

BASIC ENERGY SERVICES INC

Form 8-K

March 08, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 2, 2006

Basic Energy Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-32693

(Commission
File Number)

54-2091194

(IRS Employer
Identification No.)

400 W. Illinois, Suite 800

Midland, Texas

(Address of principal executive
offices)

79701

(Zip Code)

Registrant's telephone number, including area code: **(432) 620-5500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On March 2, 2006, the Board of Directors of Basic Energy Services, Inc. (the Company) approved the recommendations of its Compensation Committee with respect compensation for the Company's named executive officers and certain of its employees. The Board approved the payment of year-end cash bonuses for the year ended December 31, 2005 and approved base salaries for the named executive officers, as set forth below.

Name and Current Position	Year	Base Salary(1)	2005 Cash Compensation		Total Cash Bonuses
			Quarterly Bonus Plan Payments (% Base Salary/\$)	Year-End Cash Bonus	
Kenneth V. Huseman President and Chief Executive Officer	2006	\$ 400,000			
	2005	\$ 325,000	N/A	\$ 275,000	\$ 275,000
Alan Krenek Senior Vice President and Chief Financial Officer	2006	\$ 240,000			
	2005	\$ 185,000	N/A	\$ 150,000	\$ 150,000
James J. Carter Executive Vice President	2006	\$ 170,000			
	2005	\$ 170,000	N/A	\$ 60,000	\$ 60,000
Charles W. Swift Vice President Permian Division	2006	\$ 160,000			
	2005	\$ 150,000	60%/\$90,068	\$ 5,000	\$ 95,068
Dub W. Harrison Vice President Safety & Maintenance	2006	\$ 150,000			
	2005	\$ 140,000	25%/\$35,000	\$ 13,000	\$ 48,000

(1) 2006 base salaries are effective March 19, 2006.

The Compensation Committee bases its decisions with respect to executive compensation, including cash bonus incentives, on a number of factors, including the Company's financial performance, the achievement of certain strategic goals and each executive's contribution to the Company's overall performance.

Messrs. Swift and Harrison received cash bonuses during 2005 as part of the Company's quarterly incentive bonus plans. The quarterly cash bonuses paid to Mr. Swift during 2005 were based on an EBITDA percentage of capital employed in operations for which he was responsible, without any limits as a percentage of his salary. The quarterly cash bonuses paid to Mr. Harrison during 2005 under a corporate-level bonus plan were based on consolidated net income returned on capital employed, subject to a limit of 25% of his quarterly salary. The actual total 2005 quarterly bonus plan payments to Messrs. Swift and Harrison were \$90,068 and \$35,000, respectively.

The Company is currently reviewing, and intends to establish targets with respect to, quarterly bonus plans for division managers and corporate staff level vice presidents for 2006.

SIGNATURES

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

Basic Energy Services, Inc.

Date: March 8, 2006

By: /s/ Alan Krenek
Alan Krenek
Vice President and Chief Financial
Officer