



SERIES ADJUSTMENT - 1278-08

July 02, 2008

BASIC ENERGY SERVICES, INC. (BAS) Pending Merger with GREY WOLF INC (GW)

On Tuesday, July 15, 2008, the shareholders of Basic Energy Services, Inc. (BAS) will vote to approve the proposed merger with Grey Wolf Inc (GW). If the merger is approved and consummated, each BAS share will be converted into the right to receive 0.9195 GW Common Shares and \$6.70 cash. Cash will be paid in lieu of fractional GW shares.

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the Offer terms and conditions.*

Pending Contract Adjustments

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Basic Energy Services, Inc. options will be adjusted as follows:

Adjustment Date:	Effective the opening of business day after the merger is consummated
PHLX Underlying Symbol(s):	BAS becomes GW
OPRA Option Symbol(s):	BAS becomes BAW
No. Of Contracts :	Unchanged
Strike Prices:	Unchanged
Multiplier:	100 (e.g. Premium of 1.00 = \$100)
New Deliverable/Contract:	1) 91 shares of GREY WOLF INC(GW) 2) Cash in lieu of 0.95 fractional GREY WOLF INC(GW) shares. 3) \$670.00 cash per contract (\$6.70 x 100)

GTC Order Cancellation:

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Position and Exercise Limits:

Position and exercise limits will change from 7,500,000 to 32,500,000 contracts until the expiration date of Saturday, January 17, 2009.

Adjusted Exercise Prices:

Effective with the opening of business, after the date the merger is consummated, trading in BAS will be on an adjusted basis. The strike price adjustments below are expected based on the current outstanding series.

Any additional BAS series added prior to the merger date will also be adjusted in the manner outlined below.

BASIC ENERGY SERVICES, INC.(BAS/BAS)
(Before 7/16/2008)
100 shrs BAS

GREY WOLF INC(GW/BAW)
(Beginning 7/16/2008)
See New Deliverable Above

<u>PHLX Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>	<u>PHLX Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>
BAS8Jul15.0C/P	BAS	Jul	15	GC/SC	BAW8Jul15.0C/P	BAW	Jul	15	GC/SC
BAS8Jul17.5C/P	BAS	Jul	17.5	GW/SW	BAW8Jul17.5C/P	BAW	Jul	17.5	GW/SW
BAS8Jul20.0C/P	BAS	Jul	20	GD/SD	BAW8Jul20.0C/P	BAW	Jul	20	GD/SD
BAS8Jul22.5C/P	BAS	Jul	22.5	GX/SX	BAW8Jul22.5C/P	BAW	Jul	22.5	GX/SX
BAS8Jul25.0C/P	BAS	Jul	25	GE/SE	BAW8Jul25.0C/P	BAW	Jul	25	GE/SE
BAS8Jul30.0C/P	BAS	Jul	30	GF/SF	BAW8Jul30.0C/P	BAW	Jul	30	GF/SF
BAS8Jul35.0C/P	BAS	Jul	35	GG/SG	BAW8Jul35.0C/P	BAW	Jul	35	GG/SG
BAS8Aug22.5C/P	BAS	Aug	22.5	HX/TX	BAW8Aug22.5C/P	BAW	Aug	22.5	HX/TX
BAS8Aug25.0C/P	BAS	Aug	25	HE/TE	BAW8Aug25.0C/P	BAW	Aug	25	HE/TE
BAS8Aug30.0C/P	BAS	Aug	30	HF/TF	BAW8Aug30.0C/P	BAW	Aug	30	HF/TF
BAS8Aug35.0C/P	BAS	Aug	35	HG/TG	BAW8Aug35.0C/P	BAW	Aug	35	HG/TG
BAS8Aug40.0C/P	BAS	Aug	40	HH/TH	BAW8Aug40.0C/P	BAW	Aug	40	HH/TH
BAS8Oct17.5C/P	BAS	Oct	17.5	JW/VW	BAW8Oct17.5C/P	BAW	Oct	17.5	JW/VW
BAS8Oct20.0C/P	BAS	Oct	20	JD/VD	BAW8Oct20.0C/P	BAW	Oct	20	JD/VD
BAS8Oct22.5C/P	BAS	Oct	22.5	JX/VX	BAW8Oct22.5C/P	BAW	Oct	22.5	JX/VX
BAS8Oct25.0C/P	BAS	Oct	25	JE/VE	BAW8Oct25.0C/P	BAW	Oct	25	JE/VE
BAS8Oct30.0C/P	BAS	Oct	30	JF/VF	BAW8Oct30.0C/P	BAW	Oct	30	JF/VF
BAS8Oct35.0C/P	BAS	Oct	35	JG/VG	BAW8Oct35.0C/P	BAW	Oct	35	JG/VG
BAS9Jan22.5C/P	BAS	Jan	22.5	AX/MX	BAW9Jan22.5C/P	BAW	Jan	22.5	AX/MX
BAS9Jan25.0C/P	BAS	Jan	25	AE/ME	BAW9Jan25.0C/P	BAW	Jan	25	AE/ME
BAS9Jan30.0C/P	BAS	Jan	30	AF/MF	BAW9Jan30.0C/P	BAW	Jan	30	AF/MF
BAS9Jan35.0C/P	BAS	Jan	35	AG/MG	BAW9Jan35.0C/P	BAW	Jan	35	AG/MG
BAS9Jan40.0C/P	BAS	Jan	40	AH/MH	BAW9Jan40.0C/P	BAW	Jan	40	AH/MH

Questions regarding this release may be directed to Listings Administration at 1-800-THE-PHLX, choice #2, or (215) 496-5380.