

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name C&J ENERGY SERVICES INC.			2 Issuer's employer identification number (EIN) 81-4808566	
3 Name of contact for additional information Daniel Jenkins	4 Telephone No. of contact 713-325-6000	5 Email address of contact Daniel.Jenkins@cjes.com		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3990 ROGERDALE			7 City, town, or post office, state, and Zip code of contact HOUSTON, TEXAS 77042	
8 Date of action JANUARY 6, 2017		9 Classification and description COMMON STOCK AND WARRANTS TO PURCHASE COMMON STOCK		
10 CUSIP number SEE ATTACHMENT	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHMENT

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
SEE ATTACHMENT

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Robin Murray* Date ▶ 2.13.17
Print your name ▶ Robin Murray Title ▶ VP-Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

C&J Energy Services Inc.

Attachment to Form 8937, Report of Organizational Action Affecting Basis of Securities

Form 8937, Part II, Line 10

Description	CUSIP #
New Common Stock	12674R100
New Warrants	12467B114

Form 8937, Part II, Line 14

On January 6, 2017 (the “Effective Date”), CJ Holding Co. (“Holdco”), C&J Energy Services Ltd. (“Old C&J”) and their debtor affiliates (collectively, the “Debtors,” and following the Reorganization, the “Reorganized Debtors”) completed a financial restructuring under chapter 11 of the Bankruptcy Code (the “Reorganization”). As part of the Reorganization, (1) Holdco formed C&J Energy Services Inc., a Delaware corporation (“New C&J”), (2) New C&J formed C&J Merger Sub, Inc., a Delaware corporation (“Merger Sub”), and (3) Merger Sub merged with and into Holdco, with Holdco surviving as a wholly owned subsidiary of New C&J (the “Merger”). Pursuant to the Reorganization, (1) in full and final satisfaction of \$1,333,800,000 of secured claims relating to the Debtors’ term loan B facility (comprised of two tranches, term loan B-1 maturing on March 24, 2020 and term loan B-2 maturing on March 24, 2022) and revolving credit facility (the “Revolving Credit Facility”), plus unpaid accrued interest (such claims and interest, the “Lender Claims”), certain secured creditors (the “Secured Lenders”) received shares representing 100% of Holdco’s issued and outstanding common stock (which, pursuant to the Merger, were exchanged for shares representing 100% of New C&J’s issued and outstanding common stock (the “New Common Stock”) and subscription rights to purchase, pursuant to a rights offering, additional shares of New Common Stock (the “Subscription Rights”, and such offering, the “Rights Offering”), (2) in full and final satisfaction of certain unsecured claims (the “General Unsecured Claims”),¹ holders of allowed General Unsecured Claims (the “General Unsecured Creditors”) received the right to receive warrants to acquire New Common Stock and cash (collectively, the “Unsecured Creditor Recovery Pool”), which was transferred, on the Effective Date, to a liquidating trust (the “Liquidating Trust”) for the benefit of the General Unsecured Creditors, and (3) in exchange for the common stock of Old C&J (the “Old Common Stock”), the shareholders of Old C&J (“Legacy Stockholders”) received warrants to acquire New Common Stock.

Form 8937, Part II, Line 15

On the Effective Date, New C&J issued:

¹ Under the Debtors’ chapter 11 plan (the “Plan”), certain unsecured claims (generally claims in the amount of \$15,000 or less and claims in excess of \$15,000 the holders of which elected to have reduced to \$15,000) are treated as “Class 5 Convenience Class Claims” rather than “Class 6 General Unsecured Claims,” and to the extent allowed pursuant to the Plan, receive solely cash in full and final satisfaction thereof. Holders of Class 5 Convenience Class Claims should consult their own tax advisors regarding the U.S. federal income tax consequences of the receipt of cash in full and final satisfaction of their Class 5 Convenience Class Claims.

(1) 55,463,903 shares of New Common Stock, par value of \$0.01 per share. Of these shares of New Common Stock:

- 39,999,997 shares were issued pro rata to Secured Lenders with respect to allowed Lender Claims;
- 14,408,789 shares were issued to participants in the Rights Offering at a per share purchase price of \$13.58;
- 318,743 shares were issued to certain backstop parties under such parties' commitment to purchase unsubscribed shares in the Rights Offering at a per share purchase price of \$13.58; and
- 736,374 shares were issued to certain backstop parties as a put option premium and at a per share purchase price of \$13.58.

(2) 1,180,083 warrants (subject to adjustments pursuant to the terms of such warrants) at an initial exercise price of \$27.95 (subject to adjustments pursuant to the terms of such warrants) to the Legacy Stockholders (the "Interest Holder New Warrants").

On the Effective Date, the Debtors funded the Liquidating Trust with the Unsecured Creditor Recovery Pool, which includes the right to receive up to 2,360,166 warrants (subject to adjustments pursuant to the terms of such warrants) at an initial exercise price of \$27.95 (subject to adjustments pursuant to the terms of such warrants) (the "Unsecured Creditor New Warrants") and, together with the Interest Holder New Warrants, the "New Warrants"). The Unsecured Creditor New Warrants shall be issued to the Unsecured Claims Representative in accordance with the Plan, the Confirmation Order, the Unsecured Creditor Agreement and the Warrant Agreement. For U.S. federal income tax purposes, all assets held by the Liquidating Trust are intended to be treated as if such assets had been distributed by the Debtors or the Reorganized Debtors pro rata to the General Unsecured Creditors and then contributed by the General Unsecured Creditors to the Liquidating Trust in exchange for interests in the Liquidating Trust. The Liquidating Trust is intended to qualify as a "liquidating trust" (except to the extent the trust is treated as a disputed ownership fund, as explained below) within the meaning of Treas. Reg. § 301.7701-4(d) and as a "grantor trust" within the meaning of Sections 671 through 677 of the Internal Revenue Code (the "Code"), with the General Unsecured Creditors being treated as the grantors and the beneficiaries (the "Beneficiaries") of their respective shares of the Unsecured Creditor Recovery Pool. Further, the Liquidating Trust is intended to comply with the conditions and requirements set forth in Rev. Proc. 94-45, 1994-2 C.B. 684.

Any portion of the Liquidating Trust that is treated as a disputed ownership fund (a "Disputed Claims Reserve"), is intended to qualify as a "disputed ownership fund" within the meaning of Treas. Reg. § 1.468B-9, and the Unsecured Claims Representative (defined below) shall make any elections and comply with the conditions and requirements set forth in such Treasury Regulations.

Exchange of the Lender Claims for New Common Stock and the Subscription Rights:

New C&J intends to take the position that the exchange of New Common Stock and the Subscription Rights for the Lender Claims (other than Lender Claims relating to the Revolving Credit Facility) qualifies as a recapitalization under Section 368(a)(1)(E) of the Code. Assuming such exchange qualifies as a recapitalization under Section 368(a)(1)(E) of the Code, a Secured Lender exchanging such a Lender Claim would not recognize gain or loss on the exchange and would hold the New Common Stock (other than any New Common Stock attributable to the Revolving Credit Facility, to accrued but unpaid interest and to any New Common Stock received pursuant to the exercise of its Subscription Rights) received in the exchange with the same aggregate tax basis as such Secured Lender's tax basis in such Lender Claims immediately prior to the Reorganization. New C&J has no information regarding any Secured Lender's tax basis in the Lender Claims.

To the extent the exchange of New Common Stock and Subscription Rights for the Lender Claims does not qualify as a recapitalization under Section 368(a)(1)(E) of the Code, a Secured Lender would recognize gain or loss in an amount equal to the difference between the fair market value of the New Common Stock and the Subscription Rights received and such Secured Lender's adjusted basis in its Lender Claim that does not qualify for recapitalization treatment. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Secured Lender, the nature of the Lender Claim in such Secured Lender's hands, whether the Lender Claim was purchased at a discount, and whether and to what extent the Secured Lender previously has claimed a bad debt deduction with respect to its Lender Claim. In addition, a Secured Lender generally should be taxed at the rates applicable to interest income (to the extent not already taken into income by the Secured Lender) on the value of any New Common Stock and Subscription Rights received in exchange for accrued but unpaid interest. A Secured Lender's combined tax basis in the New Common Stock and Subscription Rights received in such exchange should equal the fair market value of the New Common Stock and Subscription Rights on the Effective Date. Secured Lenders should consult their own tax advisors regarding the appropriate treatment for U.S. federal income tax purposes of their exchange of Lender Claims for New Common Stock and Subscription Rights.

In the event a Secured Lender elects to exercise its Subscription Rights, such exercise is intended to be treated as the exercise of an option and such Secured Lender should not recognize gain or loss on the exercise. In such case, the Secured Lender's aggregate tax basis in the New Common Stock received as a result of the exercise of the Subscription Rights should be equal to the sum of the cash paid to exercise the Subscription Rights plus the Secured Lender's tax basis in the Subscription Rights immediately before the option is exercised. Secured Lenders should consult their own tax advisors to determine their tax basis in such shares.

Exchange of General Unsecured Claims for Unsecured Creditor New Warrants:

Subject to the treatment of the Disputed Claims Reserve, a General Unsecured Creditor that receives an interest in the Liquidating Trust should recognize gain or loss in an amount equal to the difference between the fair market value of such General Unsecured Creditor's pro rata share of the assets composing the Unsecured Creditor Recovery Pool and such General Unsecured Creditor's adjusted tax basis in its General Unsecured Claim. A General Unsecured Creditor's tax

basis in the Unsecured Creditor New Warrants should equal the fair market value of such warrants as of the Effective Date. To the extent that a portion of the Liquidating Trust is treated as a Disputed Claims Reserve, although not free from doubt, a General Unsecured Creditor should not recognize gain or loss on the date the property is transferred to the Disputed Claims Reserve. Instead, gain or loss should be recognized by such General Unsecured Creditor when and to the extent property is actually distributed to such General Unsecured Creditor, calculated as if such property was distributed directly to such General Unsecured Creditor by the Debtors or the Reorganized Debtors. The General Unsecured Creditors should consult their own tax advisors regarding the tax consequences of their receipt of interests in the Liquidating Trust and the Disputed Claims Reserve.

Pursuant to the General Unsecured Creditors Agreement, a representative appointed by the General Unsecured Creditors (the “Unsecured Claims Representative”) will determine, as of the Effective Date, the fair market value of the Unsecured Creditor Recovery Pool (including the Unsecured Creditor New Warrants) other than cash, and will notify the Reorganized Debtors and the Beneficiaries of such valuation. Such valuation is binding on the Debtors, the Reorganized Debtors, the Unsecured Claims Representative and the Beneficiaries for all U.S. federal income tax purposes.

Exchange of Old Common Stock for Interest Holder New Warrants:

While the matter is not free from doubt, New C&J intends to take the position that the receipt of Interest Holder New Warrants by Legacy Stockholders in exchange for Old Common Stock is a taxable exchange under Section 1001 of the Code because the Legacy Stockholders received solely warrants. Assuming the Interest Holder New Warrants are received in a taxable exchange under Section 1001 of the Code, a Legacy Stockholder would recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between (1) the fair market value of its share of the Interest Holder New Warrants and (2) the Legacy Stockholder’s adjusted tax basis in its Old Common Stock. Such gain or loss should be capital gain or loss and should be long-term capital gain or loss if the Old Common Stock was held for more than one year by the Legacy Stockholder. New C&J has no information regarding any Legacy Stockholder’s tax basis or holding period in the Old Common Stock. Legacy Stockholders should be aware that the Unsecured Claims Representative will establish a value with respect to the Unsecured Creditor New Warrants that is binding on the Reorganized Debtors. Although not covered by the General Unsecured Creditors Agreement, the Interest Holder New Warrants are issued at the same time and exercise price as the Unsecured Creditor New Warrants. A Legacy Stockholder’s initial tax basis in the Interest Holder New Warrants should be the fair market value of the Interest Holder New Warrants as of the Effective Date. Legacy Stockholders should consult their tax and financial advisors to determine the fair market value to be used for the Interest Holder New Warrants. Notwithstanding the foregoing, a Legacy Stockholder that claimed a worthless stock deduction with respect to Old Common Stock should consult its own tax advisors regarding the appropriate treatment of the exchange of such Legacy Stockholder’s Old Common Stock for Interest Holder New Warrants.

Form 8937, Part II, Line 16

Exchange of the Lender Claims for New Common Stock and the Subscription Rights:

Assuming the exchange of New Common Stock and the Subscription Rights for the Lender Claims (other than Lender Claims relating to the Revolving Credit Facility) qualifies as a recapitalization under Section 368(a)(1)(E) of the Code, a Secured Lender exchanging such a Lender Claim would hold the New Common Stock (other than New Common Stock attributable to the Revolving Credit Facility, to accrued but unpaid interest and to any New Common Stock received pursuant to the exercise of its Subscription Rights) received in exchange for such Lender Claim with the same aggregate tax basis as its aggregate tax basis in such Lender's Claims immediately prior to the recapitalization. New C&J has no information regarding any Secured Lender's tax basis in its Lender Claim. Secured Lenders should consult their own tax advisors to determine the basis of each share of New Common Stock received in the exchange.

To the extent the exchange of New Common Stock and Subscription Rights for the Lender Claims does not qualify as a recapitalization under Section 368(a)(1)(E) of the Code, a Secured Lender's combined tax basis in the New Common Stock and Subscription Rights received in such exchange should equal the fair market value of the New Common Stock and Subscription Rights on the Effective Date. U.S. federal income tax laws do not specify how to determine the fair market value of the New Common Stock and Subscription Rights on the Effective Date. There are numerous approaches that could be used to determine the fair market value of the New Common Stock and Subscription Rights for U.S. federal income tax purposes. One approach is to value the New Common Stock and Subscription Rights based on the trading price of the New Common Stock on the over-the-counter market on or shortly after the Effective Date. Other approaches to valuation may be available for U.S. federal income tax purposes. Secured Lenders should consult their own tax and financial advisors to determine the fair market value to be used for determining such Secured Lenders' tax basis in any New Common Stock and Subscription Rights received in a taxable exchange.

A Secured Lender's aggregate tax basis in the New Common Stock received as a result of the exercise of the Subscription Rights is equal to the sum of the cash paid to exercise the Subscription Rights plus the Secured Lender's adjusted tax basis in the Subscription Rights immediately before such rights are exercised. A Secured Lender may determine its tax basis per share of New Common Stock received as a result of the exercise of its Subscription Rights by dividing this aggregate tax basis by the number of shares of New Common Stock received upon exercise of such Subscription Rights.

Exchange of General Unsecured Claims for Unsecured Creditor New Warrants:

A General Unsecured Creditor's tax basis in its pro rata share of the Unsecured Creditor New Warrants should equal the fair market value of such warrants as of the Effective Date. Pursuant to the General Unsecured Creditors Agreement, the Unsecured Claims Representative must determine this value and notify the Reorganized Debtors and the Beneficiaries of such valuation. Such valuation is binding on the Debtors, the Reorganized Debtors, the Unsecured Claims Representative and the Beneficiaries for all U.S. federal income tax purposes.

Exchange of Old Common Stock for Interest Holder New Warrants:

A Legacy Stockholder's initial tax basis in the Interest Holder New Warrants should be the fair market value of the Interest Holder New Warrants as of the Effective Date. Legacy Stockholders should be aware that the Unsecured Claims Representative will establish a value with respect to the Unsecured Creditor New Warrants that is binding on the Reorganized Debtors. Although not covered by the General Unsecured Creditors Agreement, the Interest Holder New Warrants are issued at the same time and exercise price as the Unsecured Creditor New Warrants. Legacy Stockholders should consult their tax and financial advisors to determine the fair market value to be used for the Interest Holder New Warrants.

Form 8937, Part II, Line 17

Exchange of the Lender Claims for New Common Stock and the Subscription Rights:

Sections 354(a), 358, 368(a)(1)(E), 1012 and 1234 of the Code.

Exchange of General Unsecured Claims for Unsecured Creditor New Warrants:

Sections 301, 671, 672, 673, 674, 675, 676, 677, 678, 679 and 7701 of the Code.

Exchange of Old Common Stock for Interest Holder New Warrants:

Sections 1001 and 1012 of the Code.

Form 8937, Part II, Line 18

Exchange of the Lender Claims for New Common Stock and the Subscription Rights:

Assuming the exchange qualifies as a recapitalization under Section 368(a)(1)(E) of the Code, no loss can be recognized for U.S. federal income tax purposes with regard to the exchange of the Lender Claims for New Common Stock.

If the Secured Lender elects not to exercise its Subscription Rights, such lender may be entitled to claim a loss equal to the amount of tax basis allocated to the Subscription Rights received in the Reorganization. Such Secured Lenders should consult their own tax advisors to determine the tax basis of such Subscription Rights and any loss limitations.

Exchange of General Unsecured Claims for Unsecured Creditor New Warrants:

A General Unsecured Creditor that receives an interest in the Unsecured Creditor Recovery Pool generally should recognize gain or loss equal to the difference between the fair market value of such interest and such General Unsecured Creditor's tax basis in its General Unsecured Claim. Taxable income, gain or loss earned by the Liquidating Trust, whether or not distributed to the Beneficiaries, may constitute taxable income, gain or loss to the Beneficiaries.

Exchange of Old Common Stock for Interest Holder New Warrants:

Legacy Stockholders should recognize gain or loss for U.S. federal income tax purposes on the exchange of Old Common Stock for Interest Holder New Warrants.

Form 8937, Part II, Line 19

The transaction occurred on January 6, 2017. New C&J cannot offer tax advice. Creditors and shareholders should consult their own tax advisors regarding the application of the Code and other applicable tax rules to their particular circumstances. The reportable tax year is 2017 with respect to calendar year taxpayers.