan Lender

By: Whitebox Advisors LLC its investment manager

By: /s/ Luke Harris

Name: Luke Harris

Title: General Counsel - Corporate,
Transactions & Litigation

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

**BROAD STREET CREDIT HOLDINGS LLC,
as Term Loan Lender**

By: /s/ Lee Becker
Name: Lee Becker
Title: Authorized Signatory

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

**ALTAIR GLOBAL CREDIT
OPPORTUNITIES FUND (A), LLC
as Term Loan Lender**

By: /s/ Haig Maghakian

Name: Haig Maghakian

Title: Authorized Person

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

**Cornell University,
as Term Loan Lender**

By: /s/ Brian Lanktree
Name: Brian Lanktree
Title: Authorized Person

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

**Glendon Opportunities Fund, L.P.,
as Term Loan Lender**

By: /s/ Haig Maghakian
Name: Haig Maghakian
Title: Authorized Person

[Signature Page to Forbearance Agreement (Super Priority Credit Agreement)]

SECOND AMENDMENT TO FORBEARANCE AGREEMENT

This **SECOND AMENDMENT TO FORBEARANCE AGREEMENT** (this "**Amendment**"), dated as of May 14, 2021, is made by and among **BASIC ENERGY SERVICES, INC.**, a Delaware corporation (the "**Borrower**"), the Subsidiaries of Borrower party to this Amendment (collectively, the "**Guarantors**"), the Lenders party to this Amendment constituting the Required Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("**Bank of America**"), as administrative agent for the Secured Parties (in such capacity, "**Administrative Agent**"), a Swing Line Lender and an L/C Issuer.

RECITALS

A. The Borrower, the Guarantors, the Lenders and the Administrative Agent are parties to that certain Forbearance Agreement dated as of April 14, 2021 (as amended by that certain Limited Consent and First Amendment to Forbearance Agreement dated as of April 28, 2021, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Forbearance Agreement**"), pursuant to which the Lenders and the Administrative Agent agreed to forbear from exercising their rights and remedies under the Credit Agreement, the other Loan Documents and applicable law until May 15, 2021.

B. The Borrower has requested that the Secured Parties extend the Forbearance Termination Date (as defined in the Forbearance Agreement) and amend certain terms of the Forbearance Agreement.

C. The Required Lenders have agreed to extend the Forbearance Termination Date and amend the Forbearance Agreement on the terms and conditions set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties hereto hereby agree as follows:

1. **Definitions and Interpretations.** As used in this Amendment, each of the terms defined in the introductory paragraph above and the Recitals above have the meanings assigned to such terms therein. Capitalized terms used in this Amendment, but not otherwise defined in this Amendment, have the meanings assigned to such terms in the Forbearance Agreement or the Credit Agreement, as applicable.

2. **Amendments to Forbearance Agreement.**

(a) *Section 1.2* of the Forbearance Agreement is hereby amended by amending and restating the definition of "*Forbearance Termination Date*" set forth therein in its entirety to read as follows:

"**Forbearance Termination Date**" means the earlier to occur of (i) 5:00 p.m., Central Daylight Savings Time, on May 23, 2021, and (ii) the date that any Termination Event occurs for any reason.

(b) *Section 1.2* of the Forbearance Agreement is hereby amended to add the following new definition therein in the appropriate alphabetical order to read as follows:

"**Ad Hoc Bridge Facility Credit Agreement**" means that certain Super Priority Credit Agreement dated as of May 3, 2021 among the Borrower, Cantor Fitzgerald Securities, as Administrative Agent, and the term lenders party thereto evidencing the Ad Hoc Bridge Facility.

(c) *Section 2.13* of the Forbearance Agreement is hereby amended and restated in its entirety to read as follows:

2.13 **Availability Reserve.** The Loan Parties hereby acknowledge that as of May 14, 2021, the Availability Reserve relating to potential accounts payable lien offsets (the "**AP Lien Offset Reserve**") has been increased from \$9,113,000 to \$10,739,000.

(d) *Section 4.6* of the Forbearance Agreement is hereby amended and restated in its entirety to read as follows:

4.6 **Cash Collateral Account.** The Borrower will not be permitted to make any withdrawals from the cash collateral account holding Eligible Pledged Collateral that is included in the Borrowing Base

without the consent of the Administrative Agent, which consent shall be in the Administrative Agent's sole discretion.

(e) *Section 4.8* of the Forbearance Agreement is hereby amended and restated in its entirety to read as follows:

4.8 **Restructuring Term Sheet.** The Borrower will deliver to the Administrative Agent a term sheet reflecting the proposed terms of a restructuring of the Senior Notes, the Bridge Note and the Second Lien Note on or prior to May 14, 2021 (or such later date as the Administrative Agent may agree).

(f) *Sections 4.18* and *4.20* of the Forbearance Agreement are hereby amended in their entirety to read as follows:

4.18 **Restructuring Support Agreement.** The Borrower will deliver to the Administrative Agent, on or prior to May 17, 2021 (or such later date as the Administrative Agent may agree), an executed Restructuring Support Agreement with the Ad Hoc Group pursuant to which the Borrower agrees to pursue a transaction acceptable in all respects to the Ad Hoc Group, the Administrative Agent and the Borrower by commencing voluntary Chapter 11 cases or otherwise agreeing to a mutually acceptable out-of-court restructuring.

4.20 **DIP Credit Agreement.** The Borrower will deliver to the Administrative Agent, on or prior to May 21, 2021 (or such later date as the Administrative Agent may agree), a form of debtor-in-possession credit agreement approved by the Ad Hoc Group, which shall, among other things, provide for a roll up of the Ad Hoc Bridge Facility.

3. **Conditions to Effectiveness.** This Amendment shall become effective only upon satisfaction in full (or waiver) of the following conditions precedent to the satisfaction of the Administrative Agent and the Secured Parties (the first date upon which all such conditions shall have been satisfied, as evidenced by the release of the Administrative Agent's and Required Lenders' signature pages hereto, being herein referred to as the "**Amendment Effective Date**"):

(a) the Administrative Agent shall have received on or before the Amendment Effective Date:

(i) this Amendment, duly executed and delivered by the Borrower, the Guarantors, the Required Lenders and the Administrative Agent;

(ii) an updated Budget;

(iii) evidence of the consent of the requisite number of the lenders under the Ad Hoc Bridge Facility Credit Agreement evidencing the extension of the maturity date of the Ad Hoc Bridge Facility to a date no earlier than May 23, 2021, the extension of certain milestones contained therein and otherwise in form and substance satisfactory to the Administrative Agent; and

(iv) evidence of the consent of the requisite number of holders of the Senior Notes to forbear on exercising rights and remedies with respect to an event of default under the Senior Notes described therein to a date no earlier than May 23, 2021 and otherwise in form and substance satisfactory to the Administrative Agent.

(b) The Borrower shall have paid all costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation, administration or enforcement of this Amendment and any other Loan Documents, and all other matters related or incidental thereto, including, without limitation, all invoiced fees and out-of-pocket expenses of Haynes and Boone, LLP, as counsel for the Administrative Agent, and the invoiced fees and expenses of FTI Consulting, Inc., as financial advisor to the Administrative Agent.

4. **Amendment.** The provisions of this Amendment may be amended or waived only by an instrument in writing signed by the Loan Parties, the Administrative Agent and the Required Lenders.

5. **Ratification.** The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Forbearance Agreement and, except as expressly modified and superseded by this Amendment, the terms and provisions of the Forbearance Agreement are ratified and confirmed and shall continue in full force and effect. Without limiting the generality of the foregoing, the provisions of *Section 8* of the Forbearance Agreement are ratified and reaffirmed as of the Amendment Effective Date. The Loan Parties, the Administrative Agent and the Secured Parties agree that the Forbearance Agreement as amended hereby shall continue to be legal, valid, binding and enforceable in accordance with its terms.

6. **Miscellaneous.**

(a) **Integration; Modification of Agreement; Controlling Agreement.** This Amendment and the Loan Documents embody the entire understanding between the parties hereto and supersedes all prior agreements and understandings (whether written or oral) relating to the subject matter hereof and thereof. The terms of this Amendment may not be waived, modified, altered or amended except by agreement in writing signed by all the parties hereto. This Amendment shall not be construed against the drafter hereof. The terms and provisions set forth in this Amendment control and supersede all inconsistent terms and provisions set forth in any other Loan Documents.

(b) **Severability.** If any term or provision of this Amendment is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Amendment or invalidate or render unenforceable such term or provision in any other jurisdiction.

(c) **Governing Law.** THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(d) **Consent to Jurisdiction; Venue; Service of Process ; Waiver of Jury Trial.** Sections 10.14 and 10.15 of the Credit Agreement are incorporated herein by reference, mutatis mutandis.

(e) **Counterparts; Electronic Execution.** This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "**Communication**"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on each of the Loan Parties to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of each of the Loan Parties enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this **paragraph** may include, without limitation, use or acceptance by the Administrative Agent and each of the Secured Parties of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Secured Parties may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("**Electronic Copy**"), which shall be deemed created in the ordinary course of the such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; *provided, further,* without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Secured Parties shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "**Electronic Record**" and "**Electronic Signature**" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time

**[Remainder of Page Intentionally Left Blank;
Signature Page(s) Follow(s).]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date set forth on the first page hereof.

BORROWER:

BASIC ENERGY SERVICES, INC., a Delaware corporation

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

[Signature Page to Second Amendment to Forbearance Agreement]

GUARANTORS

**BASIC ENERGY SERVICES GP, LLC
BASIC ENERGY SERVICES LP, LLC
BASIC ESA, INC.
SCH DISPOSAL, L.L.C.
TAYLOR INDUSTRIES, LLC
AGUA LIBRE HOLDCO LLC
AGUA LIBRE ASSET CO LLC
AGUA LIBRE MIDSTREAM LLC
C&J WELL SERVICES, INC.
KVS TRANSPORTATION, INC.
INDIGO INJECTION #3, LLC**

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

BASIC ENERGY SERVICES, L.P.

By: Basic Energy Services GP, LLC, its General Partner

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

[Signature Page to Second Amendment to Forbearance Agreement]

ADMINISTRATIVE AGENT AND LENDERS:

BANK OF AMERICA, N.A., as Administrative Agent, a Lender, an L/C Issuer and Swing Line Lender

By: /s/ Tanner J. Pump

Name: Tanner J. Pump

Title: Senior Vice President

[Signature Page to Second Amendment to Forbearance Agreement]

UBS AG, STAMFORD BRANCH, as a Lender
and a L/C Issuer

By: /s/ Anthony N Joseph
Name: Anthony N Joseph
Title: Associate Director

By: /s/ Ken Chin
Name: Ken Chin
Title: Director

[Signature Page to Second Amendment to Forbearance Agreement]

SIEMENS FINANCIAL SERVICES, INC., as a
Lender

By: /s/ Maria Levy
Name: Maria Levy
Title: Authorized Signer

By: /s/ Mark S. Schafer
Name: Mark S. Schafer
Title: Vice President

[Signature Page to Second Amendment to Forbearance Agreement]

ASCRIBE III INVESTMENTS, LLC

299 Park Avenue, 34th Floor
New York, NY 10171

CONFIDENTIAL

May 14, 2021

Amendment to Consent Letter

Basic Energy Services, Inc.
801 Cherry Street, Suite 2100
Fort Worth, Texas 76102

Re: Extension of Forbearance Period

This Amendment to Consent Letter (the "Amendment") amends that certain Consent Letter, dated as of May 3, 2021, by Ascribe III Investments LLC ("Ascribe") and agreed to by Basic Energy Services, Inc. ("Basic") (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Consent Letter"). Capitalized terms used but not otherwise defined herein are used with the meanings assigned to such terms in the Consent Letter.

By signing below, Ascribe agrees to amend the Consent Letter such that the reference therein to "May 15, 2021" be replaced with "May 23, 2021".

This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this letter agreement by facsimile or other electronic transmission (including ".pdf", ".tif" or similar format) shall be effective as delivery of a manually executed counterpart hereof. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

ASCRIBE III INVESTMENTS LLC

By: _____ /s/ Lawrence First
Name: Lawrence First
Title: Chief Investment Officer

[Signature Page to Amendment]

Accepted and agreed to as of
the date first above written:

BASIC ENERGY SERVICES, INC.

By: /s/ Keith L. Schilling
Name: Keith L. Schilling
Title: President and Chief Executive Officer

[Signature Page to Amendment]

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO
RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Keith L. Schilling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Basic Energy Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

/s/ Keith L. Schilling

Keith L. Schilling
Chief Executive Officer

**CERTIFICATION BY CHIEF FINANCIAL OFFICER PURSUANT TO
RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Adam L. Hurley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Basic Energy Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

/s/ Adam L. Hurley

Adam L. Hurley
Chief Financial Officer

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Basic Energy Services, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Keith L. Schilling, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Keith L. Schilling

Keith L. Schilling
Chief Executive Officer

May 17, 2021

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Basic Energy Services, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam L. Hurley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adam L. Hurley

Adam L. Hurley
Chief Financial Officer

May 17, 2021