Independence Contract Drilling, Inc.
Form PREM14A
July 31, 2018
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SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Independence Contract Drilling, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

   Common stock, par value $0.01 per share
2. Aggregate number of securities to which transaction applies:

   38,252,765 shares of common stock
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

   $3.75 (the average of the high and low prices per share on July 25, 2018, as quoted on the NYSE)
4. Proposed maximum aggregate value of transaction:

   $143,447,869, which is the product of $3.75 per share multiplied by 38,252,765
5. Total fee paid:

   $17,859.26

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1. Amount previously paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On , 2018

TO OUR STOCKHOLDERS:

A Special Meeting of Stockholders of Independence Contract Drilling, Inc. (the Company) will be held at the Company s principal executive offices, located at 11601 N. Galayda Street, Houston, TX 77086, on , 2018 at a.m., local time, to consider and act upon the following matters:

1. To approve the issuance of 36,752,657 shares of the Company s common stock as consideration to the holders of units in Sidewinder Drilling LLC (Sidewinder) in connection with the Agreement and Plan of Merger (the Merger Agreement), dated as of July 18, 2018, by and among the Company, Patriot Saratoga Merger Sub, LLC, (Merger Sub), Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative (such proposal, the Stock Issuance Proposal).

2. To approve an amendment to the Company s certificate of incorporation to increase the authorized number of shares of the Company s common stock from 100,000,000 shares to 200,000,000 shares (such proposal, the Charter Amendment Proposal).

3. The adjournment or postponement of the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting to approve the Stock Issuance Proposal.

The Stock Issuance Proposal is not conditioned on approval of the Charter Amendment Proposal, but the Charter Amendment Proposal is conditioned on approval of the Stock Issuance Proposal and the consummation of the merger contemplated by the Merger Agreement (the Merger).

Only stockholders of record at the close of business on , 2018, the record date fixed by the Company s board of directors, are entitled to notice of and to vote at the special meeting and any adjournment thereof.

IF YOU PLAN TO ATTEND: Please bring valid picture identification, such as a driver s license or passport. Stockholders holding stock in brokerage accounts (street name holders) will also need to bring a copy of a brokerage statement reflecting their stock ownership as of the record date. Cameras, cell phones, recording devices and other electronic devices will not be permitted at the meeting.

Sincerely,

Philip A. Choyce

Corporate Secretary

Houston, Texas

, 2018

THE BOARD OF DIRECTORS WELCOMES STOCKHOLDERS WHO WISH TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE. A PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE MEETING AND YOUR COOPERATION WILL BE APPRECIATED. STOCKHOLDERS WHO ATTEND THE MEETING MAY VOTE THEIR STOCK PERSONALLY EVEN THOUGH THEY HAVE SENT IN THEIR PROXIES.

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INDEPENDENCE CONTRACT DRILLING, INC.

11601 N. Galayda Street

Houston, TX 77086

PROXY STATEMENT

, 2018

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board or Board of Directors) of Independence Contract Drilling, Inc. (the Company or ICD) for use at a Special Meeting o Stockholders of the Company to be held at the offices of the Company at 11601 N. Galayda Street, Houston, TX 77086, on , 2018 at a.m., local time, and any adjournments thereof (the Special Meeting).

Only stockholders of record at the close of business on , 2018 will be entitled to notice of and to vote at the Special Meeting. As of , 2018, 38,252,765 shares of common stock, par value $0.01 per share, of the Company (Common Stock) were outstanding. Stockholders are entitled to cast one vote for each share held of record at the close of business on , 2018 on each matter submitted to a vote at the Special Meeting. Any stockholder may revoke a proxy at any time prior to its exercise by filing a later-dated proxy or a written notice of revocation with the Secretary of the Company, or by voting in person at the Special Meeting. If a stockholder is not attending the Special Meeting, any proxy or notice should be returned in time for receipt no later than the close of business on the day preceding the Special Meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of our common stock entitled to vote at the Special Meeting is necessary to establish a quorum for the transaction of business. Abstentions and broker non-votes are counted as present or represented for purposes of determining the presence or absence of a quorum. A non-vote occurs when a broker holding shares for a beneficial owner does not vote on a proposal because the broker does not have discretionary voting power and has not received instructions from the beneficial owner. On the Stock Issuance Proposal (as defined below) and the Charter Amendment Proposal (as defined below) and the adjournment of the Special Meeting proposal, an affirmative vote of at least a majority of the shares present, in person or represented by proxy, and voting on that matter is required for approval. An automated system administered by the Company s transfer agent tabulates the votes. The vote on each matter submitted to stockholders is tabulated separately. Abstentions are included in the number of shares present or represented and voting on each matter and therefore, with respect to votes on specific proposals, will have the effect of negative votes. Broker non-votes are not so included.

At the Special Meeting, proposals (1) to approve the issuance of 36,752,657 shares of the Company s common stock (the Specified Parent Common Stock) as consideration to the holders of units in Sidewinder Drilling LLC (Sidewinder) in connection with the Agreement and Plan of Merger, dated as of July 18, 2018 by and among the Company, Patriot Saratoga Merger Sub, LLC, (Merger Sub), Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative (the Merger Agreement, and the transactions contemplated thereunder, including Merger Sub merging with and into Sidewinder, with Sidewinder surviving the merger as a wholly-owned subsidiary of the Company, the Merger) (such proposal the Stock Issuance Proposal) and (2) to approve an amendment to the Company s certificate of incorporation to increase the authorized number of shares of the Company s common stock from 100,000,000 to 200,000,000 (the Charter Amendment Proposal) will be subject to a vote of stockholders. **The Stock Issuance Proposal is not conditioned on approval of the Charter Amendment**

Proposal, but the Charter Amendment Proposal is conditioned on approval of the Stock Issuance Proposal and the consummation of the Merger.

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The stockholders will also consider and vote upon a possible adjournment or postponement of the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting of stockholders to approve the Stock Issuance Proposal. Where a choice has been specified on the proxy with respect to the foregoing proposals, the shares represented by the proxy will be voted in accordance with the specifications. If no specification is indicated on the proxy card, the shares represented by the proxy will be voted (1) **FOR** approval of the Stock Issuance Proposal, (2) **FOR** approval of the Charter Amendment Proposal, and (3) **FOR** the adjournment or postponement of the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting.

The Board knows of no other matters to be presented at the Special Meeting. If any other matter should be presented at the Special Meeting upon which a vote properly may be taken, shares represented by all proxies received by the Board will be voted with respect thereto in accordance with the judgment of Byron A. Dunn and Philip A. Choyce, each of whom is named as attorney-in-fact in the proxies.

This proxy statement and the accompanying notice and form of proxy will be first mailed to stockholders on or about , 2018.

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INDEPENDENCE CONTRACT DRILLING, INC.

PROXY STATEMENT

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IMPORTANT INFORMATION ABOUT THE SPECIAL MEETING AND VOTING

The following questions and answers briefly address some commonly asked questions about the Special Meeting and this proxy statement. They may not include all the information that is important to you. You should carefully read this entire proxy statement, including the annexes and the other documents referred to herein.

Q: Why are you receiving this proxy statement?

A: The Company s Board is soliciting your proxy to vote at a special meeting of our stockholders to be held at the offices of ICD (the Special Meeting), which are located at 11601 N. Galayda Street, Houston, TX 77086, on , 2018 at a.m., local time and any adjournment of the Special Meeting. The proxy statement along with the accompanying Notice of Special Meeting of Stockholders summarizes the purposes of the Special Meeting and the information you need to know to vote at the Special Meeting.

We have sent you this proxy statement, the Notice of Special Meeting of Stockholders and the proxy card because you owned shares of ICD common stock on the record date. The Company intends to commence distribution of the proxy materials to stockholders on or about , 2018.

Our stock is listed on the New York Stock Exchange (the NYSE). Section 312.03(c) of the NYSE Listed Companies Manual requires listed companies to obtain stockholder approval of issuances of common stock in certain circumstances, including in connection with the acquisition of the stock or assets of another company, among other matters, if:

- the common stock has, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock; or

- the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of shares of common stock outstanding before the issuance of the common stock or of securities convertible into or exercisable for common stock.

Section 312.03(d) of the NYSE Listed Companies Manual also requires listed companies to obtain stockholder approval prior to an issuance that will result in a change of control of the issuer. You are being asked to approve the Share Issuance Proposal because the number of shares that we intend to issue in connection with the Merger involves, or may involve, the circumstances listed above. Consequently, our stockholders approval of the issuance of these shares is a required condition to closing the Merger.

We are also seeking approval of the Charter Amendment Proposal in order to leave sufficient room in our authorized capital following the Merger to continue to operate, and for use in connection with future financings, to future incentive plans approved by our stockholders or as consideration for future acquisitions. Based on our 38,252,765 shares of outstanding common stock as of July 18, 2018 and after giving effect to the issuance of 36,752,657 shares of our common stock in connection with the Merger, we will have outstanding approximately 75 million shares of common stock. **The Stock Issuance Proposal is not conditioned on approval of Charter Amendment Proposal, but the Charter Amendment Proposal is conditioned on approval of the Stock Issuance Proposal and the**

consummation of the Merger

We will hold the Special Meeting in order to seek these approvals. This proxy statement contains important information about the Special Meeting, us, Sidewinder, the Merger Agreement and related transactions, the Share Issuance Proposal and the Charter Amendment Proposal, and you should read it carefully.

Q: What will happen in connection with the Merger Agreement?

A: We have entered into an Agreement and Plan of Merger with Merger Sub, Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative, by which, at the effective time, Merger Sub will be merged with and into Sidewinder in accordance with the provisions of the Delaware

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Limited Liability Company Act. As a result, the separate existence of Merger Sub shall cease and Sidewinder shall continue its existence under the laws of the State of Delaware as the surviving limited liability company and wholly owned subsidiary of the Company. A copy of the agreement and plan of merger, or the Merger Agreement, is attached to this proxy statement as Annex A. For a discussion of the Merger Agreement, see The Merger Agreement beginning on page 55.

Q: Why is ICD proposing the Share Issuance Proposal?

A: The Company s Board has determined that the Merger Agreement and the transactions contemplated thereby, including the issuance of the shares of Specified Parent Common Stock, are advisable and in the best interests of the Company s stockholders. In approving the Merger Agreement and making these determinations, the Board consulted with the Company s management as well as the Company s financial advisor and legal counsel, and considered a number of factors. The anticipated beneficial factors included:

the increased scale and related benefits;

financial accretion and tax benefits;

attractive price for the Sidewinder assets on a relative basis;

the quality of the Sidewinder fleet and opportunities for growth;

anticipated synergies and other mutual benefits;

the expansion of the Company s customer base;

an enhanced capital structure, including the terms of a new term loan and revolving credit facility; and

anticipated long-term value creation.

The anticipated risks considered by the Board included:

the fixed stock merger consideration;

Sidewinder business risks;

integration and achieving synergies;

retention of key personnel;

restrictions on interim operations; and

non-solicitation and related provisions.

For a description of the other factors considered by our Board in determining to recommend approval of the Share Issuance Proposal, see The Merger Our Reasons for the Merger beginning on page 31.

Q: What will the Sidewinder unitholders receive as consideration for the Merger?

A: We have agreed with Sidewinder that we will issue an aggregate of 36,752,657 shares of our common stock (subject to adjustment as described below) in connection with the Merger, which shares we refer to as the Specified Parent Common Stock. Based on our 38,252,765 shares of outstanding common stock as of July 17, 2018, the date immediately prior to the execution of the Merger Agreement, the Specified Parent Common Stock will represent approximately 49% of our outstanding common stock (on a pro forma basis) immediately after the Merger. The Specified Parent Common Stock shall be issued to the holders of Series A Common Units of Sidewinder as of the Closing (the Series A Members).

In addition to the Specified Parent Common Stock, each Sidewinder Series A Member will be entitled to receive such member s pro rata share of any Mechanical Rig Net Proceeds (as defined in the Merger Agreement) (the Specified Parent Common Stock and Mechanical Rig Net Proceeds together, the Merger

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Consideration), payable in accordance with the Merger Agreement and the Note Conversion Agreement to the extent such proceeds have not either been used to repay certain Sidewinder indebtedness or been paid as a dividend to the Sidewinder members prior to the closing of the Merger.

All of the Specified Parent Common Stock issued in the Merger will be restricted securities and may not be sold absent registration under the Securities Act of 1933, as amended (the Securities Act), or pursuant to Rule 144 or another available exemption from registration under the Securities Act. However, we have agreed to register the resale of shares of Specified Parent Common Stock on a registration statement, subject to a 180-day transfer restriction period (subject to certain exceptions, including in connection with a piggyback registration) set forth in a stockholders agreement.

For a further discussion of the Merger consideration payable to members of Sidewinder, see The Merger Merger Consideration on page 46. For a further discussion of the Stockholders Agreement, see The Merger Stockholders Agreement on page 46.

Q: When does ICD expect to complete the Merger?

A: Subject to satisfaction or waiver of all conditions, including approval of the issuance of the Specified Parent Common Stock at the Special Meeting, we expect to complete the Merger no later than the second business day following the Special Meeting. However, because the Merger is subject to a number of conditions, we cannot predict exactly when the closing will occur or if it will occur at all.

For a description of the conditions to the completion of the Merger, see The Merger Agreement Conditions to the Completion of the Merger beginning on page 56.

Q: Are there risks you should consider in deciding whether to vote for the issuance of the Specified Parent Common Stock?

A: Yes. In evaluating whether to vote for the issuance of the Specified Parent Common Stock, you should carefully consider the factors discussed under the heading Risk Factors beginning on page 15.

Q: Have ICD s directors and principal stockholders agreed to approve the issuance of the Specified Parent Common Stock?

A. Yes. All of our executive officers, directors and their affiliates, who hold approximately 11% of our outstanding voting shares, have agreed to vote in favor of the issuance of the Specified Parent Common Stock.

Q: Do you need to send in your stock certificates if the transaction is completed?

A: No. You will continue to hold your existing shares of ICD common stock, and you will not receive any cash or securities in connection with the Merger.

Q: How does the ICD Board recommend you vote on the proposals?

A: Our Board recommends that you vote as follows:

FOR the issuance of 36,752,657 shares of the Company s common stock as consideration to the holders of units in Sidewinder in connection with the Agreement and Plan of Merger by and among the Company, Merger Sub, Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative (the Stock Issuance Proposal).

FOR the amendment to Company s certificate of incorporation to increase the authorized shares of the Company s common stock from 100,000,000 to 200,000,000 shares (the Charter Amendment Proposal).

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FOR the adjournment or postponement of the Special Meeting of stockholders, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting of stockholders to approve the Stock Issuance Proposal.

If any other matter is presented at the Special Meeting, your proxy provides that your shares will be voted by the proxy holder listed in the proxy statement in accordance with his or her best judgment. At the time this proxy statement was first made available, we knew of no matters that needed to be acted on at the Special Meeting, other than those discussed in this proxy statement.

Q: Why does the Board recommend that you vote FOR the issuance of the Specified Parent Common Stock in the Merger?

A: Our Board unanimously determined that the terms of the Merger are advisable, fair to, and in the best interests of our stockholders. Our Board unanimously recommends that you vote FOR the approval of the issuance of the Specified Parent Common Stock.

The reasons for the Board s recommendation to approve the issuance of the Specified Parent Common Stock in connection with the Merger are discussed in detail in The Merger Our Reasons for the Merger beginning on page 31.

Q: What vote is required by ICD stockholders to approve the proposals?

A:

Proposal 1: Approve the Issuance of the Specified Parent Common Stock	Pursuant to applicable New York Stock Exchange Listed Company Manual rules, the Delaware General Corporation Law and the Bylaws of the Company, the affirmative vote of a majority of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the Stock Issuance Proposal is required to approve the issuance of the Specified Parent Common Stock. Abstentions will be treated as votes against this proposal. Brokerage firms do not have authority to vote customers unvoted shares held by the firms in street name on this proposal. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have no effect on the results of this vote.
Proposal 2: Approve the Amendment to the Company s Certificate of Incorporation to Increase the Authorized Shares of Common Stock	Pursuant to the Delaware General Corporation Law, the affirmative vote of a majority of the outstanding shares of common stock is required to approve the issuance of the Specified Parent Common Stock. Abstentions and broker non-votes will be treated as votes against this proposal.
Proposal 3: Approve the Adjournment or Postponement of the Special Meeting, if necessary	Pursuant to the Delaware General Corporation Law and the Bylaws of the Company, the affirmative vote of a majority of the shares present in person or represented by proxy at the Special Meeting and entitled to vote on the adjournment or postponement of the

Special Meeting, if necessary is required to approve such adjournment or postponement. Abstentions will have no effect on the results of this vote. Brokerage firms do not have authority to vote customers unvoted shares held by the firms in street name on this proposal. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have effect on the results of this vote.

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Q: What amendments are being made to the Certificate of Incorporation pursuant to the Charter Amendment Proposal?

A: The first paragraph of Article IV of the Amended and Restated Certificate of Incorporation which currently reads as follows:

This Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of stock which the Corporation shall have the authority to issue is 110,000,000 consisting of 100,000,000 shares of Common Stock, with a par value of $.01 per share and 10,000,000 shares of Preferred Stock, with a par value of $.01 per share. Each share of Common Stock shall entitle the holder thereof to one (1) vote on each matter submitted to a vote at any meeting of stockholders; *provided*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

shall be amended to read as follows:

This Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of stock which the Corporation shall have the authority to issue is 210,000,000 consisting of 200,000,000 shares of Common Stock, with a par value of $.01 per share and 10,000,000 shares of Preferred Stock, with a par value of $.01 per share. Each share of Common Stock shall entitle the holder thereof to one (1) vote on each matter submitted to a vote at any meeting of stockholders; *provided*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

Q: What do you need to do now?

A: We urge you to carefully read and consider the information contained in this proxy statement, including the annexes, and to consider how the Merger, including the issuance of the Specified Parent Common Stock, will affect you as a stockholder. You should then vote as soon as possible in accordance with the instructions provided in this document and on the enclosed proxy card.

Q: When and where is the Special Meeting?

A: The Special Meeting of our stockholders will be held at the offices of ICD, which are located at 11601 N. Galayda Street, Houston, TX 77086, on , 2018 at a.m., local time.

Q: What constitutes a quorum for the Special Meeting?

A: The presence, in person or by proxy, of the holders of a majority of the shares of our common stock entitled to vote at any meeting of stockholders is necessary to constitute a quorum at the Special Meeting. Votes of stockholders of record who are present at the Special Meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists.

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Q: Who can vote?

A: Only stockholders who owned common stock at the close of business on , 2018 are entitled to vote at the Special Meeting. On this record date, there were shares of our common stock outstanding and entitled to vote.

You do not need to attend the Special Meeting to vote your shares. Shares represented by valid proxies, received in time for the Special Meeting and not revoked prior to the Special Meeting, will be voted at the Special Meeting. For instructions on how to change your proxy, see Can you change your vote after you have mailed your signed proxy? below.

Q: How many votes do you have?

A: Each share of our common stock that you own entitles you to one vote.

Q: How do you vote?

A: If you are a record holder, meaning your shares are registered in your name, you may vote:

(1) *Over the Internet:* Go to the website *www.proxyvote.com*, **have your vote instruction form in hand, and follow the simple instructions. (When voting online, you may also give your consent to have all future proxy materials delivered to you electronically.) You must specify how you want your shares voted or your Internet vote cannot be completed and you will receive an error message. Your shares will be voted according to your instructions.**

(2) *By Telephone:* Call, toll-free, and have your vote instruction form in hand and follow the recorded instructions. You must specify how you want your shares voted and confirm your vote at the end of the call or your telephone vote cannot be completed. Your shares will be voted according to your instructions.

(3) *By Mail:* Complete and sign your enclosed proxy card and mail it in the enclosed postage prepaid envelope to Independence Contract Drilling, Inc., . Your shares will be voted according to your instructions. If you do not specify how you want your shares voted, they will be voted as recommended by our Board.

(4) *In Person at the Special Meeting:* If you attend the Special Meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which we will provide to you at the Special Meeting.

Please note that voting via the Internet and telephone will only be available until 11:59 p.m. (Eastern) on , 2018, the day prior to the Special Meeting.

If your shares are held in street name , meaning they are held for your account by a broker or other nominee, you may vote:

(1) *Over the Internet or by Telephone:* You will receive instructions from your broker or other nominee if they permit Internet or telephone voting. You should follow those instructions.

(2) *By Mail:* You will receive instructions from your broker or other nominee explaining how you can vote your shares by mail. You should follow those instructions.

(3) *In Person at the Special Meeting:* Contact your broker or other nominee who holds your shares to obtain a brokers proxy card and bring it with you to the Special Meeting. You will not be able to vote in person at the Special Meeting unless you have a proxy from your broker issued in your name giving you the right to vote your shares.

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Q: What if you receive more than one proxy card?

A: You may receive more than one proxy card if you hold shares of our common stock in more than one account, which may be in registered form or held in street name. Please vote in the manner described above under How do you vote? for each account to ensure that all of your shares are voted.

Q: Will your shares be voted if you do not vote?

A: If your shares are registered in your name or if you have stock certificates, they will not be counted if you do not vote as described above under How do you vote? . If your shares are held in street name and you do not provide voting instructions to the bank, broker or other nominee that holds your shares as described above, the bank, broker or other nominee that holds your shares will not have the authority to vote your unvoted shares without receiving instructions from you. Therefore, we encourage you to provide voting instructions to your bank, broker or other nominee. This ensures your shares will be voted at the Special Meeting and in the manner you desire. A broker non-vote will occur if your broker cannot vote your shares on a particular matter because it has not received instructions from you and does not have discretionary voting authority on that matter.

Thus, if you hold your shares in street name and you do not instruct your bank, broker or other nominee how to vote in the election of directors or on matters related to the Merger, no votes will be cast on these proposals on your behalf.

Q: Can you change your vote after you have mailed your signed proxy?

A: Yes. If you want to change your vote, send a later dated, signed proxy card to Independence Contract Drilling, Inc., at 11601 N. Galayda Street, Houston, TX 77086, before the Special Meeting or attend the Special Meeting and vote in person, or you may vote over the Internet or by telephone as only your latest Internet or telephone vote received before the Special Meeting will be counted. You may also revoke your proxy by sending written notice to our corporate secretary before the Special Meeting. If you have instructed your broker to vote your shares, you must follow your broker s directions in order to change those instructions.

Q: Who will bear the costs of the proxy solicitation?

A: We will bear the costs of soliciting proxies, including the printing, mailing and filing of this proxy statement and any additional information furnished to stockholders. We have not hired a solicitor, although we reserve the right to do so. Our directors, officers and employees may also solicit proxies by telephone, email, facsimile and in person, without additional compensation. Upon request, we will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for distributing proxy materials.

Q: Where can I find the voting results of the Special Meeting?

A: The preliminary voting results will be announced at the Special Meeting, and we will publish preliminary, or final results if available, in a Current Report on Form 8-K within four business days of the Special Meeting. If final results are unavailable at the time we file the Form 8-K, then we will file an amended report on Form 8-K to disclose the final voting results within four business days after the final voting results are known.

Q: Am I entitled to appraisal rights?

A: Under the DGCL, holders of our common stock are not entitled to appraisal rights in connection with the Merger, the shares to be issued in connection with the Merger or the proposed amendment to the Company s certificate of incorporation.

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Q: Whom should you call with questions?

A: If you have any questions about the Merger Agreement or the proposals to be considered at the Special Meeting, or if you need additional copies of this document or the enclosed proxy, please contact our Corporate Secretary, at 11601 N. Galayda Street, Houston, TX 77086 or by telephone at (281) 598-1230:

You may also obtain additional information about us from documents filed with the Securities and Exchange Commission by following the instructions under Where You Can Find More Information on page 100.

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SUMMARY REGARDING THE MERGER AND SHARE ISSUANCE PROPOSAL

This summary highlights only selected information from this proxy statement and may not contain all of the information that is important to you. To better understand the Merger, and the Share Issuance Proposal and the other proposals being considered at the Special Meeting in connection with the Merger, you should carefully read this entire proxy statement, including (1) the Merger Agreement attached as Annex A, (2) the opinion of Evercore Group L.L.C. attached as Annex B, (3) the amendment to the Company s certificate of incorporation attached as Annex C, and the other documents to which we refer in this proxy statement. You may obtain further information about us by following the instructions under the heading Where You Can Find More Information on page 100. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

The Merger and the Merger Agreement (see pages 23 and 55)

Pursuant to the terms of the Merger Agreement, we will acquire Sidewinder. The acquisition will be consummated through the merger of Merger Sub with and into Sidewinder in accordance with the provisions of the Delaware Limited Liability Company Act. Upon the consummation of the Merger, the separate existence of Merger Sub shall cease, and Sidewinder shall continue its existence under the laws of the State of Delaware as the surviving limited liability company and wholly-owned subsidiary of the Company.

As consideration for the acquisition of the Sidewinder equity, we have agreed with Sidewinder to issue an aggregate of 36,752,657 shares of our common stock in connection with the Merger to the Sidewinder Series A Members, which shares we refer to as the Specified Parent Common Stock. Based on our 38,252,765 shares of outstanding common stock as of July 17, 2018 (the trading day before the date the Merger Agreement was announced), the Specified Parent Common Stock will equal approximately 49% of our outstanding common stock on a pro forma basis immediately following the completion of the Merger.

In connection with the Merger, we have also agreed that Sidewinder can dispose of its fleet of mechanical rigs and related equipment (which equipment in our view does not fit with the Company s business strategy), or that we will use our commercially reasonable efforts to dispose of the same within 18 months following the consummation of the Merger. Accordingly, in addition to the Specified Parent Common Stock, each Sidewinder Series A member will be entitled to receive such member s share of any Mechanical Rig Net Proceeds (as defined in the Merger Agreement), payable in accordance with the Merger Agreement and the Note Conversion Agreement to the extent such proceeds have not either been used to repay certain Sidewinder indebtedness or been paid as a dividend to the Sidewinder members prior to the closing of the Merger.

The number of shares of Specified Parent Common Stock will not be subject to change based upon any change in the trading price of our common stock at the time of issuance of such shares at the closing or any other time.

The Specified Parent Common Stock consist of our common stock, and, as a result, its value fluctuates with changes in the trading price of our common stock on the New York Stock Exchange. On July 18, 2018 (the trading day before the date the Merger Agreement was announced), the total value of the Specified Parent Common Stock was $154.9 million, based on the closing market price of our common stock of $4.05 on such date. On , 2018, the closing price of our common stock was $, which would constitute a value of $ for the Specified Parent Common Stock. The value of the Specified Parent Common Stock actually received by the Sidewinder Series A Members in the Merger will not be determined until the Merger closes.

The Merger Agreement, which is the legal document governing the Merger, is attached at Annex A to this document. You should read the agreement carefully and in its entirety.

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Sidewinder Ownership and Note Contributions prior to the Merger

Immediately prior to the Merger, pursuant to a Note Contribution, Exchange and Restructuring Agreement among Sidewinder, all members holding its Series A Common Units (the Series A Common Units), and all of its noteholders holding first lien and second lien notes, Sidewinder s first lien noteholders will contribute a portion of the first lien notes, and Sidewinder s second lien noteholders will contribute all of the second lien notes, to Sidewinder in exchange for newly issued Series A Common Units. An aggregate amount of $58.5 million of first lien notes will remain outstanding and will be assumed and paid off by the Company in connection with the Merger pursuant to the Merger Agreement. All of Sidewinder s outstanding Series C Units will be cancelled pursuant to the Merger Agreement.

Sidewinder is majority owned by certain affiliates of MSD Partners, L.P., a Delaware limited partnership (MSD Partners), and MSD Capital, L.P., a Delaware limited partnership (MSD Capital). After giving effect to the note contributions, certain affiliates of MSD Partners and MSD Capital are expected to own approximately 63% of Sidewinder s outstanding Series A Common Units. Immediately following consummation of the Merger, they are expected to beneficially own approximately 31% of our outstanding shares of common stock.

In addition, four other beneficial owners of Sidewinder Series A Common Units, Birch Grove Capital LP, Anthem, Inc. Logen Asset Management LP and Credit Suisse Asset Management, LLC, are expected collectively to beneficially own (together with their respective affiliates) approximately 16% of Sidewinder s outstanding Series A Common Units, and each of these holders is expected to beneficially own 5% or more of our outstanding shares of common stock immediately following consummation of the Merger. The Series A Common Units held by Anthem, Inc. are managed by Logen Asset Management LP, which therefore will be a beneficial owner with respect to the same shares.

The remainder of Sidewinder s Series A Common Units are owned by certain other owners. For anticipated pro forma effects on ownership of the Company s common stock after giving effect to the Merger, please read Security Ownership of Certain Beneficial Owners and Management on page 94.

Sidewinder s Business (see page 64)

Sidewinder was formed on January 31, 2017, as a Delaware limited liability company. On February 15, 2017, Sidewinder Drilling Inc., a Delaware corporation (SDI), was merged with and into Sidewinder with Sidewinder surviving the merger. All of SDI s management, including the executive team, remained with Sidewinder following the merger.

SDI was formed in 2011 to build, own and operate premium land drilling rigs and to provide contract drilling services to exploration and production companies targeting unconventional resource plays in North America.

Today, Sidewinder s core contract drilling operations are focused geographically in the Permian and Haynesville plays as well as other markets in Texas and its contiguous states. Of particular interest to Independence is Sidewinder s fleet of AC rigs and ultra-modern 1500hp silicon controller rectifier (SCR) rigs that can be rapidly converted to AC control with modest capital investment. As of March 15, 2018, Sidewinder markets 15 AC powered (AC) rigs and four 1500hp ultra-modern SCR rigs. Sidewinder also owns four smaller 1000hp SCR rigs and one smaller AC rig, which the Company does not intend to market or operate but expects to utilize for spare equipment.

Sidewinder also owns 11 mechanical rigs and related equipment, principally located in the UTICA and Marcellus plays in the Northeast United States (the Mechanical Rigs). These rigs and operations are not consistent with Company s business strategy. Thus, we have agreed that these rigs and related equipment may be sold and the

proceeds distributed to the Sidewinder unitholders prior to the closing and for a specified period following the closing, or used to pay down Sidewinder s debt.

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Selected Company Historical and Unaudited Pro Forma Financial Data (see page 68)

The selected unaudited pro forma statement of operations data presented below is based on the assumption that the Merger occurred on January 1, 2017 and reflects only adjustments directly related to the merger. The selected unaudited pro forma balance sheet data is prepared as if the merger occurred on March 31, 2018. The pro forma adjustments are based on available information and assumptions that the Company s management believes are reasonable and in accordance with SEC requirements. The selected unaudited pro forma condensed combined financial data are presented for illustrative purposes only and should not be read for any other purpose. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies been combined for the period presented or the future results that the combined company will experience after the merger. The selected unaudited pro forma condensed combined financial data:

have been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Combined Financial Statements and the related notes beginning on page 68 of this proxy statement; and

should be read in conjunction with the historical financial statements of the Company and Sidewinder incorporated by reference into this proxy statement.

	Company Historical		Pro Forma	
	Three Months Ended March 31, 2018	Year Ended December 31, 2017	Three Months Ended March 31, 2018	Year Ended December 31, 2017
	(In thousands, except per share data)			
Statement of Operations Data:				
Revenues	$ 25,627	$ 90,007	$ 51,587	$ 184,697
Operating costs(1)	18,926	67,733	39,910	138,403
Selling, general and administrative(2)	3,479	13,213	5,912	31,232
Depreciation and amortization	6,591	25,844	10,890	42,708
Operating loss	(3,252)	(21,028)	(6,375)	(32,190)
Interest expense	(943)	(2,983)	(3,474)	(13,902)
Net loss	(4,146)	(24,298)	(9,857)	(46,975)
Net loss per common share:				
Basic and diluted	$ (0.11)	$ (0.64)	$ (0.13)	$ (0.63)
Weighted average common shares outstanding:				
Basic and diluted	38,124	37,762	74,877	74,515

	Company Historical As of March 31, 2018	Pro Forma As of March 31, 2018
	(In thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 2,503	$ 19,140

Working capital	10,814	32,006
Total assets	302,125	567,750
Long-term debt, net of current portion	53,886	127,566
Stockholders equity	231,535	389,025

(1) For the pro forma three months ended March 31, 2018, includes $0.8 million in rig reactivation costs for Sidewinder. For the pro forma year ended December 31, 2017, includes $1.1 million in rig reactivation costs for ICD, $4.5 million in rig reactivation costs for Sidewinder and $0.9 million in restructuring charges.

(2) For the pro forma year ended December 31, 2017, includes $8.9 million in restructuring charges for Sidewinder.

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Recommendation of Our Board; Our Reasons for the Merger (see pages 34 and 31)

After careful consideration, our Board has unanimously determined that the terms of the Merger are advisable, fair to and in the best interests of our stockholders, has unanimously approved the Merger and related transactions, has authorized us to enter into the Merger Agreement, and unanimously recommends that you vote FOR the issuance of the Specified Parent Common Stock contemplated in the Merger Agreement, as described in this proxy statement.

The factors that our Board relied upon to approve the Merger and related transactions and to recommend stockholder approval are described in more detail under the heading The Merger Our Reasons for the Merger beginning on page 31 and Recommendation of our Board beginning on page 34.

Opinion of Evercore as Financial Advisor to ICD (Page 37)

ICD engaged Evercore Group L.L.C. (Evercore) to act as its financial advisor in connection with the transactions contemplated by the Merger Agreement. On July 18, 2018, Evercore delivered to the Board its oral opinion, confirmed by its delivery of a written opinion that same day, that, as of the date thereof, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Evercore s written opinion, the Merger Consideration to be paid or made as consideration for Sidewinder s outstanding Series A Common Units and Series C Units (together, the Units) was fair, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger.

The full text of Evercore s written opinion, dated July 18, 2018, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Evercore in delivering its opinion, is attached as Annex B to this proxy statement and is incorporated herein by reference in its entirety. Evercore s opinion does not constitute a recommendation to the Board or to any other persons in respect of the transactions contemplated by the Merger Agreement, including as to how any holder of Independence common shares should vote or act with respect to the proposal to adopt any other matter.

Evercore s opinion was provided for the information and benefit of the Board and was delivered to the Board in connection with its evaluation of whether the Merger Consideration to be paid or made as consideration for the Units was fair, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger, and did not address any other aspects or implications of the transactions contemplated by the Merger Agreement. Evercore s opinion did not address the relative merits of the transactions contemplated by the Merger Agreement as compared to other business or financial strategies that might be available to ICD, nor did it address the underlying business decision of ICD to enter into the Merger Agreement or to consummate the transactions contemplated by that agreement. Evercore has consented to the inclusion of a summary of its opinion in this proxy statement and the attachment of the full text of its opinion as Annex B. Evercore has also consented to the use of this summary and the attached full text of its opinion in connection with soliciting any stockholder votes required to approve the transactions contemplated by the Merger Agreement.

We encourage you to read Evercore s opinion and the section entitled The Merger Opinion of Evercore as Financial Advisor to ICD of this proxy statement carefully and in their entirety.

For further information, see the section of this proxy statement entitled The Merger Opinion of Evercore as Financial Advisor to Independence and Annex B.

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Vote Required to Approve the Issuance of the Specified Parent Common Stock (see page 22); Voting Agreement (see page 45)

Pursuant to applicable New York Stock Exchange Listed Companies Manual rules, the affirmative vote of a majority of the total votes cast on the matter at the Special Meeting is required to approve the issuance of the Specified Parent Common Stock. All of our directors and senior executive officers, together with certain of their affiliates, who collectively hold approximately 11% of our outstanding voting shares, have agreed to vote in favor of the Stock Issuance Proposal pursuant to a voting and support agreement entered into by them with Sidewinder.

Conditions to the Completion of the Merger (see page 56)

Several conditions must be satisfied or waived before we and Sidewinder complete the Merger, including, but not limited to, those summarized below:

- approval by our stockholders of the issuance of the Specified Parent Common Stock;
- receipt of any required authorizations, consents, orders, approvals, actions or non-actions of a governmental authority;
- receipt by each party of the waivers, permits, consents, approvals or other authorizations required to complete the Merger, as specified in the Merger Agreement;
- accuracy of each party s respective representations and warranties in the Merger Agreement;
- compliance by each party with its covenants in the Merger Agreement;
- absence of court orders or legal proceedings that would prevent the consummation of the Merger or cause the Merger to be illegal or impose material damages on the parties; and
- the Company and Sidewinder, on a consolidated basis, having not less than $30 million in pro forma liquidity after giving effect to the closing and certain related transactions.

Termination of the Merger under Specified Circumstances (see page 61)

Under circumstances specified in the Merger Agreement, we or Sidewinder may terminate the Merger Agreement and, as a result, the Merger would not be completed. These include, but are not limited to, the following circumstances:

- by mutual consent of us and Sidewinder;

if the Merger is not consummated by December 31, 2018;

in certain circumstances, if certain covenants have been breached and not cured;

in certain circumstances, if certain representations and warranties are, or have become, untrue or inaccurate; or

if our stockholders do not approve the issuance of the Specified Parent Common Stock at the Special Meeting.

Board of ICD Following the Merger; Stockholders Agreement (see page 48)

Concurrently with the execution of the Merger Agreement, we and certain Sidewinder members (the Member Parties) who will receive Specified Parent Common Stock pursuant to the Merger Agreement entered into a stockholders agreement (the Stockholders Agreement), related to the period following the consummation of the Merger. Such Member Parties include one or more affiliates of MSD Partners and one or more affiliates of MSD Capital (such affiliates of MSD Partners and MSD Capital, collectively MSD).

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Pursuant to the Stockholders Agreement, immediately following the effective time of the Merger, we have agreed to take any and all necessary action to cause the Board to be comprised of a total of seven directors, including, consistent with the Merger Agreement, four existing directors of the Company, two designated representatives of an MSD Partners affiliate, and the new Chief Executive Officer of the Company.

After the effective time of the Merger, we have also agreed, for so long as certain ownership and other conditions are met (including continued share ownership requirements), to cause to be appointed to the Board two representatives of an MSD Partners affiliate at least one of which must be, in the good faith determination of the Board or the Company s Nominating and Corporate Governance Committee (the Governance Committee), an independent director.

Pursuant to the Stockholders Agreement, the MSD parties have agreed to certain limitations on certain activities and its voting rights, for an agreed upon period of time, in respect of its shares of our common stock. Pursuant to the Stockholders Agreement, the Member Parties are restricted from transferring any equity securities of the Company, subject to certain permitted exceptions, until the earlier of (i) 180 days after the consummation of the Merger or (ii) 10 days after the filing of ICD s annual report on Form 10-K for the year ended December 31, 2018.

Further, the Company is required to use its commercially reasonable best efforts to file, as soon as practicable after the consummation of the Merger, and no later than the later of (i) 30 days after the consummation of the Merger and (ii) 15 business days after Sidewinder delivers the financial statements and information required to be delivered by Sidewinder pursuant to the Merger Agreement, a shelf registration statement under the Securities Act, to permit the public resale of all the registrable securities held by the Member Parties and to use its reasonable best efforts to cause such shelf registration statement to be declared effective as promptly as practicable, and, generally, within 180 days of the consummation of the Merger.

Anticipated Accounting Treatment

We will be considered the accounting acquirer and will account for the Merger as a purchase under U.S. generally accepted accounting principles, or GAAP. Using the acquisition method of accounting, the assets and liabilities of Sidewinder will be recorded as of the date of the Merger, at their respective fair values, and consolidated with our assets and liabilities. The results of operations of Sidewinder will be consolidated with ours beginning on the closing date of the Merger.

Share Ownership of Directors and Executive Officers of ICD

As of July 17, 2018, our directors and executive officers and their affiliates owned and were entitled to vote approximately 11% of the shares of our common stock outstanding on that date. Each of such persons has agreed to vote their shares of common stock in favor of the Share Issuance Proposal.

Regulatory Approvals

We are not aware of any governmental or regulatory approval required for the completion of the Merger, other than (i) filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, as amended (the HSR Act), (ii) filings in compliance with applicable corporate laws of Delaware and (iii) the filing with The New York Stock Exchange of a Notification Form for Listing Additional Shares and a Notification Form for Change in the Number of Shares Outstanding, with respect to the shares of our common stock to be issued pursuant to the Merger Agreement.

If any other governmental approvals or actions are required, we intend to try to obtain them. We cannot assure you, however, that we will be able to obtain any such approvals or actions.

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RISK FACTORS

In addition to the other information included in this proxy statement, including the matters addressed under Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote for the issuance of the Specified Parent Common Stock in connection with the Merger. You should also consider the other information in this proxy statement and the other documents and information incorporated by reference into this proxy statement, especially the other risk factors about us. See Incorporation of Certain Documents by Reference beginning on page 99 and Where You Can Find More Information beginning on page 100. Risks relating to the Merger are described under Risks Related to ICD. Risks relating to Sidewinder s business are described under Risks Related to the Combined Business Following the Merger.

Risks Related to the Merger

We will issue a large number of shares of common stock in connection with the Merger, which will result in substantial dilution to our existing stockholders. Our stockholders may not realize a benefit from the Merger commensurate with the ownership dilution they will experience.

At the closing, we will issue an aggregate of 36,752,657 shares of our common stock in connection with the Merger. Based on our 38,252,765 shares of outstanding common stock as of July 17, 2018, the Specified Parent Common Stock will represent approximately 49% of the outstanding shares of our common stock on an adjusted basis immediately following the closing of the Merger. As a result, our issuance of the Specified Parent Common Stock will result in substantial dilution of our existing stockholders ownership interests. Our issuance of the Specified Parent Common Stock may also have an adverse impact on our net income per share in fiscal periods that include (or follow) the closing.

If we are unable to realize the strategic and financial benefits currently anticipated from the Merger, our stockholders will have experienced substantial dilution of their ownership interest without receiving commensurate benefit.

The actual value of the consideration we will pay to the Sidewinder unitholders may exceed the value allocated to such consideration at the time we entered into the Merger Agreement.

Under the Merger Agreement, the number of shares of common stock we will issue as Specified Parent Common Stock at the closing is fixed, and there will be no adjustment in the terms of the Merger for changes in the market price of our common stock. Neither we nor the Sidewinder unitholders are permitted to walk away from the Merger solely because of changes in the market price of our common stock between the signing of the Merger Agreement and the closing. Our common stock has historically experienced significant volatility. Stock price changes may result from a variety of factors that are beyond our control, including changes in our business, operations and prospects, regulatory considerations and general market and economic conditions. The closing price of our common stock on the New York Stock Exchange on July 18, 2018, the date on which we entered into the Merger Agreement, was $4.05; and on , 2018, the closing price of our common stock was $. The value of the Specified Parent Common Stock we issue in connection with the Merger may be significantly higher at the closing than when we entered into the Merger Agreement.

The combined company s indebtedness could adversely affect its operations and financial condition.

We will incur additional indebtedness in connection with the Merger and related transactions. As of March 31, 2018, we had indebtedness under our revolving credit facility in an aggregate amount of $53.2 million, and Sidewinder had no outstanding indebtedness under its revolving credit facility and an aggregate amount of $2.6 million in respect of

letters of credit. In connection with the closing of the Merger, we will be obligated to repay at closing $58.5 million of indebtedness outstanding under Sidewinder s first lien notes. Unless alternative

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financing sources are obtained by the Company, we plan to use proceeds from a new $130.0 million term loan agreement pursuant to a commitment letter from MSD Partners (the Term Loan Facility) to fund the repayment of all of our and Sidewinder s outstanding indebtedness under our credit facilities and such $58.5 million payment in respect of Sidewinder s first lien notes, together with transaction costs related to the Merger estimated to be approximately $13.8 million. As of March 31, 2018, on a pro forma basis after giving effect to the Merger and the financings contemplated by the existing commitments, we would have a total of approximately $130.0 million of indebtedness. The Term Loan also allows us to draw down an additional $15 million of borrowings at any time, subject to certain conditions the (DDTL Facility and together with the Term Loan Facility, the Term Facilities), and we also have a commitment for a new $40 million receivables-based revolving line of credit with a commercial bank (the ABL Credit Facility) that we intend to enter into at the closing of the Merger. As a result, our aggregate debt balance and ability to incur additional debt will increase as a result of the consummation of the transactions contemplated by the Merger.

The Term Loan bears interest at Libor plus 750 basis points, which results in an increase in cash interest payments over and above interest rates contained in our existing borrowing arrangements. Both the Term Loan and ABL Credit Facility contain customary covenants, including covenants that limit our ability to pay dividends, make acquisitions, make certain investments and incur additional indebtedness.

After the merger, our indebtedness could have important consequences, including but not limited to:

- limiting our operational flexibility due to the covenants contained in our debt agreements;
- limiting our ability to invest operating cash flow in our business due to debt service requirements;
- limiting our ability to pay quarterly dividends or to repurchase shares;
- limiting our ability to obtain additional financing;
- limiting our ability to compete with companies that are not as highly leveraged and that may be better positioned to withstand economic downturns;
- increasing our vulnerability to economic downturns, changing market conditions and changes in the radio broadcast industry;
- limiting our flexibility in planning for, or reacting to, changes in its business or industry; and
- to the extent that our debt is subject to floating interest rates, increasing our vulnerability to fluctuations in market interest rates.

After the Merger, our ability to meet our expenses and debt service obligations will depend on the factors described above, as well as our future financial performance, which will be affected by financial, business, economic and other

factors, the success of product and marketing innovation and pressure from competitors. If the combined company does not generate enough cash to pay our debt service obligations, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or raise equity. We cannot assure you that we will be able to, at any given time, refinance our debt, sell assets, borrow more money or raise equity on terms acceptable to us or at all.

If the conditions to the closing of the Merger are not met, the Merger will not occur, which could adversely impact the market price of our common stock as well as our business, financial condition and results of operations.

Specified conditions must be satisfied or waived before the Merger can be completed, including, without limitation, obtaining the requisite approval of our stockholders with respect to our proposed issuance of the Specified Parent Common Stock. These conditions are summarized in the section in this proxy statement entitled The Merger Agreement Conditions to the Completion of the Merger beginning on page 55 and are set forth in the Merger Agreement attached to this proxy statement as Annex A. We cannot assure you that each of the conditions will be satisfied.

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If the conditions are not satisfied or waived in a timely manner and the Merger is delayed, we may lose some or all of the intended or perceived benefits of the transaction which could cause our stock price to decline and harm our business. If the transaction is not completed for any reason, our stock price may decline to the extent that the current market price reflects a market assumption that the Merger will be completed.

In addition, we will be required to pay our costs related to the transaction even if the Merger is not completed, such as amounts payable to legal, accounting and financial advisors and independent accountants, and such costs are significant. All of these costs will be incurred whether or not the Merger is completed.

If the representations and warranties made to us by Sidewinder or others in connection with the Merger Agreement were inaccurate, we could incur losses or financial obligations.

If we were to discover that there were inaccuracies in the representations and warranties made to us by Sidewinder pursuant to the Merger Agreement were inaccurate, we will not have any post-closing rights to indemnification from Sidewinder or its members, and we could incur substantial losses or financial obligations, which could materially adversely affect our financial condition or harm our business. Similarly, any inaccuracies in the representations and warranties made to us by other parties to the Stockholders Agreement could materially adversely affect our financial condition or harm our business.

We may be unable to integrate operations successfully or realize anticipated benefits from the Merger.

Realizing any of the anticipated benefits of the Merger, including additional revenue opportunities, involves a number of challenges. The failure to meet these integration challenges could seriously harm our results of operations and the market price of our common stock may decline as a result.

Realizing the benefits of the transaction will depend in part on the integration of technology, operations, personnel and sales activity of the two companies. These integration activities are complex and time-consuming, and we may encounter unexpected difficulties or incur unexpected costs, including:

- challenges in combining the cultural and management teams of two different companies
- challenges in combining rig product offerings, including integration of the underlying technology, and sales and marketing activities;
- our inability to achieve the cost savings and operating synergies anticipated in the transaction, which would prevent us from achieving the positive earnings gains expected as a result of the transaction;
- diversion of management attention from ongoing business concerns to integration matters;
- difficulties in consolidating and rationalizing information technology platforms and administrative infrastructures;

complexities in managing a larger company than before the completion of transaction;

difficulties in the assimilation of the personnel and the integration of two business cultures;

challenges in demonstrating to our customers and to customers of Sidewinder that the transaction will not result in adverse changes in product and technology offerings, customer service standards or business focus; and

possible cash flow interruption or loss of revenue as a result of change of ownership transitional matters.

We may not successfully integrate operations in a timely manner, and we may not realize the anticipated net reductions in costs and expenses and other benefits and synergies of the Merger to the extent, or in the timeframe, anticipated. In addition to the integration risks discussed above, our ability to realize the benefits and

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synergies of the Merger could be adversely impacted by practical or legal constraints on our ability to combine operations. If our management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer and our results of operations and financial condition may be harmed.

The market price of our common stock may decline as a result of the Merger.

The market price of our common stock may decline as a result of the Merger for a number of reasons, including if:

- we do not achieve the perceived benefits of the Merger as rapidly or to the extent anticipated by financial or industry analysts;
- the effect of the Merger on our business and prospects is not consistent with the expectations of financial or industry analysts; or
- investors react negatively to the effect on our business and prospects from the Merger.

The market price of our common stock could decline as a result of the large number of shares that will become eligible for sale after the Merger.

If the transaction is consummated, a substantial number of additional shares of our common stock will become eligible for resale in the public market. Current stockholders of the Company and former shareholders of Sidewinder may not wish to continue to invest in the operations of the combined business after the Merger, or for other reasons, may wish to dispose of some or all of their interests in the Company after the Merger. Sales of substantial numbers of shares of both the newly issued and the existing shares of our common stock in the public market following the Merger could adversely affect the market price of such shares.

The fairness opinion we obtained from our financial advisor will not reflect changes in circumstances between signing the Merger Agreement and the completion of the Merger.

We have not obtained, and will not obtain, an updated opinion regarding the fairness of the consideration to be paid by us pursuant to the Merger from Evercore, our financial advisor. Evercore s opinion speaks only as of the date of the Merger Agreement and does not address the fairness of the consideration to be paid by us pursuant to the Merger, from a financial point of view, at or after the time the Merger is completed. Changes in the operations and prospects of ICD or Sidewinder, general market and economic conditions and other factors that may be beyond the control of ICD and Sidewinder, and on which the fairness opinion was based, may alter the value of Independence or Sidewinder or the prices of shares of our common stock by the time the Merger is completed. For a description of the opinion that we received from our financial advisor, please see the section titled The Merger Opinion of Evercore as Financial Advisor to ICD.

Risks Related to ICD

Risks relating to our business are described in our Annual Report on Form 10-K for the year ended December 31, 2017 and our other SEC filings, which are incorporated by reference into this proxy statement. See Incorporation of Certain Documents by Reference beginning on page 99 and Where You Can Find More Information beginning on

page 100.

Risks Related to the Combined Business Following the Merger

The future profitability, growth and success of our combined business will depend on our ability to integrate our fleets of drilling rigs and operating and marketing efforts with those of Sidewinder.

The future profitability and growth of our combined business depends upon our ability to combine our onshore drilling services those of Sidewinder, including integration of our respective fleets of drilling rigs, and to

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leverage the combined operations and marketing resources of the two companies. If we are unable to accomplish this on a timely basis, the future growth and profitability of our combined business will be delayed and may not be achieved.

The announcement and pendency of the Merger may cause disruptions in our business, which could have an adverse effect on our business, financial condition or results of operations.

The announcement and pendency of the Merger could cause disruptions in our business. Such disruptions may include customer disruptions, including customer delays or failure to renew or sign new contracts, as well as personnel disruptions in the form of increased turnover or difficulty in retaining qualified personnel Disruptions could be exacerbated by a delay in the completion of the Merger or termination of the Merger Agreement and could have a material adverse effect on our business, financial condition or results of operations.

The announcement and pendency of the Merger may cause disruptions in the business of Sidewinder, which could have an adverse effect on its business, financial condition or results of operations and, post-closing, our business, financial condition or results of operations.

The announcement and pendency of the Merger could cause disruptions in Sidewinder s business. Such disruptions may include customer disruptions, including customer delays or failure to renew or sign new contracts, as well as personnel disruptions in the form of increased turnover or difficulty in retaining qualified personnel Disruptions could be exacerbated by a delay in the completion of the Merger or termination of the Merger Agreement and could have a material adverse effect on the business, financial condition or results of operations of Sidewinder prior to the completion of the transaction and on us if the transaction is completed.

Significant costs are expected to be associated with the Merger.

We estimate that the Company and Sidewinder will incur aggregate direct transaction costs of approximately $13.8 million in connection with the proposed Merger. In addition, we may incur charges to operations that we cannot currently reasonably estimate in the quarter in which the Merger is completed or the following quarters to reflect costs associated with integrating the two businesses. There can be no assurance that we will not incur additional charges relating to the transaction in subsequent periods, which could have a material adverse effect on our cash flows, results of operations and financial position.

The success of the combined business will depend on the services of our senior executives, the loss of whom could negatively affect the combined business.

Our success has depended, and will continue to depend, upon the skills, experience and efforts of our senior executives and other key personnel, including our executive, finance, operating and marketing personnel. Following the completion of the Merger, this will be even more important as we work to integrate our businesses. For both us and Sidewinder, much of our expertise is concentrated in relatively few employees, the loss of whom for any reason could negatively affect our business. The failure of key personnel to remain with the combined business could be harmful to the success of the combined business. Competition for our highly skilled employees is intense and we cannot prevent the future resignation of any employee. Most of our executive officers will have agreements which impose obligations that may prevent them from working for a competitor for a period of time; however, these clauses may not be enforceable, or may be enforceable only in part.

The combined business will require additional capital to upgrade its rig fleet and to expand the business, and financing may not be available to us on reasonable terms, if at all.

We expect the combined business will require additional working capital to upgrade certain rigs in our combined fleet and to expand our business, as well as the integration of our operations. If our existing resources are insufficient to satisfy our liquidity requirements, we may need to borrow funds or sell equity securities to

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generate additional working capital. Any sale of additional equity securities may result in additional dilution to our stockholders, and we cannot be certain that we will be able to obtain additional public or private financing in amounts, or on terms, acceptable to us, or at all.

MSD will own a large percentage of the Company s common stock after the Merger, and will have significant influence over the outcome of corporate actions requiring stockholder approval; such stockholders priorities for the Company s business may be different from the Company s current stockholders.

MSD is the largest stockholders in Sidewinder and will hold approximately 31% of the outstanding shares of the Company s common stock after the Merger. Although the MSD Parties have agreed to certain limits on their voting in connection with the election of directors, this agreement will terminate on or before the third anniversary of the closing date of the Merger, and this agreement does not apply to most other matters that may be submitted by the Company or third parties for stockholder approval. Accordingly, MSD may be able to significantly influence the outcome of many corporate transactions or other matters submitted to the Company stockholders for approval, including any merger, consolidation or sale of all or substantially all of the Company s assets or any other significant corporate transaction, such that MSD could potentially delay or prevent a change of control of the Company, even if such a change of control would benefit the Company s other stockholders. The interests of MSD may differ from the interests of other stockholders.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this proxy statement, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, plan, goal, will or other words that convey the uncertainty of futu outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following: the ability of the parties to consummate the Merger at all; the satisfaction or waiver of the conditions precedent to the consummation of the proposed Merger, including, without limitation, the receipt of ICD s stockholder approval of the share issuance and regulatory approvals (including approvals, authorizations and clearance by antitrust authorities necessary to complete such proposed Merger) on the terms desired or anticipated; risks relating to the value of the shares of ICD s common stock to be issued in such proposed Merger; disruptions of ICD s and Sidewinder s current plans, operations and relationships with third persons caused by the announcement and pendency of such proposed Merger, including, without limitation, the ability of the combined company to hire and retain any personnel; the ability of ICD to successfully integrate the companies operations and employees, and to realize anticipated synergies from the Merger; legal proceedings that may be instituted against ICD and Sidewinder following announcement of such proposed Merger; and conditions affecting ICD s industry generally and other factors listed in annual, quarterly and periodic reports filed by ICD with the Securities and Exchange Commission (the SEC), whether or not related to such proposed Merger; a decline in or substantial volatility of crude oil and natural gas commodity prices; a sustained decrease in domestic spending by the oil and natural gas exploration and production industry; our inability to implement our business and growth strategy; fluctuation of our operating results and volatility of our industry; inability to maintain or increase pricing of our contract drilling services, or early termination of any term contract for which early termination compensation is not paid; our backlog of term contracts declining rapidly; the loss of any of our customers, financial distress or management changes of potential customers or failure to obtain contract renewals and additional customer contracts for our drilling services; overcapacity and competition in our industry; an increase in interest rates and deterioration in the credit markets; our inability to comply with the financial and other covenants in debt agreements that we may enter into as a result of reduced revenues and financial performance; a substantial reduction in borrowing base under our credit facility as a result of a decline in the appraised value of our drilling rigs or reduction in the number of rigs operating; unanticipated costs, delays and other difficulties in executing our long-term growth strategy; the loss of key management personnel; new technology that may cause our drilling methods or equipment to become less competitive; labor costs or shortages of skilled workers; the loss of or interruption in operations of one or more key vendors; the effect of operating hazards and severe weather on our rigs, facilities, business, operations and financial results, and limitations on our insurance coverage; increased regulation of drilling in unconventional formations; the incurrence of significant costs and liabilities in the future resulting from our failure to comply with new or existing environmental regulations or an accidental release of hazardous substances into the environment; and the potential failure by us to establish and maintain effective internal control over financial reporting. Further information on factors that could cause actual results to differ from those anticipated is detailed in the section entitled Risk Factors beginning on page 15 of this proxy statement and in various publicly-available documents, which include, but are not limited to, filings made by ICD from time to time with the SEC, including but not limited to, those appearing in ICD s Annual Report on Form 10-K for the year ended December 31, 2017 and Form 10-Q for the quarter ended March 31, 2018.

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PROPOSAL 1

APPROVAL OF THE ISSUANCE OF THE SPECIFIED PARENT COMMON STOCK

At the Special Meeting and any adjournment or postponement thereof, our stockholders will be asked to consider and vote upon a proposal to approve the issuance of 36,752,657 shares of the Company s common stock as consideration to the holders of Series A Common Units in Sidewinder in connection with the Agreement and Plan of Merger by and among the Company, Merger Sub, Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative.

Further information with respect to the Merger, the Merger Agreement and Sidewinder is contained elsewhere in this proxy statement, including the sections The Merger beginning on page 23 and The Merger Agreement beginning on page 55.

Vote Required to Approve the Stock Issuance Proposal

Pursuant to applicable New York Stock Exchange Listed Company Manual rules, the affirmative vote of a majority of the total votes cast at a meeting where a quorum is present is required to approve the Stock Issuance Proposal. Abstentions will have the same effect as a vote AGAINST this proposal, and if you fail to vote, it will have no effect on the outcome of the proposal unless the shares are counted as present at the Special Meeting. Broker non-votes will not affect the outcome of the vote on this proposal.

THE BOARD UNANIMOUSLY RECOMMENDS

A VOTE FOR THE APPROVAL OF THE STOCK ISSUANCE PROPOSAL

PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF THIS PROPOSAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

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THE MERGER

The following is a description of the material aspects of the Merger, including the Merger Agreement. While we believe that the following description covers the material terms of the Merger, the description may not contain all of the information that is important to you. We encourage you to carefully read this entire proxy statement, including the Merger Agreement attached to this proxy statement as Annex A, for a more complete understanding of the Merger.

Background of the Merger

The Company s Board and senior management regularly review the performance, strategy, competitive position, opportunities and prospects of the Company, in light of the current business and economic environment and developments in the oil and natural gas industry. Further, from time to time, the Board and senior management engage in strategic planning reviews to consider ways to enhance stockholder value. These reviews have included the consideration of merger or acquisition transactions with third parties, both as the acquiring party and as the acquired party, and the potential benefits and risks of those transactions.

During 2017, as market conditions in the onshore contract drilling industry continued to improve over the unprecedented downturn experienced in 2015 and 2016, the Board began to discuss the opportunities and challenges facing the Company in an improving market. In particular, the Board focused on challenges the Company faced as a result of its small size and scale, and the opportunities realistically available to the Company to restart organic growth originally contemplated prior to the downturn.

In July 2017, as a result of the Board s and management s concerns regarding organic growth alone as a near-term strategy, the Company requested that Evercore present to the Board their assessment of the contract drilling market generally and the options available to the Company for organic growth of its drilling rig fleet on a stand-alone basis, as well as a separate assessment of potential strategic transaction alternatives that may reasonably be available to the Company. On August 10, 2017, at a regularly scheduled meeting of the Board, Evercore presented their preliminary views regarding the Company s alternatives.

On August 16, 2017, the Company entered into an engagement letter with Evercore to assist the Company and the Board in evaluating potential strategic transaction alternatives, including an outright sale of the Company, merger-of-equals transaction or significant acquisition combination.

During the period from August 16, 2017 through March 26, 2018, Evercore reached out, on behalf of the Company, to five companies (A, B, C, D and E) that the Board and Evercore deemed potential candidates to acquire the Company in an outright sale or strategic combination transaction, as well as four other companies (X, Y, Z, and Sidewinder) that the Board believed could be viable alternative merger candidates (including in acquisitions and merger-of-equals transactions). During this time period, the financial advisor for another potential candidate also contacted the Company, and met with the Company s management and Evercore; however, the Company did not meet directly with that potential candidate. During this time-period, the Company signed confidentiality agreements and conducted due diligence with some of these companies.

On September 25, 2017, the Board held a telephonic meeting to discuss with Evercore, management and its legal advisors the level of interest in the market for an outright purchase or sale of the Company based upon feedback and inquiries received. Following this discussion, the Board concluded that there was limited interest from these parties in acquiring the Company for a premium above current market value. As a result, the Board instructed Evercore and management to focus on companies that it believed constituted suitable alternative merger candidates.

On October 26, 2017, the Board held a telephonic meeting with Evercore, management and the Company s legal advisor, to discuss the progress and status of discussions regarding the alternative merger candidates.

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On November 10, 2017, the Board held a telephonic meeting with management, representatives from Evercore and representatives from the Company s legal advisor, Sidley Austin LLP (Sidley), to discuss the progress and status of discussions regarding a merger transaction, and in particular, an indication of interest letter received from Company Z regarding its interest in combining with the Company.

In the first week of December 2017, a Sidewinder noteholder and minority equity owner made an unsolicited call to Mr. Dunn about a potential transaction with Sidewinder. On December 7, 2017, the noteholder emailed a simple analysis of the effects of a potential combination, including rolling $148 million of Sidewinder debt into the Company. The noteholder noted that the transaction would potentially create certain benefits, including allowing for rationalization of duplicative overhead, stronger market presence in key basins, and cost benefits achievable only through greater scale.

On December 13, 2017, during a regular meeting of the Board, the Board met with management, and representatives from Evercore and Sidley to discuss the progress and status of discussions regarding a merger transaction, and in particular, an indication of interest letter received from Company Z regarding its interest in combining with the Company. Mr. Dunn also discussed with the Board his communications with the Sidewinder noteholder, but noted the substantial increase in debt that would result from such a transaction as proposed. The Board discussed the other benefits of such a transaction. Based on the proposed debt and other factors, the Board determined that conversions with Company X and Company Y should continue, while also approving Mr. Dunn to reach out to Sidewinder s chief executive officer to learn more about a potential transaction with Sidewinder.

On January 4, 2018, Byron A. Dunn, the Company s Chief Executive Officer, and J. Anthony Gallegos, Jr., Sidewinder s Chief Executive Officer, had a breakfast meeting in Houston, Texas where a combination was first discussed between the two CEOs. Mr. Gallegos felt that the terms Mr. Dunn had outlined would be acceptable to Sidewinder but asked, at the conclusion of the breakfast meeting, that Mr. Dunn allow Mr. Gallegos the opportunity to confirm with MSD representatives their willingness to proceed with the discussions. Later that day, Mr. Gallegos confirmed to Mr. Dunn in a telephone conversation that Sidewinder was interested in proceeding with the discussions.

On January 5, 2018, the Company and Sidewinder entered into a confidentiality agreement.

On January 8, 2018, Evercore held an initial call with Sidewinder s management regarding financial diligence. Following the initial call, on January 15, 2018, Evercore hosted a diligence meeting at its offices attended by Mr. Gallegos, Sidewinder s President and Chief Executive Officer, Mr. Choyce, the Company s Executive Vice President and Chief Financial Officer, and representatives from Evercore. The next day, the Company and Sidewinder began exchanging diligence materials and opened an online data room for diligence materials.

On January 19, 2018, the Board held a telephonic meeting at which updates from the Board s prior December 13, 2017 meeting were discussed. Evercore reviewed a presentation regarding updates on strategic alternatives. Management noted that strategic discussions with Company X had ceased, that discussions with Company Y and Company Z were ongoing, and that discussions with Sidewinder had commenced. Management and David Andrews from Evercore reviewed market updates since the last Board meeting, an executive summary of Sidewinder s drilling fleet, an operating overview of Sidewinder s business, a financial overview of Sidewinder s balance sheet and potential financial performance (based on preliminary assumptions), an implied asset valuation analysis, a peer group trading analysis, and a Sidewinder valuation analysis at various hypothetical prices. Mr. Andrews then reviewed an illustrative transaction summary and transaction consequences, including pro forma liquidity and capitalization, and pro forma accretion and dilution. Mr. Andrews responded to questions from directors, and also discussed key assumptions and additional detail used in the merger analysis, which was provided as a supplemental annex to the Evercore presentation.

On January 19, 2018, the Company forwarded a letter to Mr. Gallegos outlining the Company s indication of interest and terms for a merger pursuant to which the Company was willing to continue due diligence and

commence negotiations towards a strategic combination of the two companies. On that same day, Mr. Gallegos and Mr. Dunn held a brief telephone conversation regarding the letter and Sidewinder s response, which response was a willingness by Sidewinder to proceed with the discussions, and for further discussion points to be conveyed by Mr. Adam Piekarski (the Sidewinder Representative), a principal at MSD Partners.

On January 20, 2018, Mr. Dunn and the Sidewinder Representative discussed by phone the Company s January 19, 2018 indication of interest letter received from the Company, during which the Sidewinder Representative further conveyed Sidewinder s differing valuation expectations.

On January 23, 2018, Mr. Dunn conveyed by email to Mr. Gallegos that the parties were too far apart on valuation, and that all discussions were to stop. At this time, the parties ceased sharing data.

On February 1, 2018, Mr. Dunn and Mr. McNeese met with the Sidewinder Representative for dinner in Houston, Texas to discuss the status of outstanding valuation issues relating to the negotiations towards a potential strategic transaction.

On March 21, 2018, Mr. Bates met with the Sidewinder Representative in New York City, New York to discuss the status of negotiations, and the potential to consummate a transaction. Later that day, Mr. Andrews from Evercore and the Sidewinder Representative had a telephonic meeting to discuss and request additional information regarding the same, including a potential term loan financing by affiliates of MSD. Mr. Andrews informed Messrs. Bates and Dunn regarding the telephonic meeting.

On March 26, 2018, the Board held a telephonic meeting to update the directors on the status of potential alternative transactions. Management and Mr. Andrews of Evercore reviewed materials previously distributed to the Board regarding alternative transactions, including a transaction with Sidewinder. Discussions regarding Sidewinder included a review of Sidewinder s drilling fleet, relative valuations based on asset values, but excluding working capital, owned facilities and spare inventory, an illustrative transaction summary based on a 51%/49% split of equity, and analysis of the impact of other equity splits for a transaction. Evercore and the Board also reviewed alternatives for two other potential transaction candidates (i.e., Company Y and Company Z) with similar analysis, as well as other structural issues relating to those transactions. Based on these discussions, the Board directed management to pursue further due diligence and a potential transaction with Sidewinder.

Following the Board call on March 26, 2018, Mr. Bates and the Sidewinder Representative discussed by phone related financial matters and agreed to move negotiations forward with respect to a transaction involving a 51%/49% ownership split and equalized net debt. The Company also subsequently terminated further discussions with Company Y and Company X based on the parties valuation differences.

During the week of March 26, 2018, the Company and Sidewinder exchanged certain updated due diligence information.

On April 2, 2018, Mr. Choyce and David Buck from Sidley held a call with the Sidewinder Representative and an MSD internal counsel to discuss transaction structuring matters. From April 2 until April 9, 2018, the Company s management, together with representatives from Sidley and Evercore, prepared a preliminary term sheet.

On April 5, 2018, Mr. Choyce, Mr. Harwell, the Company s Vice President Finance and Chief Accounting Officer, and representatives of Evercore met with Mr. Gallegos to review respective forecasts, potential synergies and other financial information.

On April 9, 2018, the Company delivered a draft preliminary term sheet to the Sidewinder Representative and Sidewinder. Following that date, Mr. Bates and representatives from Evercore discussed certain terms with the Sidewinder Representative, and agreed that the Company would update and resend a revised term sheet reflecting revised terms, including voting rights, terms of the Term Loan, proceeds from the sale of mechanical rigs, and proforma liquidity and working capital.

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During the week of April 9, 2018, the Sidewinder Representative contacted Mr. Bates by telephone to discuss Sidewinder s desire that Mr. Gallegos continue as chief executive officer of the combined company following the merger.

On April 18, 2018, Mr. Bates met with Mr. Dunn and Mr. Choyce at the Company s offices in Houston, Texas, to discuss retaining Mr. Bob Tamburrino, an industry consultant, to assist in the analysis of potential transaction synergies. Mr. Bates also separately discussed with Mr. Dunn the potential for Mr. Gallegos to serve as chief executive of the combined company upon completion of the Merger. Mr. Dunn informed Mr. Bates that he would not oppose such a change if the Board concluded that that a combination with Sidewinder is in the best interests of the Company s stockholders. On April 19, 2018, Mr. Bates interviewed Mr. Gallegos at a meeting in Houston, Texas, and Mr. Gallegos was subsequently interviewed by each of the other members of the Board on April 25, 2018 (with Mr. McNease, an ICD director), April 27, 2018 (with Mr. Fitzgerald, an ICD director) and on May 23, 2018 (with Messrs. Noonan and Crandell, each ICD directors), at which meetings the Company s directors inquired about Mr. Gallegos background, experience and strategic view of the contract drilling industry and Mr. Gallegos proposed direction for the Company following a strategic combination with Sidewinder.

On April 19, 2018, the Company engaged Mr. Tamburrino to assist the Company and the Board in evaluating potential synergies in a transaction between the Company and Sidewinder. Mr. Tamburrino and Mr. Choyce subsequently met and discussed potential synergies already identified by Mr. Choyce and Mr. Gallegos during previous meetings, as well as other potential areas for Mr. Tamburrino to analyze.

On April 23, 2018, the Sidewinder Representative and representatives from counsel for Sidewinder, Morgan, Lewis & Bockius LLP (Morgan Lewis), participated on a conference call with Mr. Choyce, and representatives from Evercore and Sidley, to discuss certain issues, including the term sheet. Following the conference call on April 23, the Company distributed a revised term sheet to Morgan Lewis. This term sheet was also circulated to the Board.

On April 23, 2018, Mr. Tamburrino met with Mr. Gallegos and Judy Ammann, Sidewinder s Controller, to discuss potential synergies.

On April 28, 2018, Morgan Lewis delivered a revised term sheet to Sidley.

On May 1, 2018, Mr. Andrews held a call with the Sidewinder Representative regarding open deal terms, including the treatment of the Company s mechanical drilling rigs, pro forma ownership, Sidewinder net debt at closing and term loan debt terms. On May 3, 2018, Sidley delivered a revised term sheet to Morgan Lewis reflecting the Company s proposed terms relating to the same, including $50.0 million of permitted Sidewinder net debt to be repaid at closing.

On May 4, 2018, representatives from Sidley and Morgan Lewis held a conference call to discuss certain terms in the term sheet, including indemnification and recourse to Sidewinder members, representations and warranties insurance, timing for delivery of a written consent by Sidewinder members rather than a voting support agreement, termination fees, board composition, and registration rights for Sidewinder members. On the same day, Mr. Choyce, Mr. Gallegos, the Sidewinder Representative and representatives of Evercore, including Mr. Andrews, held a separate conference call to discuss outstanding issues.

Later on May 4, 2018, the Board held a telephonic meeting with Mr. Choyce, and representatives from Evercore and Sidley. Mr. Andrews from Evercore reviewed certain materials provided in advance of the meeting, including an update on progress since the last Board meeting and a summary of certain material transaction terms, including a request by Sidewinder that Mr. Gallegos serve as CEO of the combined company following the merger.

From May 7 through July 11, 2018, Mr. Choyce, along with other members of management of the Company, corresponded via email and held various conference calls with Evercore to discuss the assumptions

used in Evercore s financial modeling based on information received in other meetings and correspondence, including assumptions with respect to dayrates, utilization and capital expenditures, to be used in connection with presentations to the Board and Evercore s fairness opinion.

On May 9, 2018, Mr. Bates had a call with the Sidewinder Representative to discuss the status of negotiations and outstanding deal points, including treatment of the Company s mechanical drilling rigs, and term loan debt terms, including commitment fees and prepayment fees. The same day, Mr. Tamburrino also met with Mr. Choyce to discuss potential synergies. Mr. Tamburrino shared the results of this analysis with Mr. Bates.

On May 10, 2018, Morgan Lewis delivered a revised term sheet to Sidley, which term sheet reflected a proposal to obtain Sidewinders member approval promptly following estimated the signing of the merger agreement, and a proposal by which ICD would pay off Sidewinder indebtedness equal to the amount of the Company s debt immediately prior to closing plus $6.0 million, and no survival of representations and warranties post-closing or indemnification.

On May 11, 2018, the Sidewinder Representative and Mr. Andrews discussed outstanding issues included in the term sheet and pro forma liquidity matters.

On May 15, 2018, Mr. Gallegos, the Sidewinder Representative, Mr. Choyce and representatives of Evercore met at Evercore s offices in Houston, Texas to discuss the pro-forma capital structure and liquidity of the combined company following the closing, as well as other financial due diligence items.

On May 23, 2018, in executive session at a regular Board meeting in Houston, Texas, the Board reviewed updated materials with Evercore relating to the transaction, and discussed Mr. Gallegos qualifications and background to serve as chief executive officer of the combined company. A representative from Sidley was also in attendance. The Board also discussed the accounting treatment of the strategic transaction, and the terms necessary for that treatment. Mr. Tamburrino made a presentation on his analysis regarding synergies, outlining potential synergies in excess of $13 million per year that he had identified in connection with his meetings with the management of the Company and Sidewinder, and his preliminary assessment of the probability that such synergy opportunities could be realized.

On May 25, 2018, Messrs. Bates and Choyce, for the Company, and Mr. Andrews from Evercore, held a conference call with the Sidewinder Representative. On this call, the Company s representatives emphasized that the majority of the senior management team of the combined company going forward other than Mr. Gallegos, would include the Company s existing management team, including the Company s chairman of the board, chief financial officer, vice president business development, vice president of operations and chief accounting officer. The Company also discussed its proposal of a $60 million amount of Sidewinder notes to be repaid at closing, subject to further discussion and diligence by the Company, indemnification matters, survival of representations and warranties, and the Company potentially obtaining a representations and warranties insurance policy. Afterwards, the Company delivered a revised term sheet reflecting the Company s comments.

On May 27, 2018, Mr. Bates shared Mr. Tamburrino s report analyzing potential synergies with the Sidewinder Representative.

On May 30, 2108, the Sidewinder Representative communicated via email with Mr. Andrews at Evercore the terms on which Sidewinder was ready to move forward to consummate a merger-of-equals transaction, including increased cash to repay Sidewinder debt, and merger consideration for the Mechanical Rigs.

On May 31, 2018, the Board held an update call with the management of the Company, and representatives from Evercore and Sidley. Later on that day, Mr. Bates held a call with the Sidewinder Representative, in which Mr. Bates reemphasized the importance of the accounting treatment, including that a majority of the Company s directors and executive management be filled by ICD incumbents. The two also discussed other senior management-related issues, as well as the capital expenditures needed to upgrade certain drilling rigs and

liquidity matters, including the size of an ABL credit agreement post-merger, and offsets for mechanical drilling rig net proceeds. On May 31, 2018, Mr. Gallegos also sent the Company a listing of mechanical drilling rigs that would be excluded from the transaction for Company review. On May 31, 2018, representatives from Sidley also discussed drafting of merger and financing documents with representatives from Morgan Lewis.

From June 1, 2018 through June 12, 2018, the Company, Sidley and Morgan Lewis, as counsel to MSD Partners as term loan lender, held calls and corresponded regarding precedent documents and terms regarding term loan and credit facility commitments and financing.

On June 5, 2018, Sidley delivered an initial draft merger agreement to Morgan Lewis and Sidewinder, and on June 6, 2018, Sidley delivered an initial draft stockholders agreement to Morgan Lewis and Sidewinder.

On June 13, 2018, Mr. Gallegos and Mr. Choyce met for breakfast to discuss various matters relating to synergies and management of the combined company post-closing.

On June 13, 2018, Morgan Lewis delivered a revised draft of the merger agreement to Sidley.

Also on June 13, 2018, Morgan Lewis delivered preliminary drafts of a commitment letter and term loan credit agreement to Sidley and the Company. Subsequently, Wells Fargo, National Association was selected by the Company to lead financing on a revolving credit facility, and the parties commenced reviewed of an initial draft commitment letter relating to the same delivered to the Company on July 2, 2018. The parties to the term loan commitment letter continued to hold conference calls and to complete term loan and related documents, along with an intercreditor agreement with the revolving credit facility lenders, in parallel with and until the execution of the Merger Agreement.

On June 14, 2018, representatives from Sidewinder s management, including Mr. Gallegos and Ms. Ammann, and the Company s management, including Messrs. Choyce and Harwell, and Evercore met to address financial due diligence and key open issues, including pro forma liquidity, contract status for SCR rigs, capital expenditure expectations, potential synergies and pro forma projections.

On June 15, 2018, the Board held a telephonic meeting to discuss updates on the transaction. Mr. Andrews from Evercore reviewed an updated Evercore presentation, including updates on the transaction documents and diligence, key gating items and an update on Sidewinder s fleet status. The Company also received revised quotes from two representations and warranties insurance providers. On the same date, Mr. Choyce discussed with representatives from Sidley draft term loan agreement documents.

On June 18, 2018, Morgan Lewis delivered to Sidley a revised draft of the Company affiliate voting and support agreement, and an initial draft of a Sidewinder contribution, exchange and restructuring agreement among Sidewinder, its Series A Members and its noteholders.

On June 19, 2018, the Company s management held a call with representatives of the external auditors for Sidewinder s 2015 historical financial statements, Ernst & Young LLP, and auditors for the Company, BDO USA, LLP, along with representatives from Sidley and Morgan Lewis, regarding Sidewinder financial statement requirements and to be used in the Company s anticipated SEC filings relating to the transaction.

On June 20, 2018, Mr. Choyce held a conference call with representatives from MSD Partners to discuss corporate policies applicable to the Company s directors, including the MSD Representatives. Also on June 20, 2018, Mr. Philip Dalrymple, the Company s Vice President of Operations, Chris Menefee, the Company s Vice President Business

Development, and Messrs. Gallegos and Bruce Humphries from Sidewinder, toured select Sidewinder and ICD drilling rigs working in the Delaware Basin in West Texas.

On June 21, 2018, Mr. Bates and the Sidewinder Representative discussed at a breakfast in New York, New York matters including Mr. Gallegos compensation and employment agreement terms, and the status of transaction documents.

On June 22, 2018, Mr. Choyce and the Compensation Committee met telephonically to discuss Mr. Gallegos compensation and the terms and conditions of his employment agreement. Later on June 22, 2018, Mr. Bates called Mr. Gallegos to discuss his potential compensation package, including the terms of his proposed employment agreement.

On June 22, 2018, the Board held a telephonic meeting to update the directors on the status of the transaction. Mr. Choyce and Mr. Buck from Sidley provided updates on the status of the proposed merger-related agreements, financing agreements and a representations and warranties insurance policy, and responded to directors questions regarding the same. Mr. Menefee and Mr. Dalrymple provided updates on site visits to inspect Sidewinder s drilling rigs, and impressions of the same. Mr. Andrews from Evercore also discussed updates on financial modeling based on Evercore s more detailed modeling on a rig-by-rig basis. Mr. Andrews noted that the modeling had not resulted in any material changes in combined estimates that formed the basis for the initial merger negotiations. Mr. Andrews and Mr. Menefee also responded to questions from directors about specific rigs and potential new contracting of the same. The Board also met in executive session without management present.

On June 26, 2018, the Board, excluding Mr. Dunn, and Mr. Noonan who was not available, held a meeting of non-management directors along with Mr. Buck of Sidley and Mr. Andrews of Evercore. The Board discussed the purpose of the meeting as a forum for non-management directors to openly evaluate and discuss the proposed transaction. The Board discussed intentions with respect to continuing directors for the Company. Mr. Bates noted that Mr. Noonan had indicated a willingness to resign in connection with the closing, if requested. The Board also discussed anticipated MSD Representatives to join the Board, to be the Sidewinder Representatives and Mr. Minmier, as well as an independence evaluation to be performed. The Board then discussed potential terms for an employment agreement with Mr. Gallegos as chief executive officer to be entered into and effective upon the closing of the Merger. Mr. Buck then summarized the current status of the transaction documents, including the proposed draft merger agreement and draft stockholders agreement, and certain material open issues. Mr. Andrews then updated the Board on the financial analysis and considerations for the proposed transaction. Mr. Andrews noted that changes made since earlier analyses with respect to future forecasts were immaterial to considerations made with respect to the merger consideration, and responded to director questions regarding the same.

On June 27, 2018, Mr. Choyce, Mr. Gallegos and Mr. Travis Fitts, Vice President of Human Resources of Sidewinder, held a conference call to discuss terms and conditions of participation in the each company s key employee retention programs.

On June 28, 2018, Messrs. Choyce and Gallegos, along with counsel from Sidley and Morgan Lewis, participated in a conference call to discuss prospective terms for a retention, performance and severance plan, to be made available to certain key employees without employment agreements. The next day, Mr. Choyce, the Sidewinder Representative and an MSD internal counsel held a conference call to discuss open business issues in the transaction documents relating to registration rights.

On July 2, 2018, the Board held an update call with Mr. Choyce (Mr. Crandell did not attend). Mr. Buck from Sidley and Mr. Andrews from Evercore also attended. Mr. Choyce first updated the Board on the status of diligence matters, including the status of new contracts for Sidewinder s SCR rigs. Mr. Choyce then updated the Board on the status of the material open terms in the transaction documents. Mr. Andrews discussed certain capital markets matters relating to potential exit transactions by MSD and other or material shareholders. Mr. Buck and Mr. Choyce also responded to questions from directors regarding transaction terms.

On July 2, 2018, Mr. Choyce held another call with the Sidewinder Representative and an MSD internal counsel to discuss the status of the transaction documents and open issues relating to the stockholders agreement, including

indemnification, demand registration rights and blackout periods, and the Term Loan, including cash flow sweeps and the size of delayed-draw availability.

On July 3, 2018, Mr. Choyce and representatives from Evercore met to discuss financial modeling assumptions and review of the model. Further on July 3, 2018, the Company, Sidewinder, and representatives from Sidley and Morgan Lewis held an all hands call to discuss the status of documents and the open issues.

On July 4, 2018, Morgan Lewis delivered revised drafts of the merger agreement and the stockholders agreement.

On July 6, 2018, the Board held a meeting with Mr. Choyce, and representatives from Evercore and Sidley to discuss status of the transaction.

On July 6, 2018, Mr. Harwell held a tax due diligence call with Grant Thornton, consultant to the Company, and representatives of Sidewinder.

On July 12, 2018, the Board held a telephonic meeting with Mr. Choyce, Mr. Menefee and Mr. Dalyrmple and representatives from Evercore and Sidley present. At this meeting, Mr. Andrews reviewed with the Board an updated financial presentation, and terms of a draft Evercore fairness opinion. At this meeting, Mr. Buck reviewed with the Board a fiduciary duties memorandum, along with material terms in the draft merger agreement and the draft stockholders agreement. Mr. Menefee and Mr. Dalrymple also discussed with the Board their assessment of the Sidewinder drilling rigs and operations, including the marketability and performance features of the rigs and the anticipated dayrates that the combined company could obtain on Sidewinder s four 1500hp SCR rigs following their upgrade to pad-optimal AC status. Mr. Choyce also reviewed with the Board the material terms of the commitment letters and term loan agreement, an ABL credit facility and Mr. Gallegos proposed employment agreement as well as the timeline towards a potential signing of definitive agreements. Messrs. Buck and Choyce also responded to director questions regarding the same.

On July 12, 2018, following the Board meeting, the Company s management and Sidewinder s management, along with representatives from Sidley and Morgan Lewis, held a conference call to discuss various open issues and timing matters relating to the Merger.

Between July 12 and July 18, 2018, representatives from Sidley, Morgan Lewis and management from MSD, the Company and Sidewinder corresponded and discussed final issues relating to the definitive documents, including various matters relating to other Sidewinder stockholders and noteholders and the Sidewinder note conversion agreement, including the amount of Sidewinder debt to remain outstanding for repayment at closing.

On July 18, 2018, the Board held a telephonic meeting at which Sidley reviewed a summary of the final terms of the Merger Agreement, voting agreement, and stockholders agreement, the new employment agreement for Mr. Gallegos, and other related matters. Final drafts of such documents were also provided for the review and consideration of the directors. Evercore also made a presentation regarding its financial analysis of the strategic combination. After making this presentation, Evercore rendered its oral opinion, which was subsequently confirmed in writing, to the Board to the effect that, as of the date of the opinion, and based upon and subject to the factors and assumptions set forth therein, the Merger Consideration to be paid by the Company pursuant to the Merger Agreement in exchange for the Sidewinder units, taken as a whole, was fair from a financial point of view to the Company. After final deliberation, the Board unanimously determined that the Merger was advisable and in the best interests of the Company and its stockholders, approved the Merger and the Merger Agreement, along with other transaction-related documents, and recommended that the Company s stockholders approve the issuance of the shares of the Company s common stock in accordance with the Merger Agreement, and directed that such matter be submitted to the Company stockholders for their approval. The Board also approved an amendment to the Company s certificate of incorporation to increase the authorized shares of common stock from 100,000,000 shares to 200,000,000 shares, recommended it for stockholder approval, and directed that such amendment be submitted to the Company s stockholders for approval, subject to the

consummation of the Merger. The Board also approved the Stockholders Agreement, and the Employment Agreement with

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Mr. Gallegos to be executed at signing but effective only upon the closing of the Merger, and approved the commitment letters for the Term Facilities and the ABL Credit Facility and such credit facilities.

Later on July 18, 2018, the Company, Merger Sub, Sidewinder and the Members Representative executed and delivered the Merger Agreement, and the Company, and the officers and directors of the Company and Sidewinder executed and delivered the voting and support agreement. The Company and Mr. Gallegos also executed and delivered the employment agreement with Mr. Gallegos, and the Company and the members of Sidewinder executed and delivered the stockholders agreement, which employment agreement and stockholders agreement will be effective upon the closing of the Merger. The Company also executed and delivered the commitment letters with Wells Fargo, National Association in connection with the ABL Credit Facility, and with MSD Partners, in connection with the Term Facilities.

On the morning of July 19, 2018, the Company publicly announced the signing of the Merger Agreement.

Our Reasons for the Merger

At its meeting on July 18, 2018, after due consideration, the Company s Board:

- determined that the Merger Agreement and the transactions contemplated thereby, including the issuance of shares of Specified Parent Common Stock, are advisable and in the best interests of the Company s stockholders;
- approved and adopted the Merger Agreement;
- Determined that the amendment to the Company s certificate of incorporation to increase the authorized common stock from 100,000,000 to 200,000,000 shares was advisable and in the best interest of the Company s stockholders;
- recommended that the Company s stockholders vote FOR the Stock Issuance Proposal and FOR the Charter Amendment Proposal at the special meeting of stockholders of the Company.

In approving the Merger Agreement and making these determinations, the Board consulted with the Company s management as well as Evercore, the Company s financial advisor, and legal counsel, and considered a number of factors, which are discussed below. The following discussion of the information and factors considered by the Board is not intended to be exhaustive. In view of the wide variety of factors considered in connection with the Merger, the Board did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific material factors it considered in reaching its decision. In addition, individual members of the Board may have given different weight to different factors. The Board considered this information and these factors as a whole, and overall considered the relevant information and factors to be favorable to, and in support of, its determinations and recommendations.

The Board considered the following as generally supporting its decision to enter into the Merger Agreement:

Increased Scale. The Board considered the potential benefits to the combined company and the Company s employees from the expanded opportunities available as a result of being part of a larger organization with increased operational scale, and relative prospects if the Company were to remain independent.

Financial accretion and tax efficiency. The Board considered the increase in earnings per share, EBITDA per share and cash flow per share that management expected to result from the combination of the two companies. The Board also considered the potential tax benefits associated with the combined company receiving a step-up in tax basis for the Sidewinder assets acquired in the combination.

Attractive Price for the Sidewinder Assets on a Relative Value-Basis. The Board considered that the Company would be acquiring the Sidewinder drilling fleet of 19 rigs at approximately a 17% discount

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to the Company s trading value per rig, based upon the closing price of the Company s common stock on July 17, 2018 and consideration of the anticipated additional capital expenditures that Company management expected to spend relating to the Sidewinder drilling fleet.

Quality of the Sidewinder Fleet and Opportunity for Growth. The Board considered the potential benefits associated with Sidewinder s high-quality drilling fleet, including the ability of the Company post-closing to more than double its marketed fleet following modest modifications to five of Sidewinder s drilling rigs. The Board also considered the potential benefits associated with the divestiture of Sidewinder s mechanical rig assets, which are inconsistent with the Company s ongoing business strategy.

Anticipated Synergies and Other Mutual Benefits. The Board considered the expected benefits to both companies and their equityholders, including synergies estimated to result in annualized saving of between $8.0 million to $10 million.

Expanded Customer Base. The Board considered the expected benefits from adding Sidewinder s customer base, including major oil and gas companies.

Enhanced Capital Structure. The Board considered the benefits of the terms of the committed Term Loan and ABL Credit Facility, including expanded pro-forma liquidity, prepayment terms and lack of amortization and material financial maintenance covenants.

Long-Term Value. The Board considered that the Merger will allow the Company s stockholders to participate in possible long-term value created by the combination of the two companies.

Fairness Opinion Presented to the ICD Board. The Company s Board considered the financial analyses presented to it by Evercore and the opinion of Evercore delivered to the Company s Board, as of July 18, 2018, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Evercore s written opinion, that the Merger Consideration to be paid or made as consideration for the Units was fair, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger, as more fully described in the section entitled The Merger Opinion of Evercore as Financial Advisor to ICD in this proxy statement.

Terms of Merger Agreement. The Board considered (1) the fact that the Company s current stockholders will continue to own 51% of the Company after giving effect to the issuance of the Company s common stock in connection with the Merger, and (2) the receipt of Sidewinder equityholder approval immediately after the execution of the Merger Agreement, which increased certainty in consummating a transaction with Sidewinder.

Governance and Board Composition. The Board considered the corporate governance provisions of the Stockholders Agreement, including (i) the voting limitations agreed to by MSD which materially limit the

influence of their aggregate 31% ownership position, (ii) the Board will be initially composed of a majority of current Company directors, as well as two persons designated by the MSD Partner s affiliate, one of which is required to be independent, and the new Chief Executive Officer of the Company, all as further described in Board of ICD following the Transaction: Stockholders Agreement.

Executive Management and Headquarters. The Board considered the composition of the executive management of the Company after the consummation of the Merger, as further described in Board of ICD following the Transaction: Stockholders Agreement and that the principal executive offices of the Company would not change and would not be materially adverse to the existing management team of Sidewinder.

Reciprocity of Merger Agreement. The Board considered the largely reciprocal nature of the terms of the Merger Agreement, including the representations and warranties, obligations and rights of the parties under the Merger Agreement, such as the conditions to each party s obligation to complete the

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Merger, and the related termination fees payable by each party in the event of termination of the Merger Agreement under specified circumstances.

Recommendation of Management. The Board considered management s recommendation in support of the Merger Agreement and the Merger.

The Board also considered the potential risks of the Merger, including the following:

Fixed Stock Merger Consideration. The Board considered the fact that the merger consideration payable in the form of the Specified Parent Common Stock would not adjust downwards to compensate for changes in the price of the Company s common stock prior to the consummation of the Merger, and that the terms of the Merger Agreement did not include termination rights triggered expressly by an increase or decrease in the value of the Company s common stock. The Board determined this structure was appropriate and the risk acceptable due to the directors focus on the relative intrinsic values and performance of the Company and Sidewinder and the inclusion in the Merger Agreement of other structural protections, such as the Board s ability to change its recommendation in favor of the Merger Agreement or to terminate the Merger Agreement in certain circumstances.

Sidewinder Business Risks. The Board considered certain risks inherent in Sidewinder s business and operations and other contingent liabilities. These risks include greater cyclicality in the North American land drilling market and natural gas environment. Based on reports of management and outside advisors regarding the due diligence process and the representations and warranties made by Sidewinder in the Merger Agreement, the Board determined that these risks were manageable as part of the ongoing business of the combined company.

Integration and Synergies. The Board considered the challenges inherent in the combination of two business enterprises of the size and scope of the Company and Sidewinder, including the possibility the anticipated benefits sought to be obtained from the merger might not be achieved in the time frame contemplated or at all.

Personnel. The Board considered the adverse impact that business uncertainty pending completion of the merger could have on the ability to attract, retain and motivate key personnel until the consummation of the merger.

Restrictions on Interim Operations. The Board considered the provisions in the Merger Agreement placing restrictions on the Company s operations until completion of the merger, and the extent of those restrictions as negotiated between the parties. See The Merger Agreement Covenants Regarding Conduct Pending the Merger beginning on page 57 for further information.

No-Solicitation and Related Provisions. The Board considered the provisions of the Merger Agreement that, subject to certain exceptions, prohibit the Company from soliciting, entering into or participating in

discussions regarding any acquisition proposal and the provisions of the agreement that require the Company to conduct a stockholder meeting to consider the Stock Issuance Proposal whether or not the Board continues to recommend in favor of the Merger. See The Merger Agreement Covenants Regarding Conduct Pending the Merger beginning on page 57 for further information.

Regulatory Approvals. The Board considered the regulatory approvals required to complete the merger and the risk that governmental authorities might seek to impose unfavorable terms or conditions on the required approvals or that such approvals may not be obtained at all. The Board further considered the potential length of the regulatory approval process and the period of time that the Company may be subject to the Merger Agreement without assurance that the Merger will be completed. Based on the relative size of the Company and Sidewinder to their larger competitors, the Board did not consider these risks to be significant.

Termination Fee. The Board considered the risk of the provisions in the Merger Agreement relating to the potential payment of a termination fee of $6.0 million by each party under certain circumstances or

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the payment of up to a $1.0 million expense reimbursement under certain other circumstances. See The Merger Agreement Termination of the Merger Agreement and Termination Fees beginning on page 61 for further information.

Financing. The Board considered the risk that the financing might not be available on the terms set forth in the Term Loan commitment letter and the ABL commitment letter, as well as liquidity as of and after the closing date of the Merger, including the minimum liquidity covenant included in the Merger Agreement.

The Board also considered the following factors relating to the Merger:

the expected senior management of the Company, including that J. Anthony Gallegos, Jr., the current Chief Executive Officer of Sidewinder, would be Chief Executive Officer of the Company, that Philip Choyce would remain the Chief Financial Officer of the Company, and that a majority of the combined company executive team would be composed of ICD officers;

the corporate governance provisions, transfer restrictions and restricted activity provisions under the Stockholders Agreement to be effective as of the closing of the Merger;

the scope of the due diligence investigation conducted by management and the Company s outside advisors and the results thereof;

the pro forma earnings, cash flow and balance sheet impact of the Merger;

the relative financial performance, businesses, risks and prospects of the Company and Sidewinder;

the historical and then-current stock price of the Company;

the terms of the new employment agreement with the new chief executive officer; and

the interests that certain of the Company s executive officers and directors may have with respect to the Merger in addition to their interests as stockholders of the Company. See Interests of the Company s Directors and Executive Officers in the Merger beginning on page 49 for further information.

The Board realizes that there can be no assurance about future results, including results considered or expected as described in the factors listed above. It should be noted that this explanation of the reasoning of the Board and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements beginning on page 21.

The Board concluded that, overall, the potential benefits of the Merger to the Company and its stockholders outweighed the risks, many of which are mentioned above.

Recommendation of Our Board

For reasons including those described above under the heading The Merger Our Reasons for the Merger, on July 18, 2018, our Board unanimously approved the Merger and the related transactions, including the issuance of the Specified Parent Common Stock, and recommends such matters to our stockholders for approval, subject to the Board s right to withdraw, modify or amend such recommendation. In particular, the Board unanimously:

- determined that the terms of the Merger are advisable, fair to and in the best interests of our stockholders;
- approved the Merger and related transactions, and authorized us to enter into the Merger Agreement; and
- recommended that our stockholders approve the issuance of the Specified Parent Common Stock.

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OUR BOARD RECOMMENDS A VOTE FOR THE ISSUANCE OF THE SPECIFIED PARENT COMMON STOCK, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH APPROVAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

Financial Forecasts

During the course of discussions between the Company and Sidewinder, Sidewinder provided the Company various confidential information relating to its operations and rig fleet, and capital expenditure expectations relating to its rigs fleet, in particular with respect to expected capital expenditures required into order to convert four of Sidewinder s 1500hp SCR rigs to AC controlled rigs, as well as an unmarketed and idle 1500hp AC rig, to pad-optimal status consistent with Sidewinder s other AC rigs and the Company s fleet of ShaleDrill® rigs. The Company and Sidewinder also discussed and shared information relating to operating costs, operating synergies, and general and administrative costs associated with operating each company and their views on synergies that could be realistically achieved in the combination of the two companies.

Throughout the due diligence process, the Company s management continually prepared and updated financial forecasts for the combined company. The forecasts reflect numerous and varying assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, all of which are difficult to predict and beyond the Company s and Sidewinder s control. The forecasts also reflect numerous estimates and assumptions related to the businesses of the Company and Sidewinder (including with respect to the utilization and rates for certain drilling rigs) that are inherently subject to significant economic, political, and competitive uncertainties, all of which are difficult to predict and many of which are beyond the Company s and Sidewinder s control. See Risk Factors beginning on page 15. The assumptions made in preparing the forecasts may not prove accurate, and actual results may be materially greater or less than those set forth below. See Cautionary Statement Regarding Forward-Looking Statements beginning on page 21.

The management of the Company have prepared from time to time in the past, and will continue to prepare in the future, internal financial forecasts that reflect various estimates and assumptions that change from time to time. Accordingly, the forecasts used in conjunction with the merger may differ from these other forecasts.

THE FORECASTS OF THE COMPANY INCLUDED IN THIS PROXY STATEMENT HAVE BEEN PREPARED BY, AND ARE THE RESPONSIBILITY OF, THE COMPANY S MANAGEMENT (INCLUDING BASED IN PART ON INFORMATION PROVIDED BY SIDEWINDER). THE ACCOMPANYING FORECASTS RELATED TO THE COMPANY AND SIDEWINDER WERE NOT PREPARED WITH A VIEW TOWARD PUBLIC DISCLOSURE OR WITH A VIEW TOWARD COMPLYING WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS WITH RESPECT TO FORECASTS, BUT, IN THE VIEW OF THE COMPANY S MANAGEMENT, AS THE CASE MAY BE, WERE PREPARED ON A REASONABLE BASIS, REFLECT THE BEST ESTIMATES AND JUDGMENTS AVAILABLE AT THE TIME THE FORECASTS WERE PREPARED, AND PRESENT, TO THE BEST OF THE COMPANY MANAGEMENT S KNOWLEDGE AND BELIEF AT THE TIME THE INFORMATION WAS PREPARED, THE EXPECTED COURSE OF ACTION AND THE EXPECTED FUTURE FINANCIAL PERFORMANCE OF THE COMPANY AND SIDEWINDER. HOWEVER, THESE FORECASTS ARE NOT FACT AND SHOULD NOT BE RELIED UPON AS BEING NECESSARILY INDICATIVE OF FUTURE RESULTS, AND READERS OF THIS PROXY STATEMENT ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORECASTS. NEITHER BDO LLP, RSM LLP NOR ERNST & YOUNG LLP, NOR ANY OTHER INDEPENDENT ACCOUNTANTS HAVE COMPILED, EXAMINED OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE FORECASTS CONTAINED HEREIN, NOR HAVE THEY

EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH FORECASTS OR THEIR ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE FORECASTS.

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THE INCLUSION OF THE FORECASTS IN THIS PROXY STATEMENT SHOULD NOT BE REGARDED AS AN INDICATION THAT THE COMPANY OR ITS EXECUTIVE OFFICERS AND DIRECTORS CONSIDER THE FORECASTS TO BE AN ACCURATE PREDICTION OF FUTURE EVENTS OR NECESSARILY ACHIEVABLE. IN LIGHT OF THE UNCERTAINTIES INHERENT IN FORWARD-LOOKING INFORMATION OF ANY KIND, THE COMPANY CAUTIONS YOU AGAINST RELYING ON THIS INFORMATION. NONE OF THE COMPANY OR ITS OFFICERS OR DIRECTORS INTEND TO UPDATE OR REVISE THE FORECASTS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE THEY WERE PREPARED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EXCEPT TO THE EXTENT REQUIRED BY LAW. SEE CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS BEGINNING ON PAGE 21.

The Company s Forecasts

The Company s forecasts for 2019 are based on the following material underlying assumptions on a combined basis with respect to rigs of both the Company and of Sidewinder:

The Company s and Sidewinder s pad-optimal rig fleets will earn similar dayrates in the market and will incur similar operating costs;

Sidewinder s three operating 1500hp SCR drilling rigs would be converted to pad-optimal AC status during the twelve-month period ending September 30, 2019, and Sidewinder s idle 1500hp SCR drilling rig would be converted to pad-optimal AC status and reactivated prior to December 31, 2018. The aggregate capital expenditures for these four projects would be approximately $12.0 million, and these drilling rigs will earn similar dayrates to the Company s and Sidewinder s other pad-optimal drilling rigs;

Sidewinder Rig 130 would reactivate and commence drilling operations prior to December 31, 2018;

Sidewinder Rig 58, a 1500hp AC rig, which Company management estimates requires an additional $8.0 million of investment to reactivate as a pad-optimal rig, would not be reactivated during 2019;

The Company s 16th Shaledriller rig would not be completed in 2019;

After existing contracts expire, the Company s and Sidewinder s pad-optimal drilling rigs would recontract at dayrates averaging $23,250 to $23,500 during the first of half of 2019 and $23,750 to $24,000 during the second half of 2019; Sidewinder rig 64, a 1000hp AC walking rig, would earn dayrates of $18,000 during 2019;

Sidewinder s and the Company s pad-optimal rigs will maintain full effective utilization;

The Company would not be a cash tax payer for federal income tax purposes in 2019;

Total transaction costs would be $14.1 million and synergies recognized in 2019 would be approximately $6.0 million, with a run rate of approximately $8 million to $10 million in annual synergies being realized beginning in 2020;

Operating costs per day would approximate $13,100 for Company drilling rigs and $13,500 per day for Sidewinder drilling rigs; and

Cash capital expenditures would be approximately $18.8 million.

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Forecast of the Company s 2019 Pro Forma Combined Results (dollars in millions, other than per share data)

Income Statement	Company	Sidewinder	Pro Forma Combined
Revenue	$ 124.3	$ 144.0	$ 268.3
Gross profit	49.6	53.0	102.6
Selling, general & administrative expense[1]	13.1	9.7	16.8
Depreciation	28.1	18.1	46.2
Interest expense[2]	3.3	14.0	13.0
Earnings before income taxes	5.1	11.2	26.7
Income taxes[3]	(1.1)	(2.4)	(6.0)
Net income	4.0	8.8	20.6
Capital expenditures[4]	7.5	11.3	18.8
EBITDA[5]	36.5	43.3	85.8
Free cash flow[6]	26.5	26.3	49.0
Net income per share	0.10	NA	0.28
EBITDA per share	0.94	NA	1.12
Free cash flow per share	0.87	NA	0.89
Balance Sheet (at December 31, 2019)			
Cash	$ 2.5	$ 36.2	$ 68.0
Working capital, including cash	16.9	57.4	103.6
Total assets	284.9	290.8	602.6
Total debt	30.9	175.2	130.0
Total shareholders equity	237.8	96.1	427.9

(1) The Company and pro forma combined include $3.3 million of non-cash stock-based compensation. Pro forma combined assumes $6.0 million of anticipated synergies realized in 2019.
(2) Sidewinder historical cash interest was $2.0 million and the remainder was non-cash, paid-in kind. Pro forma combined interest expense is cash.
(3) Tax expense is non-cash.
(4) Sidewinder capital expenditures assume approximately $8.0 million associated with conversion of three 1500hp SCR rigs to AC pad optimal status. Also assumes fourth Sidewinder 1500hp SCR rig conversion occurs prior to December 31, 2018.
(5) Calculated as earnings before interest, taxes, depreciation and amortization. EBITDA is a non-GAAP measure. See forecast table above for such adjustments and forecast net income.
(6) Calculated as EBITDA plus non-cash stock-based compensation expense, less cash interest expense, capital expenditures and estimated net increases in working capital.

Opinion of Evercore as Financial Advisor to ICD

ICD engaged Evercore to act as its financial advisor in connection with the transactions contemplated by the Merger Agreement. As part of that engagement, the ICD Board requested that Evercore pass upon the fairness of the Merger Consideration to be paid or made as consideration for the Units, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger. On July 18, 2018,

Evercore delivered to the Board its written opinion dated the same date, that, as of the date thereof, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Evercore s written opinion, the Merger Consideration to be paid or made as consideration for the Units was fair, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger.

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The full text of Evercore s written opinion, dated July 18, 2018, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Evercore in delivering its opinion, is attached as Annex B to this proxy statement and is incorporated herein by reference in its entirety. Evercore s opinion does not constitute a recommendation to the Board or to any other persons in respect of the transactions contemplated by the Merger Agreement, including as to how any holder of ICD common shares should vote or act with respect to the Stock Issuance Proposal or any other matter. We encourage you to read Evercore s opinion carefully and in its entirety.

Evercore s opinion was provided for the information and benefit of the Board and was delivered to the Board in connection with its evaluation of whether the Merger Consideration to be paid or made as consideration for the Units was fair, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger, and did not address any other aspects or implications of the transactions contemplated by the Merger Agreement. Evercore has consented to the inclusion of this summary in this proxy statement and the attachment of the full text of its opinion as Annex B. Evercore has also consented to the use of this summary and the attached full text of its opinion in connection with soliciting any stockholder votes required to approve the transactions contemplated by the Merger Agreement.

Evercore s opinion necessarily was based upon information made available to Evercore as of July 18, 2018 and financial, economic, market and other conditions as they existed and could be evaluated on that date. Evercore has no obligation to update, revise or reaffirm its opinion based on subsequent developments. Evercore s opinion did not express any opinion as to the price at which the shares of ICD will trade at any time.

The following is a summary of Evercore s opinion. We encourage you to read carefully, in its entirety, the text of Evercore s opinion, which is attached as Annex B to this proxy statement.

In connection with rendering its opinion, Evercore, among other things:

(i) Reviewed certain publicly available business and financial information relating to the Company that Evercore deemed to be relevant, including filings with the SEC and publicly available research analysts reports and estimates;

(ii) Reviewed certain non-public historical and projected financial and operating data relating to the Company prepared by the Company and furnished to Evercore by management of the Company;

(iii) Reviewed certain non-public historical and projected financial and operating data relating to Sidewinder prepared by the management of Sidewinder and furnished to Evercore by management of Sidewinder;

(iv) Reviewed certain non-public projected financial and operating data relating to Sidewinder prepared by the Company and furnished to Evercore by management of the Company;

(v) Discussed past and current operations and financial condition and financial and operational projections and assumptions relating to the Company and Sidewinder with management of the Company (including their

views on the risks and uncertainties of achieving those projections), and the projected synergies and strategic, financial, operational and other benefits anticipated by Parent from the transactions contemplated by the Merger Agreement;

(vi) Reviewed the reported prices and the historical trading activity of the Company;

(vii) Compared the financial performance of the Company and Sidewinder with equity market trading multiples of certain other publicly-traded companies that we deemed relevant;

(viii) Compared the relative contributions by each of the Company and Sidewinder of certain financial and operational metrics Evercore deemed relevant to the relative ownership;

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(ix) Reviewed a draft version of the Merger Agreement dated July 17, 2018; and

(x) Performed such other analyses and examinations, reviewed such other information and considered such other factors that Evercore deemed appropriate for purposes of providing its opinion.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore assumes no liability therefor.

With respect to the projected financial data relating to ICD and Sidewinder referred to above (the ICD management projections with respect to the projected financial data relating to ICD, and ICD management projections for Sidewinder with respect to the projected financial data relating to Sidewinder, and collectively the projected financial data), Evercore assumed that that data had been reasonably prepared on bases reflecting the best then-available estimates and the good faith judgments of the management of ICD as to the future competitive, operating and regulatory environments and related financial performance of ICD and Sidewinder under the assumptions reflected in that project financial data. Evercore expressed no view as to any projected financial data relating to ICD or Sidewinder or the assumptions on which they were based. Evercore relied, at the Company s direction, without independent verification, upon the assessments of the management of the Company as to the future financial and operating performance of the Company and Sidewinder, and Evercore assumed that the Parent and Sidewinder will realize the benefits that each expects to realize from the transactions contemplated by the Merger Agreement.

For purposes of delivering its opinion, Evercore assumed that the final versions of all documents reviewed by Evercore in draft form, including the Merger Agreement, would conform in all material respects to the drafts reviewed by Evercore, that the representations and warranties of each party contained in the Merger Agreement were true and correct, that each party would perform all of the covenants and agreements required to be performed by it under the Merger Agreement and that all conditions to the consummation of the transactions contemplated by the Merger Agreement would be satisfied without material waiver or modification thereof. Evercore also assumed that any modification to the structure of the transactions contemplated by the Merger Agreement would not vary in any respect to material to Evercore s analysis. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the transactions contemplated by the Merger Agreement would be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on ICD or the consummation of the transactions contemplated by the Merger Agreement or materially reduce the benefits of the transactions contemplated by the Merger Agreement to the holders of ICD common stock.

Evercore did not make or assume any responsibility for making any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of ICD or Sidewinder, nor was Evercore furnished with any appraisals. Furthermore, Evercore did not evaluate the solvency or fair value of ICD or Sidewinder or any subsidiary thereof under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore s opinion was necessarily based upon financial, economic, market and other conditions as in effect on, and the information made available to Evercore as of, July 18, 2018. It should be understood that developments subsequent to July 18, 2018 may have affected or may affect the opinion and that Evercore does not have any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness, from a financial point of view, of the exchange ratio to the holders of ICD common shares that are entitled to receive the merger consideration in the first merger. Evercore did not express any view on, and its opinion did not address, the fairness, financial or otherwise, of the transactions contemplated by the Merger Agreement to, or any consideration

received in connection therewith by, the holders of any other securities, creditors or other constituencies of ICD, nor as to the amount or nature of any compensation to be paid or

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payable to any of the officers, directors or employees of ICD, or any class of such persons, whether in connection with the transactions contemplated by the Merger Agreement or otherwise. Evercore expressed no opinion as to the price at which the ICD common stock would trade at any time, including as to what the actual value of the ICD common stock would be when at the time of consummation of the transactions contemplated by the Merger Agreement.

Evercore s opinion did not address the relative merits of the transactions contemplated by the Merger Agreement as compared to other business or financial strategies or opportunities that might be available to ICD, nor did it address the underlying business decision of ICD to engage in the transactions contemplated by the Merger Agreement. Evercore s letter did not constitute a recommendation to the ICD Board or to any other persons in respect of the transactions contemplated by the Merger Agreement, including as to how any holder of ICD common stock should vote or act in respect of the Stock Issuance Proposal or any other matter. Evercore is not a legal, regulatory, accounting or tax expert and assumed the accuracy and completeness of assessments by ICD and its advisors with respect to legal, regulatory, accounting and tax matters.

Evercore s opinion was only one of many factors considered by the Board in its evaluation of the transactions contemplated by the Merger Agreement and should not be viewed as determinative of the views of the Board with respect to the transactions contemplated by the Merger Agreement or the Merger Consideration.

Summary of Material Financial Analyses

The following is a brief summary of the material financial and comparative analyses that Evercore deemed to be appropriate for this type of transaction and that were reviewed with the Board in connection with delivering Evercore s opinion:

Discounted Cash Flow Analyses;

Selected Publicly Traded Companies Analyses; and

Contribution Analysis.

In addition to the analyses described above, Evercore also analyzed and reviewed: (i) publicly available share price targets of research analysts estimates known to Evercore as of July 18, 2018 (using only research analyst price targets that have been refreshed since February 1, 2018), (ii) the historical trading prices of ICD common stock since its initial public offering in August 2014, (iii) the normalized progression of peer group trading multiples from 2010 through mid-2014 and (iv) the respective financial and operating contribution of ICD and Sidewinder to the combined company.

The summary of Evercore s financial analyses described below is not a complete description of the analyses underlying its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description.

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Evercore s analyses and reviews, the tables must be read together with the full text of each summary. The tables alone do not constitute a complete description of Evercore s analyses and reviews.

Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Evercore s analyses and reviews.

To the extent that any of the quantitative data used in Evercore s financial analyses or described in this summary thereof is based on market data, it is based on market data as it existed on or before July 18, 2018 and is not necessarily indicative of current market conditions.

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Discounted Cash Flow Analyses

ICD

Evercore performed a discounted cash flow analysis of ICD to calculate the estimated present value as of June 30, 2018 of the standalone unlevered, after-tax free cash flows that ICD was projected to generate from July 1, 2018 through December 31, 2022, in each case, based on the ICD management projections assuming an effective tax rate of 21.0%, as provided by the management of ICD. Evercore calculated a terminal value for ICD by applying a range of perpetuity growth rates, based on its professional judgment given the nature of Independence and its business and the industries in which it operates, from 2.0% to 4.0%, to the projected standalone unlevered, after-tax free cash flows of ICD in the terminal year. Evercore also calculated a terminal value for ICD by applying a range of EBITDA exit multiples, based on its professional judgment given the nature of ICD and its business and the industries in which it operates, from 4.0x to 6.0x, to the projected standalone EBITDA of ICD in the terminal year. The cash flows and the terminal value were then discounted to present value using a discount rate of 13.0% to 15.0%, based on an estimate of ICD s weighted average cost of capital calculated using the capital asset pricing model, to derive a range of implied enterprise values (EVs) for ICD. A range of implied equity values for Independence was then calculated by reducing the range of implied EVs by the amount of ICD s projected corporate adjustments (calculated as debt less cash and cash equivalents). With respect to the perpetuity growth terminal value methodology, Evercore s analysis indicated an implied equity value reference range for ICD on a standalone basis of approximately $208 million to $303 million. With respect to the EBITDA exit multiple methodology, Evercore s analysis indicated an implied equity value reference range for ICD on a standalone basis of approximately $163 million to $233 million.

Sidewinder

Evercore performed a discounted cash flow analysis of Sidewinder to calculate the estimated present value as of June 30, 2018 of the standalone unlevered, after-tax free cash flows that Sidewinder was projected to generate from July 1, 2018 through December 31, 2022, in each case, based on the ICD management projections for Sidewinder assuming an effective tax rate of 21%, as provided by the management of ICD. Evercore calculated a terminal value for Sidewinder by applying a perpetuity growth rate, based on its professional judgment given the nature of Sidewinder and its business and the industries in which it operates, of 2.0% to 4.0%, to the projected standalone unlevered, after-tax free cash flows of Sidewinder in the terminal year. Evercore also calculated a terminal value for Sidewinder by applying a range of EBITDA exit multiples, based on its professional judgment given the nature of Sidewinder and its business and the industries in which it operates, from 4.0x to 6.0x, to the projected standalone EBITDA of Sidewinder in the terminal year. The cash flows and the terminal value were then discounted to present value using a discount rate of 13.0% to 15.0%, based on an estimate of Sidewinder s weighted average cost of capital calculated using the capital asset pricing model, to derive a range of implied EVs for Sidewinder. A range of implied equity values for Sidewinder was then calculated by adjusting the range of implied EVs by the amount of Sidewinder s projected corporate adjustments (calculated as debt less cash and cash equivalents). With respect to the perpetuity growth terminal value methodology, Evercore s analysis indicated an implied equity value reference range for Sidewinder on a standalone basis of approximately $199 million to $284 million. With respect to the EBITDA exit multiple methodology, Evercore s analysis indicated an implied equity value reference range for Sidewinder on a standalone basis of approximately $239 million to $334 million.

Implied Pro Forma Ownership of ICD Common Stock after the Merger

Evercore calculated the implied number of shares of ICD common stock to be held following the transactions contemplated by the Merger Agreement by the pre-transaction owners of ICD common stock and Sidewinder Units by first dividing the low end of the implied equity value reference range for Sidewinder by the mid-point of the implied

equity value reference range for ICD indicated by the discounted cash flow analyses. Evercore then divided the high end of the implied equity value reference range for Sidewinder by that same ICD mid-point. The ICD mid-point was $198 million using the EBITDA exit multiple and $255 million using the

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perpetuity growth terminal value. With respect to the EBITDA exit multiple methodology, this analysis implied a pro forma ownership split of the post-Merger company of approximately 41% to 50% for the pre-Merger owners of ICD common stock and 50% to 59% for the pre-Merger owners of Sidewinder Units, and an implied aggregate number of shares of ICD common stock to be issued to the holders of Sidewinder Units in the merger ranged from approximately 38.5 million to 55.0 million shares. With respect to the perpetuity growth terminal value methodology, this analysis implied a pro forma ownership split of the post-Merger company of approximately 43% to 52% for the pre-Merger owners of ICD common stock and 48% to 57% for the pre-Merger owners of Sidewinder Units, and an implied aggregate number of shares of ICD common stock to be issued to the holders of Sidewinder Units in the merger ranged from approximately 35.9 million to 51.6 million shares. The aggregate number of shares of ICD common stock to be issued to the holders of Sidewinder Units is 36,752,657 shares.

Selected Publicly Traded Companies Analyses

In performing the selected publicly traded companies analyses (the Selected Publicly Traded Companies), Evercore reviewed publicly available financial and market information ICD and the selected public companies listed in the table below. There are few public companies that have a size and business mix similar to ICD s or Sidewinder s. Evercore, based on its professional judgment and experience, deemed these companies most relevant to consider in relation to ICD and Sidewinder, respectively, because they are public companies with operations that, for purposes of these analyses, Evercore considered similar to the operations of ICD and Sidewinder. For comparable companies used for the Selected Publicly Traded Companies, Evercore considered public companies with comparable lines of businesses principally operating in the U.S. land drilling sector and that had adequate research coverage from Wall Street research analysts and an EV greater than $500 million.

Evercore reviewed, among other things, the equity value and EV of each of the Selected Publicly Traded Companies as a multiple of estimated EBITDA and estimated revenue for calendar years 2018 through 2020. EV was calculated for purposes of these analyses as equity value (based on the per share closing price of each Selected Publicly Traded Company on July 17, 2018, the last trading day prior to the delivery of Evercore s opinion), multiplied by the fully diluted number of the respective company s outstanding equity securities on that date, plus debt, plus minority interest, less cash and cash equivalents (as set forth in the most recent publicly available balance sheet of that company). The financial data of the Selected Publicly Traded Companies used by Evercore for this analysis were based on consensus estimates from FactSet Research Systems Inc. (FactSet). Evercore also considered for purposes of its analyses, FactSet consensus estimates and the ICD management projections with respect to ICD. The multiples for each of the Selected Publicly Traded Companies and comparison metrics for ICD are set forth in the tables below.

			Enterprise Value /					
	Equity	Enterprise	Revenue			EBITDA		
Company	**Value**	**Value**	**2018E**	**2019E**	**2020E**	**2018E**	**2019E**	**2020E**
	($MM)	***($MM)***	***(x)***	***(x)***	***(x)***	***(x)***	***(x)***	***(x)***
ICD								
Based on Consensus	**$167**	**$224**	**2.0x**	**1.7x**	**1.5x**	**10.8x**	**5.8x**	**NM**
Based on ICD Management Estimates	**-**	**-**	**2.1x**	**1.8x**	**1.7x**	**9.9x**	**6.1x**	**4.9x**
Nabors Industries Ltd.	$2,512	$5,674	1.8x	1.6x	1.4x	7.0x	5.4x	4.9x
Helmerich & Payne, Inc.	6,780	6,893	2.9	2.5	2.1	11.4	9.1	8.0

Patterson-UTI Energy, Inc.	3,816	4,630	1.3	1.2	1.1	5.3	4.6	4.2
Precision Drilling Corporation	1,080	2,308	2.0	1.8	1.6	8.0	6.2	5.4
Ensign Energy Services Inc.	678	1,229	1.5	1.3	1.3	7.3	6.0	5.6
Trinidad Drilling Ltd.	363	725	1.6	1.4	1.3	6.2	4.9	4.8

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Based on its review of the Selected Publicly Traded Companies and its experience and professional judgment, Evercore then applied (i) a reference range of multiples to the estimated metrics of EBITDA and revenue for ICD for each calendar year from 2018 to 2020 and (ii) a reference range of multiples to the estimated metrics of EBITDA and revenue for Sidewinder for each calendar year from 2018 to 2020, as described below (dollars in millions):

				ICD			Sidewinder			
	Selected Multiples				Value Range			Value Range		
Metric	Low	-	High	Data	Low	-	High	Data	Low	-	High
EBITDA											
2018E	7.0x	-	9.0x	$23	$158	-	$203	$17	$118	-	$152
2019E	5.0	-	7.0	36	182	-	255	43	216	-	303
2020E	4.0	-	6.0	45	181	-	272	55	221	-	331
Revenue											
2018E	1.5x	-	2.5x	$108	$163	-	$271	$112	$168	-	$280
2019E	1.0	-	2.0	124	124	-	249	144	144	-	288
2020E	1.0	-	2.0	134	134	-	269	158	158	-	315
Selected Enterprise Value Range					**$180**	-	**$260**		**$210**	-	**$300**

In each case, the estimated metric was based on the Independence management projections for ICD and Sidewinder. Based on its experience and professional judgment, Evercore then selected an EV reference range of $180 million to $260 million for Independence and an EV range of $210 million to $300 million for Sidewinder. After taking into account corporate adjustments, these analyses indicated an equity value reference range of $123 million to $203 million for ICD and an equity value range of $159 million to $249 million for Sidewinder.

Implied Pro Forma Ownership of ICD Common Stock after the Merger

Evercore then calculated the implied number of shares of ICD common stock to be held following the transactions contemplated by the Merger Agreement by the pre-transaction owners of Independence common stock and Sidewinder Units based on the relative equity value ranges of ICD and Sidewinder using the public company trading analysis. Evercore calculated the implied number of shares of ICD common stock to be held following the transactions contemplated by the Merger Agreement by the pre-transaction owners of ICD common stock and Sidewinder Units by first dividing the low end of the implied equity value reference range for Sidewinder by the mid-point of the implied equity value reference range for Independence indicated by the public company trading analysis. Evercore then divided the high end of the implied equity value reference range for Sidewinder by that same ICD mid-point. The ICD mid-point was $163 million using the public company trading analysis. This analysis implied a pro forma ownership split of the post-Merger company of approximately 39% to 51% for the pre-Merger owners of ICD common stock and 49% to 61% for the pre-Merger owners of Sidewinder Units, and an implied aggregate number of shares of ICD common stock to be issued to the owners of Sidewinder Units of 37.4 million to 58.6 million. The aggregate number of shares of ICD common stock to be issued to the holders of Sidewinder Units is 36,752,657 shares.

Contribution Analysis

Evercore analyzed the respective contributions of ICD and Sidewinder to the combined company using specific historical and estimated future financial metrics, including the relative contribution of revenue, EBITDA, cash flow from operations, net property, plant and equipment, relative asset value (calculated by applying the relative market value of an ICD rig to Sidewinder s AC and SCR rigs and adjusting for capital expenditures and operating expenditures needed for each Sidewinder rig), and number of rigs (excluding mechanical rigs), in each case based on the Independence management projections for ICD and Sidewinder.

Evercore then analyzed those contributions on a levered basis (by taking into consideration each company s relative debt contribution to EV) for the end of forecasted calendar years 2018, 2019 and 2020, except for net property, plant and

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equipment, relative asset value and number of rigs, each of which was analyzed only as of March 31, 2018. Evercore also analyzed contributions on a levered basis using 2014 actual results. This analysis indicated the relative contributions of ICD and Sidewinder and the implied pro forma ownership split of post-transaction Independence common stock for calendar years 2014 (pro forma), 2018, 2019 and 2020, respectively.

	2014A, 2018E - 2020E Implied ICD Ownership Percentage after Adjusting for Leverage		
	Low		**High**
Revenue	21%	-	49%
EBITDA	22%	-	57%
Cash Flow from Operations	10%	-	54%
Net PP&E (actual as of 3/31/18)		*56%*	
Relative Asset Value	44%	-	53%
Number of Rigs	36%	-	48%

The six different financial metrics Evercore analyzed over the respective calendar years implied a mean pro forma ownership split of the post-Merger company of approximately 43% for the pre-Merger owners of ICD common stock and 57% for the pre-Merger owners of Sidewinder Units. Furthermore, Evercore predominantly focused on the exchange ratios implied for EBITDA and Relative Asset Value, because Evercore considered these to be the most relevant for this analysis. Evercore also focused its evaluation predominantly on 2019 in particular. Based on its experience and professional judgment, Evercore then selected a reference pro forma ownership of the post-Merger company of approximately 45% to 55% for the pre-Merger owners of ICD common stock and an implied aggregate number of shares of ICD common stock to be issued to the owners of Sidewinder Units of 31.3 million to 46.8 million. The aggregate number of shares of Independence common stock to be issued to the holders of Sidewinder Units is 36,752,657 shares.

Miscellaneous

In arriving at its opinion, Evercore did not draw, in isolation, conclusions from or with regard to any factor or analysis considered by it. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses. The order of the analyses and reviews described in the summary above and the results thereof do not represent the relative importance or weight given to these analyses and reviews by Evercore. Considering selected portions of the analyses and reviews in the summary set forth above, without considering the analyses and reviews as a whole, could create an incomplete or misleading view of the analyses and reviews underlying Evercore s opinion. Evercore may have considered various assumptions more or less probable than other assumptions, so the range of valuations and implied exchange ratios resulting from any particular analysis should therefore not be taken to represent Evercore s view of the value of ICD or Sidewinder.

For purposes of its analyses and reviews, Evercore considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of ICD, Sidewinder and their advisors. No company or business used in Evercore s analyses and reviews as a comparison is identical to ICD or Sidewinder, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies,

businesses or transactions used in Evercore s analyses and reviews. The estimates contained in Evercore s analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by Evercore s analyses and reviews. In addition, analyses and reviews relating to the value of companies, businesses or securities do not purport to be appraisals

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or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Evercore s analyses and reviews are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results or values are materially different from those contained in those estimates.

Pursuant to the terms of Evercore s engagement, Evercore financial advisory services to the Board in connection with the transactions contemplated by the Merger Agreement, including the delivery of its opinion as to the fairness, from a financial point of view, to the holders of ICD common stock issued and outstanding immediately prior to the effective time of the Merger of the Merger Consideration to be paid or made as consideration for the Sidewinder Units.

This is Evercore s first engagement by ICD whereby Evercore earned a fee. In accordance with Evercore s engagement letter with ICD, Evercore received a fee of $500,000 upon rendering its opinion. In addition, Evercore will also be entitled to receive a success fee if the Merger is consummated. Under the Evercore engagement letter, Evercore s opinion fee will be credited against any success fee.

In addition, ICD has agreed to reimburse Evercore for its reasonable expenses (including legal fees, expenses and disbursements) incurred in connection with its engagement. However, without ICD s prior written consent, Evercore will not be reimbursed for more than $75,000 of those expenses. Furthermore, ICD has agreed to indemnify Evercore and any of its members, partners, officers, directors, advisors, representatives, employees, agents, affiliates or controlling persons, if any, against certain liabilities and expenses arising out of Evercore s engagement, any services performed by Evercore in connection therewith or any transaction contemplated thereby.

Evercore and its affiliates in the future may provide financial advisory and other services to ICD, Sidewinder and their respective affiliates, for which Evercore may receive compensation, including the reimbursement of expenses.

During the two-year period prior to the date hereof, except for its engagement with ICD in connection with the transactions contemplated by the Merger Agreement, no material relationship existed between Evercore and its affiliates, on the one hand, and ICD, Sidewinder or any of their respective affiliates, on the other hand, pursuant to which compensation was received by Evercore or its affiliates as a result of such a relationship.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, or related derivative securities, or financial instruments of ICD, Sidewinder and their respective affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in those securities or instruments.

The issuance of Evercore s opinion was approved by an opinion committee of Evercore.

The Board engaged Evercore to act as a financial advisor to ICD based on its qualifications, experience and reputation, as well as its familiarity with the business of ICD. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

Voting Agreement

Concurrently with the execution of the Merger Agreement, each of our directors and executive officers and their affiliates entered into a voting and support agreement with us (the Voting Agreement). Our stockholders who are subject to the Voting Agreement have, among other things, agreed to vote their shares of our common stock (1) in favor of the Stock Issuance Proposal, (2) in favor of any proposal to adjourn or postpone any such

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meeting of our stockholders to a later date if there are not sufficient votes to approve the Stock Issuance Proposal, (3) in favor of the Stock Issuance Proposal, set forth in this proxy statement, and (4) against certain other specified actions. Based on our 38,252,765 shares of outstanding common stock on July 17, 2018, approximately 11% of the outstanding shares of our common stock are subject to the Voting Agreement.

The foregoing description of the Voting Agreement does not purport to be complete and is qualified in its entirety by reference to the form of Voting Agreement, a copy of which is was filed as Exhibit 10.2 to the Company s Form 8-K filed on July 19, 2018, and is incorporated herein by reference.

Merger Consideration

We have agreed with Sidewinder that the total number of shares of our common stock that we will issue in connection with the Merger, which shares we refer to as the Specified Parent Common Stock, will be an aggregate of 36,752,657 shares. Based on our 38,252,765 shares of outstanding common stock as of July 18, 2018, the Specified Parent Common Stock will represent approximately 49% of our outstanding common stock (on an adjusted basis) immediately following completion of the Merger.

In addition to the Specified Parent Common Stock, each Sidewinder Series A member will be entitled to receive such member s share of any Mechanical Rig Net Proceeds (as defined in the Merger Agreement), payable in accordance with the Merger Agreement and the Note Conversion Agreement to the extent such proceeds have not either been used to repay certain Sidewinder indebtedness or been paid as a dividend to the Sidewinder members prior to the closing of the Merger.

The Specified Parent Common Stock consist of our securities, so their value fluctuates with changes in the trading price of our common stock on the NYSE based on the respective closing market prices of our common stock as of the respective dates. As of July 18, 2018 (the day on which the Merger Agreement was executed and the trading day before the date of the Merger Agreement was announced), the total value of the Specified Parent Common Stock, was $148.8 million, based on the closing market price of our common stock of $4.05 as of such date. The value of the Specified Parent Common Stock actually given as consideration in the Merger will not be determined until the Merger closes.

Effective Time of the Merger

We currently expect the closing of the Merger to occur by December 31, 2018. The closing shall occur, and the Merger Agreement shall be effective, no later than the third business day after the satisfaction or waiver of all the conditions and the obligations of ICD and Sidewinder to the transactions contemplated by the Merger Purchase Agreement, including approval of the issuance of the Specified Parent Common Stock by our stockholders. However, because the Merger Agreement is subject to a number of conditions, we cannot predict exactly when the closing will occur or if it will occur at all.

Stockholders Agreement

Concurrently with the execution of the Merger Agreement, we and certain member parties who will receive Merger consideration pursuant to the Merger Agreement entered into a stockholders agreement (the Stockholders Agreement), related to the period following the consummation of the Merger. Such Member Parties include one or more affiliates of MSD Partners, and one or more affiliates of MSD Capital (such affiliates of MSD Partners and MSD Capital, MSD).

Pursuant to the Stockholders Agreement, immediately following the effective time of the Merger, we agreed to take any and all necessary action to cause the Board to be comprised of a total of seven directors, including, consistent with the Merger Agreement, four of our existing directors, two designated representatives

of an MSD Partners affiliate, and our new Chief Executive Officer. After the effective time of the Merger, we also agreed, for so long as certain conditions are met, to cause to be appointed to the Board: (i) two representatives of an MSD Partners affiliate, at least one of which must be, in the good faith determination of the Board or the Governance Committee, an independent director, (ii) our Chief Executive Officer immediately following the effective time of the Merger, and (iii) the four other existing directors of the Company.

The MSD parties to the Stockholders Agreement have also agreed, for a period of time up to the earlier of the third anniversary of the date of closing or the earlier occurrence of certain specified events (the Sunset Date), not to, directly or indirectly, without the Board s prior written consent (and subject to certain exceptions set forth therein), (i) make any public announcements or proposal with respect to (a) any acquisition of, additional beneficial ownership of voting shares, or tender or exchange offer, merger, consolidation, business combination or other transaction involving the Company that would result in the acquisition by such MSD parties of beneficial ownership that is greater than the MSD parties beneficial ownership as of immediately after the closing of the Merger, (b) any restructuring, recapitalization, liquidation or similar transaction involving the Company, (c) the election or removal of directors of the Company other than the MSD Representatives; or (d) any acquisition of the Company s loans, debt securities, equity securities or assets (in each case other than certain permitted private communications); (ii) publicly seek a change in the composition or size of the Company s Board other than in accordance with the Stockholders Agreement; (iii) deposit voting securities into a voting trust; (iv) acquire any voting security that is greater than the MSD parties beneficial ownership as of immediately following the closing of the Merger; (v) call for, initiate or propose any general or special meeting of the Company s stockholders in furtherance of the matters in clause (i) above; or (vi) intentionally and knowingly instigate, facilitate, encourage or assist any third party to do any of the prohibited activities.

Prior to the Sunset Date, the MSD parties to the Stockholders Agreement also agree (i) to cause voting securities held by them to be present at any meeting for the election of directors either in person or by proxy, (ii) to vote the voting securities within their control in the election of directors (excluding with respect to the MSD Representatives nominated in accordance with the Stockholders Agreement) either (a) as recommended by the Board or (b) in the same proportion as the votes cast by other holders of voting securities, (iii) not to vote their voting securities in favor of any change of control transaction pursuant to which the per-share consideration to be received by the MSD parties or their affiliates in respect of their common stock is different in amount or form from the per-share consideration to be received by other holders who are not affiliates of the MSD parties or the Company (excluding rights to select cash or stock offered generally to holders), unless such change of control transaction is approved by the Board, and (iv) not to take any action, alone or in concert with others, to change the size or composition of the Board or otherwise seek to expand the MSD parties representation on the Board inconsistent with their rights under the Stockholders Agreement.

Pursuant to the Stockholders Agreement, the Member Parties are restricted from transferring any equity securities of ICD, subject to certain permitted exceptions, until the earlier of (i) 180 days after the consummation of the Merger or (ii) 10 days after the filing of ICD s annual report on Form 10-K for the year ended December 31, 2018.

Further, the Company is required to use its commercially reasonable best efforts to file, as soon as practicable after the consummation of the Merger, and no later than the later of (i) 30 days after the consummation of the Merger and (ii) 15 business days after Sidewinder delivers the financial statements and information required to be delivered by Sidewinder pursuant to the Merger Agreement, a shelf registration statement under the Securities Act, to permit the public resale of all the registrable securities held by the Member Parties and to use its reasonable best efforts to cause such shelf registration statement to be declared effective as promptly as practicable, and, generally, within 180 days of the consummation of the Merger.

The foregoing description of the Stockholders Agreement does not purport to be complete and is qualified in its entirety by reference to the form of Stockholders Agreement, a copy of which is was filed as Exhibit 10.1 to the Company s Form 8-K filed on July 19, 2018 and is incorporated herein by reference.

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Board Following the Merger

Immediately after the effective time of the Merger, pursuant to the Stockholders Agreement, there will be seven directors of ICD: four directors designated by ICD, two directors designated by an MSD Partners affiliate, and one director who is also the Chief Executive Officer of ICD. Messrs. Bates, Crandell, Fitzgerald and McNeese will continue as directors of the Company following the effective time of the Merger. The Members Representative has designated Adam Piekarski and James Minmier as their director designees. J. Anthony Gallegos, Jr., the current Chief Executive Officer of Sidewinder, will become the Chief Executive Officer of the Company effective upon the closing of the Merger, as well as a director. Upon the effective appointment of Mr. Gallegos as Chief Executive Officer and a director, the employment of our current Chief Executive Officer, Byron Dunn, and his service as a director will terminate. Upon the closing of the Merger, Mr. Tighe Noonan, a current director of the Company, will also cease to be a director.

The following sets forth certain biographical information regarding Messrs. Gallegos, Piekarski and Minmier:

J. Anthony Gallegos, Jr. Mr. Gallegos has served as President and Chief Executive Officer, and a director of Sidewinder since September 2017. Prior to that, from November 2014 to September 2017, Mr. Gallegos was President and Chief Financial Officer of Sidewinder. Mr. Gallegos began work related to the formation of Sidewinder in January 2011 and served as Sidewinder s Senior Vice President and Chief Financial Officer since its formation in April 2011 until October 2014. From April 2006 through September 2010, Mr. Gallegos held the position of Vice President Business Development of Scorpion Offshore Ltd. Scorpion Offshore was an international offshore drilling contractor which was acquired by Seadrill in 2010. Prior to joining Scorpion Offshore, he held operational, marketing, corporate planning and management positions with Atwood Oceanics, Inc., Transocean Ltd., Ensco plc. and Global Marine Drilling Company. Mr. Gallegos started his career working as a roughneck on offshore drilling rigs in the U.S. Gulf of Mexico and has over 26 years of experience in the drilling industry. Mr. Gallegos is a director of the International Association of Drilling Contractors and a member of the Society of Petroleum Engineers. He is a past Chairman of the Houston Chapter of the International Association of Drilling Contractors. He is a veteran of the US Army and holds a B.B.A. from Texas A&M University and a Master of Business Administration from Rice University.

James Minmier. Mr. Minmier has served as Chief Executive Officer of Extreme Plastics Plus, LLC, a subsidiary of BW Equity Holdings, LLC, since May 2018. Currently, Mr. Minmier serves as a Director for Sidewinder and BW EPP Holdings, LLC. From June 2017 until May 2018, Mr. Minmier managed his personal investments. From June 2011 until June 2017, Mr. Minmier served as President of Nomac Drilling LLC, a subsidiary of COS Holdings, LLC and subsequently Seventy Seven Energy Inc. Mr. Minmier has more than 26 years of experience in the drilling industry. Mr. Minmier received a Bachelor of Science in Electrical Engineering from the University of Texas at Arlington and a Master of Business Administration degree from the University of West Florida.

Adam Piekarski. Mr. Piekarski is a principal at MSD Partners. MSD Partners is an SEC-registered investment advisor formed in 2009 by the senior partners of MSD Capital. Mr. Piekarski received a Bachelor of Science in Electrical Engineering, Biomedical Engineering and Economics from Duke University and a Master of Business Administration from the Wharton School, University of Pennsylvania.

Other than the Stockholders Agreement and the employment between the Company and Mr. Gallegos described below, there are no arrangements or understandings between Mr. Gallegos and any other person pursuant to which he was appointed as an officer of the Company. The Company is not aware of any other transactions in which Mr. Gallegos has an interest requiring disclosure under Item 404(a) of Regulation S-K.

The Company expects to enter into an indemnification agreement with Mr. Gallegos and each of our new directors to enhance the indemnification rights under Delaware law, our certificate of incorporation and bylaws.

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The indemnification agreements will be substantially identical to the form of agreement previously executed by the Company s other executive officers or directors. See Indemnification Agreements below.

Gallegos Employment Agreement

In connection with the Merger, the Company has entered into an employment agreement with Mr. Gallegos (the Employment Agreement), as Chief Executive Officer, which will become effective upon the closing of the Merger. Pursuant to the Employment Agreement, Mr. Gallegos will receive an annual base salary of $425,000 and he will be eligible to receive a target annual incentive bonus equal to 100% of his base salary. Mr. Gallegos will also receive restricted stock units for common stock of the Company with an aggregate value equal to $1,000,000. Mr. Gallegos will also receive certain fringe benefits including payment of medical and dental insurance coverage premiums, and other benefits and incentives. If Mr. Gallegos is terminated by the Company without Cause (as defined in the Employment Agreement) or he terminates employment for Good Reason (as defined in the Employment Agreement), he will be entitled to receive a lump sum payment equaling two times his annual base salary and target annual bonus for the fiscal year during which the termination occurs, the vesting of his equity compensation and the continuation of medical and dental insurance benefits for a period of 18 months.

A copy of the Employment Agreement has been filed as Exhibit 10.3 to the Company Form 8-K filed on July 19, 2018 and is incorporated herein by reference.

Regulatory Approvals

We are not aware of any governmental or regulatory approval required for the completion of the Merger, other than (i) filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, as amended, (ii) filings in compliance with applicable corporate laws of Delaware and (iii) the filing with The New York Stock Exchange of a Notification Form for Listing Additional Shares and a Notification Form for Change in the Number of Shares Outstanding, with respect to the shares of our common stock to be issued pursuant to the Merger Agreement.

If any other governmental approvals or actions are required, we intend to try to obtain them. We cannot assure you, however, that we will be able to obtain any such approvals or actions.

Interests of the Company s Directors and Executive Officers in the Merger

2012 Omnibus Incentive Plan

Our Board has adopted, and our stockholders have approved, the Independence Contract Drilling 2012 Omnibus Incentive Plan (the 2012 Plan). Our 2012 Plan provides for the grant of options to purchase our common stock, both incentive options that are intended to satisfy the requirements of Section 422 of the Internal Revenue Code and nonqualified options that are not intended to satisfy such requirements, stock appreciation rights, restricted stock, restricted stock units, performance stock, performance units, other stock-based awards and certain cash awards.

As of July 17, 2018, we had authorized and reserved for issuance under our 2012 Plan 2,269,891 shares of our common stock, including 830,399 shares under time-based restricted stock unit awards, 756,542 shares under performance-based restricted stock unit awards (assuming the maximum number of shares are awarded), and 682,950 shares under stock options to purchase our common stock. There are currently 1,016,855 additional shares of common stock authorized and available for grant under the 2012 Plan.

Our employees are eligible to receive awards under our 2012 Plan. In addition, (1) the non-employee directors of our Company and (2) the consultants, agents, representatives, advisors and independent contractors

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who render services to our Company and its affiliates that are not in connection with the offer and sale of our Company s securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for our Company s securities are eligible to receive awards settled in shares of our common stock, other than incentive stock options, under our 2012 Plan.

Effective on the closing date of the Merger, an aggregate of 830,399 time-based restricted stock units (RSUs) will fully vest and 139,617 performance based RSUs will proportionately vest at their target share amount assuming the closing occurs on September 30, 2018. The RSUs issued to officers and directors include RSUs that would otherwise vest in accordance with their terms on February 19, 2019. The following chart summarizes the number of RSUs that will vest for each of the Company s directors and named executive officers as a result of the Merger.

Name	Time Based RSUs	Performance Based RSUs[1]	Total
Named Executive Officers:			
Byron A. Dunn	391,269	74,194	465,463
Philip A. Choyce	151,806	30,005	181,811
Christopher K. Menefee	74,377	12,879	87,256
Directors:			
Thomas R. Bates	14,948		14,948
James D. Crandell	25,300		25,300
Matthew D. Fitzgerald	14,948		14,948
Daniel F. McNease	14,948		14,948
Tighe A. Noonan	14,948		14,948

(1) Assumed a closing date of September 30, 2018, for purposes of estimating the number of performance restricted stock awards that would proportionately vest at closing.

Change of Control and Severance Payments under Certain Employment Agreements

We have entered into employment agreements with Messrs. Dunn and Choyce. In connection with the completion of our IPO, we amended and restated our employment agreements with each of Messrs. Dunn and Choyce on August 13, 2014. Under the terms of the amended and restated employment agreements, Messrs. Dunn and Choyce are paid annual salaries of $464,000 and $319,000, respectively, and are eligible to receive target bonuses, payable at the discretion of the Board equal to 120% and 80%, respectively, of their annual salaries. Each employment agreement is for a term of three years; provided, however, that if neither the Company nor the employee has provided written notice of termination at least one year prior to the scheduled expiration of the then current term of the agreement (the renewal date), the employment term automatically extends for one additional year, so as to expire two years from such renewal date.

Under their employment agreements, Messrs. Dunn and Choyce are entitled to receive a severance payment in the event their employment is terminated by the Company without cause or by the executive for good reason , including any such terminations in connection with the merger. Such severance payments will be payable in a lump sum and will be equal to the following:

all accrued and unpaid salary and prior fiscal year bonus earned but not paid as of the date of termination;

a pro rata portion of the executive officer s target bonus for the fiscal year in which termination of employment occurs; and

two (2) times the sum of (x) the executive officer s annual base salary in effect at the time of termination of employment and (y) the executive officer s target annual bonus; provided however, if

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Mr. Dunn s termination is in connection with a change of control, he will receive 2.99 times the sum of (x) his annual base salary in effect at the time of termination of employment and (y) his target annual bonus.

Under the employment agreements, cause is deemed to exist if any of the following occurs:

willful and continued failure to comply with the reasonable written directives of the Company for a period of thirty (30) days after written notice from the Company;

willful and persistent inattention to duties for a period of thirty (30) days after written notice from the Company, or the commission of acts within employment with the Company amounting to gross negligence or willful misconduct;

misappropriation of funds or property of the Company or committing any fraud against the Company or against any other person or entity in the course of employment with the Company;

misappropriation of any corporate opportunity, or otherwise obtaining personal profit from any transaction which is adverse to the interests of the Company or to the benefits of which the Company is entitled;

conviction of a felony involving moral turpitude;

willful failure to comply in any material respect with the terms of the employment agreement and such non-compliance continues uncured after thirty (30) days after written notice from the Company; or

chronic substance abuse, including abuse of alcohol, drugs or other substances or use of illegal narcotics or substances, for which the executive officer fails to undertake treatment immediately after requested by the Company or to complete such treatment and which abuse continues or resumes after such treatment period, or possession of illegal narcotics or substances on Company premises or while performing the executive officer s duties and responsibilities.

Under the employment agreements, good reason is deemed to exist if any of the following occurs:

any action or inaction that constitutes a material breach by the Company of the employment agreement and such action or inaction continues uncured after thirty (30) days following written notice from the executive officer;

the assignment to the executive officer of any duties inconsistent in any respect with the executive officer s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by the employment agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated,

insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company within 30 days of receipt of written notice thereof given by the executive officer;

any failure by the Company to comply with the payment provisions of the employment agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company as soon as reasonable possible, but no later than 30 days after receipt of written notice thereof given by the executive officer;

a change in the geographic location at which the executive officer must perform services to a location more than fifty (50) miles from Houston, Texas or the location at which the executive officer normally performs such services as of the date of the employment agreement; or

in the event a change of control has occurred, the assignment to the executive officer to any position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that are not (A) as a senior executive officer with the ultimate parent company of the entity surviving or resulting from such change of control and (B) substantially identical to the executive officer s position (including status, offices, titles and reporting requirements), authority, duties and responsibilities as contemplated by the employment agreement.

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Mr. Dunn is subject to a non-compete agreement restricting him from competing in the U.S. land contract drilling industry for a period of 24 months following termination of employment; provided, however, if Mr. Dunn s termination is in connection with a change of control, Mr. Dunn is subject to a 36-month restricted period. Mr. Choyce is subject to a non-compete agreement restricting him from competing in the U.S. land contract drilling industry for a period of 12 months following termination of employment.

We also entered into a Change of Control Agreement with Mr. Menefee, which provides that if his employment with the Company is terminated by the Company without cause or he terminates his employment for good reason , and such termination is made in contemplation of a change in control, then Mr. Menefee will be entitled to receive a lump sum payment equal to:

- all accrued and unpaid salary and prior fiscal year bonus earned but not paid as of the date of termination;
- a pro rata portion of his target bonus for the fiscal year in which termination of employment occurs; and
- one (1) times the sum of (x) his annual base salary in effect at the time of termination of employment and (y) his target annual bonus.

Mr. Dunn will not be continuing as an employee of the combined company after the effective time of the merger, and thus, pursuant to the terms of his employment agreement and in connection with the merger, Mr. Dunn will receive approximately $3.1 million, payable six months following the closing of the merger. In addition, certain unvested restricted stock units automatically will vest and any other conditions to these awards will be deemed satisfied upon closing of the merger. Additionally, under the terms of his employment agreement, Mr. Dunn is entitled to health care insurance benefits for 18 months, in addition to certain outplacement service benefits.

Indemnification Agreements

We have entered into indemnification agreements with all of our directors and our Mr. Dunn and Mr. Choyce as described in our proxy statement for our 2018 annual meeting of stockholders. These indemnification agreements are intended to permit indemnification to the fullest extent now or hereafter permitted by the General Corporation Law of the State of Delaware. It is possible that the applicable law could change the degree to which indemnification is expressly permitted.

The indemnification agreements cover expenses (including attorneys fees), judgments, fines and amounts paid in settlement incurred as a result of the fact that such person, in his or her capacity as a director or officer, is made or threatened to be made a party to any suit or proceeding. The indemnification agreements generally cover claims relating to the fact that the indemnified party is or was an officer, director, employee or agent of us or any of our affiliates, or is or was serving at our request in such a position for another entity. The indemnification agreements also obligate us to promptly advance all reasonable expenses incurred in connection with any claim. The indemnitee is, in turn, obligated to reimburse us for all amounts so advanced if it is later determined that the indemnitee is not entitled to indemnification against such expenses. The indemnification provided under the indemnification agreements is not exclusive of any other indemnity rights.

We are not obligated to indemnify the indemnitee with respect to claims brought by the indemnitee against us, except for:

claims regarding the indemnitee s rights under the indemnification agreement;

claims to enforce a right to indemnification under any statute or law; and

counter-claims against us in a proceeding brought by us against the indemnitee.

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We have also agreed to use all commercially reasonably efforts to obtain and maintain director and officer liability insurance for the benefit of each of the above indemnitees. These policies include coverage for losses for wrongful acts and omissions and to ensure our performance under the indemnification agreements. Each of the indemnitees is named as an insured under such policies and provided with the same rights and benefits as are accorded to the most favorably insured of our directors and officers.

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FINANCING OF THE MERGER

In order to finance (i) a portion of the consideration of the Merger and to pay fees, commissions, expenses and costs related thereto, (ii) the repayment of a portion of Sidewinder s outstanding first lien notes in an amount equal to approximately $58.5 million, (iii) the repayment of Sidewinder debt under its revolving credit agreement, (iv) the repayment of the Company s debt under its revolving credit agreement, and (v) other transaction expenses, the Company expects to incur indebtedness of up to $130.0 million pursuant to the Credit Facilities (as defined below).

In connection with the Merger, the Company has entered into a commitment letter with MSD Partners (the Term Loan Commitment Letter). Pursuant to the Term Loan Commitment Letter, the Company has received commitments for (a) the Term Loan Facility and (b) the DDTL Facility, and together with the Term Loan Facility, the Term Facilities), with the proceeds of the Term Loan Facility being used by the Company, among other things, to repay certain outstanding indebtedness of Sidewinder and of the Company as of the closing of the Merger. The Term Facilities will be a no-amortization loan with a maturity date five years after the execution date. The Term Facilities will be secured by a first-priority lien on collateral (the Term Priority Collateral) other than accounts receivable, deposit accounts and other related collateral pledged as first priority collateral (Priority Collateral) under the ABL Credit Facility (defined below) and a second priority lien on such Priority Collateral.

In addition, the Company has entered into a commitment letter with Wells Fargo Bank, National Association (the ABL Commitment Letter) with respect to a revolving senior secured credit facility (the ABL Credit Facility). Pursuant to the ABL Credit Facility, the Company has commitments for borrowing capacity of up to $40.0 million, including availability for letters of credit in an aggregate amount at any time outstanding not to exceed $7.5 million. Availability under the ABL Credit Facility will be subject to a borrowing base determined based on 85% of the net amount of eligible accounts of the Company, minus reserves. The ABL Credit Facility will be secured by a first priority lien on Priority Collateral, which will include all accounts receivable and deposit accounts, and a second priority lien on the Term Priority Collateral. We refer to the Term Facilities and the ABL Credit Facility as the Credit Facilities.

The financing commitments of lenders under the Credit Facilities are subject to the satisfaction of certain conditions including, among others, (1) the execution of satisfactory documentation and (2) the absence of a Material Adverse Effect (as defined in the Merger Agreement) with respect to the Company, Sidewinder and their respective subsidiaries, taken as a whole. The commitments will terminate on December 31, 2018, if the definitive documentation with respect to the Credit Facilities has not been executed by all parties prior to that date. The commitments under the ABL Credit Facility may also terminate prior to December 31, 2018, if the Merger Agreement is terminated or if the Merger occurs prior to the closing of the ABL Credit Facility.

The Term Loan Facility will contain a minimum liquidity covenant requiring the Company to maintain at least $10.0 million of minimum liquidity, consisting of cash, ABL availability and term loan delayed draw availability. The ABL Credit Facility will contain a springing fixed charge coverage ratio of 1.00 to 1.00 that is tested only when minimum ABL Credit Facility availability falls below 10 percent of the maximum committed amount thereunder. Other covenants contained in the facility are expected to restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments, indebtedness and preferred stock, loans and investments, liens and affiliate transactions. The Company anticipates that the Credit Facilities will contain customary events of default.

While the parties currently expect to finance the approximate $130.0 million of the Company s anticipated cash requirements in connection with the Merger utilizing cash and proceeds from the Term Loan Facility, the Company may instead finance a portion of that amount through borrowings under the ABL Credit Facility, depending on market conditions.

In lieu of financing under the Term Loan Facility and the ABL Credit Facility, the Company may also seek alternative debt financing, subject to certain termination fees.

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THE MERGER AGREEMENT

The following is a summary of the material terms of the Merger Agreement, which is attached as Annex A to this proxy statement and incorporated herein by reference. The Merger Agreement has been attached to this document to provide you with information regarding its terms. The Merger Agreement is not intended to provide any other factual information about us or Sidewinder. The following description does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement included as Annex A. You should refer to the full text of the Merger Agreement for details of the Merger and the terms and conditions of the Merger Agreement.

General

We have entered into an agreement and plan of merger with Merger Sub, Sidewinder and MSD Credit Opportunity Master Fund, L.P., in its capacity as Members Representative, by which, at the effective time, Merger Sub will be merged with and into Sidewinder in accordance with the provisions of the Delaware Limited Liability Company Act. As a result, the separate existence of Merger Sub shall cease and Sidewinder shall continue its existence under the laws of the State of Delaware as the surviving limited liability company.

The closing of the Merger will occur on the date that is three business days after the last of the conditions to the Merger have been satisfied or waived (other than such conditions which by their nature cannot be satisfied until the closing date, which will be required to be so satisfied or waived in accordance with the Merger Agreement on the closing date), or at another time as the parties mutually agree. We currently expect the closing of the Merger, or the closing, to occur by December 31, 2018. However, because the Merger is subject to a number of conditions, we cannot predict exactly when the closing will occur or if it will occur at all.

Merger Consideration

We have agreed with Sidewinder that the total number of shares of our common stock that we will issue in connection with the Merger, which shares we refer to as the Specified Parent Common Stock, will be an aggregate of 36,752,657 shares. Based on our 38,252,765 shares of outstanding common stock as of July 18, 2018, the Specified Parent Common Stock will represent approximately 49% of our outstanding common stock (on an adjusted basis) immediately following completion of the Merger.

In addition to the Specified Parent Common Stock, each Sidewinder Series A Member will be entitled to receive such member s share of any Mechanical Rig Net Proceeds (as defined in the Merger Agreement), payable in accordance with the Merger Agreement and the Note Conversion Agreement to the extent such proceeds have not either been used to repay certain Sidewinder indebtedness or been paid as a dividend to the Sidewinder members prior to the closing of the Merger. The Merger Agreement provides that from and after the closing of the Merger, the Company will use commercially reasonable best efforts to sell the Mechanical Rigs on terms and price satisfactory to the Members Representative until the earlier of (a) such time as all of the Mechanical Rigs have been sold and (b) the date occurs 18 months following the Closing Date (the Specified Date). The Company will be entitled to sell the Mechanical Rigs on an as-is, where-is basis without any indemnities from, or post-closing liabilities to, the Company. On or prior to the date 30 days after (x) such time as all of the Mechanical Rigs have been sold or (y) 30 days after the Specified Date, Parent will pay the amount of such Mechanical Rig Net Proceeds to the Members Representative for further distribution by the Members Representative to the applicable Sidewinder Series A Members in accordance with the Note Conversion Agreement.

The Specified Parent Common Stock consist of our securities, so their value fluctuates with changes in the trading price of our common stock on the NYSE based on the respective closing market prices of our common stock as of the

respective dates. As of July 18, 2018 (day on which the Merger Agreement was executed and the trading day before the date of the Merger Agreement was announced), the total value of the Specified Parent

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Common Stock, was $148.8 million, based on the closing market price of our common stock of $4.05 as of such date. The value of the Specified Parent Common Stock actually issues as consideration in the Merger will not be determined until the Merger closes.

Conditions to the Completion of the Merger

Each party s obligation to complete the Merger is subject to the satisfaction or waiver by each of the parties, at or prior to the closing, of various conditions, which include the following:

- no order or other legal or regulatory restraint or prohibition preventing the consummation of the Merger will be in effect and no action will have been brought by a governmental authority seeking any of the foregoing will be pending;

- no action taken by any governmental authority, and no statute, rule, regulation or order will have been enacted, entered, enforced or deemed applicable to the Merger, which makes the consummation of the Merger illegal;

- the parties will have timely obtained all approvals, waivers and consents of any governmental authorities, if any, necessary for consummation of, or in connection with, the Merger; and

- the Company and Sidewinder, on a consolidated basis, will have not less than $30,000,000 of pro forma liquidity after giving effect to the closing and certain related transactions.

Our obligation to complete the Merger is subject to the satisfaction or waiver, at or prior to the closing, of various additional conditions, any of which may be waived by us, which include the following:

- the representations and warranties concerning Sidewinder in the Merger Agreement being true and correct as of the date of the Merger Agreement and as of the closing date as if made on the closing date, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties are to be true and correct as of such date); with only such failures to be so true and correct, taken as a whole, as have not resulted in a material adverse effect (other than certain fundamental representations of Sidewinder which are to be true and correct in all material respects as of the applicable dates referred to above);

- Sidewinder will have performed or complied in all material respects with the agreements and covenants required to be performed or complied with in the Merger Agreement as of or prior to the closing;

- no order or other legal or regulatory provision limiting or restricting our ownership, conduct or operation of the Sidewinder business following the closing will be in effect, nor will any action or request for additional information before any governmental authority seeking any of the foregoing, seeking to obtain from the

Company or Sidewinder or their respective affiliates in connection with the Merger any damages, or seeking any other relief that, following the closing, could reasonably be expected to materially limit or restrict the ability of Sidewinder or any of its subsidiaries to own and conduct the assets and businesses owned and conducted by Sidewinder or any of its subsidiaries before the closing, be pending or threatened;

no event or condition of any character that has had or is reasonably likely to have a material adverse effect on Sidewinder shall have occurred since the date of the Merger Agreement; and

the issuance of the Specified Parent Common Stock shall have been approved by the holders of at least a majority of the outstanding shares of our common stock that are voted on the Merger.

The obligation of Sidewinder to complete the Merger is subject to the satisfaction or waiver, at or prior to the closing, of various additional conditions, any of which may be waived by Sidewinder, which include the following:

the representations and warranties concerning the Company and the Merger Sub in the Merger Agreement being true and correct as of the date of the Merger Agreement and as of the closing date as

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if made on the closing date, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties are to be true and correct as of such date); with only such failures to be so true and correct, taken as a whole, as have not resulted in a material adverse effect (other than certain fundamental representations of the Company which are to be true and correct in all material respects as of the applicable dates referred to above); and

we will have performed or complied in all material respects with the agreements and covenants required to be performed or complied with in the Merger Agreement as of or prior to the closing.

Meeting of Stockholders

We are obligated under the Merger Agreement, subject to certain conditions, to hold and convene a special meeting of our stockholders for purposes of approving the issuance of the Specified Parent Common Stock. We are required to prepare and file this proxy statement with the SEC and distribute it to our stockholders for the purpose of convening the Special Meeting and obtaining stockholder approval of the issuance of the Specified Parent Common Stock.

Covenants Regarding Conduct Pending the Merger

Pending the closing of the Merger, Sidewinder has agreed to except (i) as expressly permitted or required by the Merger Agreement, (ii) as required by applicable law or (iii) as otherwise approved with the prior written consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed), use commercially reasonable best efforts to conduct its business in the ordinary course including by using commercially reasonable best efforts to: (A) preserve substantially intact the business organization of Sidewinder; and (B) maintain its existing relations with key suppliers, customers, employees and other persons having key business relationships with Sidewinder.

Prior to the closing, Sidewinder has agreed to not do any of the following without our written consent:

(A) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property) in respect of any of its equity or voting interests, except for any dividend of the Mechanical Rig Net Proceeds, (B) split, combine or reclassify any of its equity or voting interests or issue any other securities in respect of, in lieu of or in substitution for its equity or voting interests, except for transactions by a wholly-owned subsidiary of Sidewinder, (C) purchase, redeem, or otherwise acquire any securities of Sidewinder or any securities convertible into or exchangeable for such securities or any options, warrants, calls, or rights to acquire any such shares or other securities or (D) pay any cash interest payments under any indebtedness issued pursuant to any Company Note Agreements (as defined in the Merger Agreement) (which will not be deemed to include any payment of the Mechanical Rig Net Proceeds or any interest payable in kind under any Company Note Agreements);

offer, issue, deliver, grant, sell, pledge, or otherwise encumber any shares of its equity or voting interests or any securities convertible into, or exchangeable for, or any options, warrants, calls, or rights to acquire or receive, any such interests, or securities or any stock appreciation rights, phantom stock awards, or any other similar rights that are linked in any way to the value of Sidewinder or any part thereof;

acquire by merger or consolidation, or by purchasing all or a substantial portion of the assets of, or by purchasing all or a substantial equity or voting interest in, or by any other manner, all or a substantial portion of any business or any entity or division thereof of any person;

acquire any equity interest in any person or any assets or a license therefor, other than acquisitions of assets that are used or held for use in the ordinary course of business or in order to maintain the material company tangible personal property in good working order; or pursuant to certain existing contracts as of the date of the Merger Agreement that have been provided to Independence prior to the date of the Merger Agreement;

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amend its organizational documents;

make or commit to make any capital expenditure or series of related capital expenditures other than certain budgeted capital expenditures or capital expenditures in excess of $5,000,000 in the aggregate, except for capital expenditures to repair damage resulting from insured casualty events where there is a reasonable basis for a claim of insurance or made in response to an emergency;

sell or otherwise dispose of any of its properties or assets, other than sales and dispositions of inventory and products in the ordinary course of business and sales or other dispositions of certain mechanical rigs;

make or rescind any material election relating to taxes (including any election for any joint venture, partnership, limited liability company or other investment where it has the authority to make such binding election, but excluding any election that is made periodically and consistent with past practice), settle or compromise any material proceeding relating to taxes, or change in any material respect any of its methods of reporting income or deductions for income tax purposes from those employed in the preparation of its income tax returns that have been filed for prior taxable years, in each case other than as required by a governmental authority pursuant to an audit of Sidewinder relating to the tax matters;

make any material change to its financial or accounting methods, policies, principles, elections or procedures, except as required by applicable law or changes in GAAP;

(A) except with respect to any contract that relates to Sidewinder s drilling rigs, enter into or terminate any material contract, or (B) amend any material contracts in a manner that would be adverse to Sidewinder and, in each case, cost Sidewinder more than any incremental $250,000 in any calendar year;

(A) increase the compensation of any officer, employee, director or independent contractor, (B) pay, grant, or award any bonus or incentive compensation to any officer, employee, director or independent contractor, (C) materially increase the coverage or benefits available to any current or former employee, officer, director or independent contractor, (D) enter into or materially amend any employee or compensation benefit plan involving any officer, employee, director or independent contractor, (E) grant any severance of termination pay to any current or former officer, employee, director or independent contractor, (F) establish, adopt, enter into, materially amend or terminate any Sidewinder benefit program, (G) grant any equity or equity-based awards, or (H) hire any individual who would become an individual who is employed by Sidewinder as of the closing date, unless necessary to replace an employee of Sidewinder whose employment has terminated as permitted under the Merger Agreement;

other than up to an aggregate of $20,000,000 of indebtedness (including letters of credit) under Sidewinder s credit facility and indebtedness that is converted into Series A Common Units of Sidewinder prior to the closing of the Merger, incur any indebtedness or sell any debt securities or options, warrants, calls, or other rights to acquire any debt securities of Sidewinder;

mortgage, pledge or subject to any lien any of its material assets or properties, other than liens for taxes not yet due and payable or that are being contested in good faith, or incur any material liability as a guarantor or otherwise in respect of any indebtedness;

make any loans, advances or extension of credit other than to customers or suppliers, travel and similar advances to employees, in each case in the ordinary course of business or capital contributions to, or investments in, any other person, in each case other than Sidewinder or any of its direct or indirect wholly-owned subsidiaries;

settle or compromise any claim, liability or proceeding other than claims involving less than or equal to $500,000 in the aggregate (net of any available insurance recovery); *provided, however*, that Sidewinder shall not settle or compromise any proceeding if such settlement or compromise involves a material conduct remedy or material injunctive or similar relief, involves an admission of criminal

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wrongdoing by Sidewinder or has a restrictive impact on the business of Sidewinder in any material respect, or waive or release any material claim or proceeding brought by Sidewinder against another person, other than in the ordinary course of business consistent with past practice;

adopt a plan or agreement of complete or partial liquidation, dissolution, restructuring, recapitalization, merger, consolidation or other reorganization other than in connection with the Merger and related transactions;

enter into any affiliate transaction;

terminate or amend its coverage of any policies of title, liability, fire, workers compensation, property or any other form of insurance covering its assets or operations, except where such terminated coverage is replaced by comparable coverage (provided that such termination does not result in a material gap in coverage of the assets or operations of Sidewinder); or

authorize, agree or commit to do any of the foregoing.

Pending the closing of the Merger, we have agreed (and shall cause Merger Sub) to except (i) as expressly permitted or required by the Merger Agreement, (ii) as required by applicable law or (iii) as otherwise approved with the prior written consent of Sidewinder (which consent shall not be unreasonably withheld, conditioned or delayed), use commercially reasonable efforts to conduct our business in the ordinary course including by using commercially reasonable efforts to: (A) preserve substantially intact the business organization of ICD; (B) maintain our existing relations with key suppliers, customers, employees and other persons having key business relationships with the Company; and (C) file all forms, reports, registration statements and other documents required to be filed by us with the SEC.

Prior to the closing, we have agreed (and shall cause Merger Sub) to not do any of the following without Sidewinder s written consent:

(A) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property) in respect of any of our equity or voting interests, except for transactions solely among the Company and its wholly-owned subsidiaries or among the Company s wholly-owned subsidiaries, (B) split, combine, or reclassify any of our equity or voting interests, or issue any other securities in respect of, in lieu of, or in substitution for shares of our capital stock or other equity or voting interests, except for transactions by a wholly-owned subsidiary of the Company, or (C) purchase, redeem, or otherwise acquire any securities of the Company or Merger Sub or any securities convertible into or exchangeable for such securities or any options, warrants, calls, or rights to acquire any such shares or other securities;

offer, issue, deliver, grant, sell, pledge, or otherwise encumber any shares of our equity or voting interests or any securities convertible into, or exchangeable for, or any options, warrants, calls, or rights to acquire or receive, any such interests, or securities or any stock appreciation rights, phantom stock awards, or any other similar rights that are linked in any way to the price of ICD common stock or the value of the Company;

acquire by merger or consolidation, or by purchasing all or a substantial portion of the assets of, or by purchasing all or a substantial equity or voting interest in, or by any other manner, all or a substantial portion of any business or any entity or division thereof of any person;

acquire any equity interest in any person or any assets or a license therefor, other than acquisitions of assets that are used or held for use in the ordinary course of business or in order to maintain the material company tangible personal property in good working order; or pursuant to certain existing contracts as of the date of the Merger Agreement that have been provided to the Company;

amend our organizational documents or the organizational documents of Merger Sub;

make or commit to make any capital expenditure or series of related capital expenditures other than certain budgeted capital expenditures or capital expenditures in excess of $5,000,000 in the aggregate,

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except for capital expenditures to repair damage resulting from insured casualty events where there is a reasonable basis for a claim of insurance or made in response to an emergency;

sell or otherwise dispose of any of our properties or assets, other than sales and dispositions of inventory and products in the ordinary course of business;

make or rescind any material election relating to taxes (including any election for any joint venture, partnership, limited liability company or other investment where it has the authority to make such binding election, but excluding any election that is made periodically and consistent with past practice), settle or compromise any material proceeding relating to taxes, or change in any material respect any of our methods of reporting income or deductions for income tax purposes from those employed in the preparation of our income tax returns that have been filed for prior taxable years, in each case other than as required by a governmental authority pursuant to an audit relating to the tax matters;

make any material change to our or our subsidiaries financial or accounting methods, policies, principles, elections or procedures, except as required by applicable law or changes in GAAP;

(A) except with respect to any contract that relates to the Company s drilling rigs, enter into or terminate any material contract, or (B) amend any material contracts in a manner that would be adverse to the Company or Merger Sub and, in each case, cost the Company or Merger Sub more than any incremental $250,000 in any calendar year;

(A) increase the compensation of any officer, employee, director or independent contractor, (B) pay, grant, or award any bonus or incentive compensation to any officer, employee, director or independent contractor, (C) materially increase the coverage or benefits available to any current or former employee, officer, director or independent contractor, (D) enter into or materially amend any employee or compensation benefit plan involving any officer, employee, director or independent contractor, (E) grant any severance of termination pay to any current or former officer, employee, director or independent contractor, (F) establish, adopt, enter into, materially amend or terminate any Company benefit program, (G) grant any equity or equity-based awards, or (H) hire any individual who would become an individual who is employed by the Company as of the closing date, unless necessary to replace an employee of the Company whose employment has terminated as permitted under the Merger Agreement;

other than up to an aggregate of $85,000,000 of indebtedness (including letters of credit) under its credit facility or up to $5,000,000 in the aggregate of other indebtedness, incur any indebtedness or sell any debt securities or options, warrants, calls, or other rights to acquire any debt securities of the Company or Merger Sub;

mortgage, pledge or subject to any lien any of our material assets or properties, other than liens for taxes not yet due and payable or that are being contested in good faith, or incur any material liability as a guarantor or otherwise in respect of any indebtedness;

make any loans, advances or extension of credit other than to customers or suppliers, travel and similar advances to employees, in each case in the ordinary course of business or capital contributions to, or investments in, any other person, in each case other than the Company or any of its direct or indirect wholly-owned subsidiary;

settle or compromise any claim, liability or proceeding other than claims involving less than or equal to $500,000 in the aggregate (net of any available insurance recovery); *provided, however*, that neither the Company nor Merger Sub shall not settle or compromise any proceeding if such settlement or compromise involves a material conduct remedy or material injunctive or similar relief, involves an admission of criminal wrongdoing by the Company or Merger Sub or has a restrictive impact on the business of the Company or Merger Sub in any material respect, or waive or release any material claim or proceeding brought by the Company or Merger Sub against another person, other than in the ordinary course of business consistent with past practice;

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adopt a plan or agreement of complete or partial liquidation, dissolution, restructuring, recapitalization, merger, consolidation or other reorganization other than in connection with the Merger and related transactions;

enter into any affiliate transaction;

terminate or amend our coverage of any policies of title, liability, fire, workers compensation, property or any other form of insurance covering our assets or operations, except where such terminated coverage is replaced by comparable coverage (provided that such termination does not result in a material gap in coverage of the assets or operations of the Company); or

authorize, agree or commit to do any of the foregoing.

The Company also covenants that it will use commercially reasonable best efforts to sell the Mechanical Rigs on terms and price satisfactory to the Members Representative until the earlier of (a) such time as all of the Mechanical Rigs have been sold and (b) the date occurs 18 months following the Closing Date.

The Merger Agreement also contains customary non-solicitation provisions that restricts the ability to take certain actions in respect of, including to solicit or initiate discussions or negotiations with third parties, regarding other proposals, and the parties have agreed to certain restrictions on their ability to respond to such proposals.

Termination of the Merger Agreement and Termination Fee

The Merger Agreement may be terminated at any time prior to the closing (unless indicated otherwise below):

by mutual written consent of us and Sidewinder;

by either us or Sidewinder if any governmental authority shall have issued a final and non-appealable order, decree or judgment prohibiting the Merger;

by either us or Sidewinder if the Merger shall not have been consummated on or before December 31, 2018, provided that neither party may terminate the Merger Agreement if the failure to close is due to such party or its representative s failure to comply in all material respects with the covenants and agreements to be performed or complied with by such party;

by us if Sidewinder has materially violated or materially breached its non-solicitation covenant (in which case a $6,000,000 termination fee is payable to us);

by us, if at any time Sidewinder has breached any of its representations, warranties or covenants in the Merger Agreement in a manner such that the closing condition related thereto would not be satisfied and

such breach (if curable) has not been cured within 30 days after written notice thereof (in which case a $6,000,000 termination fee is payable to us) (provided that we may not terminate the Merger Agreement in connection with such breach if we or Merger Sub have breached any of our or its respective representations, warranties or covenants under the Merger Agreement in a manner such that the applicable closing condition related thereto would not be satisfied);

by Sidewinder, if at any time we have breached any of our representations, warranties or covenants in the Merger Agreement in a manner such that the closing condition related thereto would not be satisfied and such breach (if curable) has not been cured within 30 days after written notice thereof (in which case a $6,000,000 termination fee is payable by us to Sidewinder) (provided that Sidewinder may not terminate the Merger Agreement in connection with such breach if it has breached any of its representations, warranties or covenants under the Merger Agreement in a manner such that the applicable closing condition related thereto would not be satisfied);

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by Sidewinder, if our Board approves a change in recommendation to our stockholders, we fail to include the Board s recommendation in this proxy statement or we violate or materially breach the non-solicitation covenant (in which case a $6,000,000 termination fee is payable by us to Sidewinder);

by us or Sidewinder, if approval of our stockholders of the issuance of the Specified Parent Common Stock is not obtained at the Special Meeting.

In addition to the termination fees noted above, as described further below under the heading Expenses and Reimbursement, the Merger Agreement also provides in certain instances for the non-terminating party to pay up to $1,000,000 in expenses of the other party incurred in connection with the Merger Agreement. Further, in certain instances, no termination fee is payable unless the breaching party sells more than 25% of its assets or equity within 12 months after the termination of the Merger Agreement pursuant to a proposal made to such party or its board of directors or that is publicly announced, in each case after the date of the Merger Agreement (such proposal, an Acquisition Proposal).

Expenses and Reimbursement

If closing does not occur, all external transaction costs and expenses invoiced to the parties in connection with the Merger Agreement are generally the responsibility of the relevant party incurring such fees and expenses. If closing occurs, the Company will generally pay all external costs and expenses invoiced to the parties in connection with the Merger Agreement. However, we have agreed to pay all legal fees and related expenses arising under the Term Loan Commitment Letter, and we and Sidewinder have agreed to share, on a 50/50 basis, expenses relating to a representations and warranties insurance policy issued to us. In the event the Merger Agreement is terminated and closing does not occur, Sidewinder will bear the cost of the HSR expenses of the Ultimate Parent Entity (as defined in the Hart-Scott Rodino Antitrust Improvements Act, as amended) of Sidewinder, and the Company will bear the cost of the HSR expenses of the Company. In addition, we have agreed to pay the expenses of Sidewinder, not to exceed $1.0 million, if the Merger Agreement is terminated as a result of (i) a change in the Board s recommendation, or failure to include the Board s recommendation in the proxy statement, (ii) a material violation or breach of the Company s non-solicitation covenant, (iii) a breach of the Company s representations or covenants so that the closing conditions have failed, and are not cured, or (iv) the termination date, and the Company sells more than 25% of its assets or equity within 12 months after the termination of the Merger Agreement pursuant to an Acquisition Proposal. Similarly, Sidewinder has agreed to pay the Company s expenses, not to exceed $1.0 million, if the Merger Agreement is terminated as a result of (x) a material violation or breach of Sidewinder s non-solicitation covenant, (y) a breach of Sidewinder s representations or covenants so that the closing conditions have failed, and are not cured, or (iv) the termination date, and Sidewinder sells more than 25% of its assets or equity within 12 months after the termination of the Merger Agreement pursuant to an Acquisition Proposal.

Representations and Warranties

The Merger Agreement contains customary representations and warranties regarding Sidewinder relating to, among other things: (i) organization and qualification; (ii) authority and enforceability; (iii) non-contravention; (iv) consents and approvals; (v) capitalization; (vi) subsidiaries; (vii) compliance with law; (viii) real property; (ix) tangible personal property; (x) financial statements and auditors; (xi) absence of certain changes; (xii) environmental matters; (xiii) material contracts; (xiv) legal proceedings and orders; (xv) permits; (xvi) taxes; (xvii) employee benefits; (xviii) labor matters; (xix) certain transactions and interests and absence of owed fees; (xx) insurance coverage; (xxi) intellectual property; (xxii) absence of certain claims; (xxiii) brokers fee; and (xxiv) information supplied.

The Merger Agreement contains certain customary representations and warranties of us and Merger Sub relating to, among other things: (i) organization and qualification; (ii) authority and enforceability; (iii) non-contravention; (iv) consents and approvals; (v) capitalization; (vi) subsidiaries; (vii) compliance with

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law; (viii) real property; (ix) tangible personal property; (x) SEC reports; (xi) financial statements and auditors; (xii) absence of certain changes; (xiii) environmental matters; (xiv) material contracts; (xv) legal proceedings and orders; (xvi) permits; (xvii) taxes; (xviii) employee benefits; (xix) labor matters; (xx) insurance coverage; (xxi) intellectual property; (xxii) business conduct of Merger Sub; (xxiiii) brokers fee; (xxiv) information supplied; (xxv) the fairness opinion; and (xxvi) the Term Loan Commitment Letter.

The representations and warranties of the parties to the Merger Agreement are subject to materiality and knowledge qualifiers in many respects, as well as exceptions contained in disclosure schedules to the Merger Agreement.

This description of the representations and warranties is included to provide investors with information regarding the terms of the Merger Agreement. It is not intended to provide any other factual information about us or Sidewinder. The assertions embodied in the representations and warranties are subject to qualifications and exceptions and are for the benefit of the parties to the Merger Agreement only. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts at the time they were made or otherwise.

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SIDEWINDER S BUSINESS

Overview

Sidewinder was formed on January 31, 2017, as a Delaware limited liability company. On February 15, 2017, Sidewinder Drilling Inc., a Delaware corporation (SDI), was merged with and into Sidewinder (the SDI Merger) with Sidewinder surviving as a wholly owned subsidiary of the company in connection with the restructuring transactions described below. All of SDI s management, including the executive team, remained with the company following the SDI Merger. SDI was previously formed in 2011 to build, own and operate premium land drilling rigs and to provide contract drilling services to exploration and production companies targeting unconventional resource plays in North America. SDI s principal executive office is located at 952 Echo Lane, Houston, TX 77024 and the telephone number for such principal executive office is (832) 320-7600.

Today, Sidewinder s core contract drilling operations are focused geographically in the Permian and Haynesville plays as well as other markets in Texas and its contiguous states. Of particular interest to ICD is Sidewinder s fleet of AC rigs and ultra-modern 1500hp silicon controller rectifier (SCR) rigs that can be rapidly converted to AC control with modest capital investment. As of June 30, 2018, Sidewinder markets 15 AC powered (AC) rigs and four 1500hp ultra-modern SCR rigs. It also owns four smaller 1000hp SCR rigs and one idle 1000hp AC rig which ICD does not intend to market or operate but expects to utilize for spare equipment.

Sidewinder also owns 11 mechanical rigs and related equipment, principally located in the UTICA and Marcellus plays in the Northeast United States. These rigs and operations are not consistent with ICD s business strategy. Thus, we have agreed that these rigs and related equipment may be sold and the proceeds distributed to the Sidewinder unitholders.

Sidewinder 2017 Restructuring

In February 2017, SDI completed an out-of-court restructuring of its debt and was merged with and into Sidewinder Drilling LLC. Effective with this merger of SDI into Sidewinder, all of the outstanding common shares and equity awards of SDI were cancelled, and the outstanding preferred shares of SDI were exchanged for Series C units of Sidewinder or cash. The February 15, 2017 restructuring of SDI included the exchange of certain debt for equity in Sidewinder, amendment of certain debt of SDI, and repayment of principal of certain debt of SDI with proceeds from the issuance of new, long-term debt by Sidewinder (the 2017 Restructuring Transactions).

Sidewinder Customers

For the year ended December 31, 2017, Sidewinder had three customers that individually accounted for greater than 10 percent of its total revenue, and in the aggregate, the three customers accounted for 42 percent of its total revenue.

Employees

At June 30, 2018, Sidewinder had approximately 432 employees. Approximately 7 percent of these employees are administrative or supervisory employees. The rest of its employees are primarily hourly employees, the majority of whom operate or maintain its drilling rigs. The number of hourly employees fluctuates depending on the number of drilling rigs that Sidewinder is operating at any particular time. None of its employees are subject to collective bargaining arrangements.

Sidewinder Historical Financial Statements

A copy of Sidewinder s audited financial statements as of December 31, 2017 and 2016, and for the years ended 2015, 2016, the period from January 1, 2017 to February 15, 2017 (Predecessor) and the period from February 15, 2017 to December 31, 2017 (Successor), and unaudited financial statements as of March 31, 2018 and for the three months ended March 31, 2018 and 2017 and the period from January 1, 2017 to February 15, 2017 (Predecessor) and the period from February 15, 2017 to March 31, 2017 (Successor) have been filed by us on Form 8-K filed on July 31, 2018, and are incorporated herein by reference.

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PROPOSAL 2

CHARTER AMENDMENT PROPOSAL

APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF COMMON STOCK

At the Special Meeting and any adjournment or postponement thereof, our stockholders will be asked to consider and **VOTE UPON A PROPOSAL TO RATIFY THE COMPANY S PROPOSED AMENDMENT TO ITS AMENDED AND RESTATED CERTIFICATE OF INCORPORATION (THE CHARTER) TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK. OUR BOARD HAS APPROVED, AND IS SEEKING STOCKHOLDER APPROVAL OF, AN AMENDMENT TO OUR CHARTER TO IMPLEMENT AN INCREASE IN THE NUMBER OF SHARES OF AUTHORIZED COMMON STOCK FROM 100,000,000 SHARES TO 200,000,000. THE FORM OF THIS AMENDMENT TO OUR CHARTER REFLECTING THE INCREASE IN THE NUMBER OF AUTHORIZED SHARES IS ATTACHED TO THIS PROXY STATEMENT AS ANNEX C.**

The Board has unanimously determined that the amendment is advisable and in the best interests of the Company and our stockholders, and recommends that our stockholders approve the amendment. In accordance with the DGCL, we are hereby seeking approval of the amendment by our stockholders.

No changes to the Charter are being proposed with respect to the number of authorized shares of preferred stock. Other than the proposed increase in the number of authorized shares of common stock, this amendment is not intended to modify the rights of existing stockholders in any material respect. The additional shares of common stock to be authorized pursuant to the proposed amendment will be of the same class of common stock as is currently authorized under our Charter.

Under the DGCL, our stockholders are not entitled to appraisal rights with respect to the proposed amendment to our Charter to increase the number of authorized shares of common stock, and we will not independently provide stockholders with any such rights.

Reasons for the Increase in Authorized Shares

The Board believes that it is in the best interests of the Company and our stockholders to increase the authorized common shares to 200,000,000 to leave sufficient room in our authorized capital following the Merger to continue to operate, and for use in connection with future financings, future incentive plans approved by our stockholders or as consideration for future acquisitions. Based on our 38,252,765 shares of outstanding common stock as of July 17, 2018 and after giving effect to the issuance of 36,752,657 shares of our common stock in connection with the Merger, we will have outstanding approximately 75 million shares of common stock.

Potential Effects of the Amendment

Future issuances of common stock or securities convertible into common stock could have a dilutive effect on the earnings per share, book value per share, voting power and percentage interest of holdings of current stockholders. In addition, the availability of additional shares of common stock for issuance could, under certain circumstances, discourage or make more difficult efforts to obtain control of the Company. The Board is not aware of any attempt, or contemplated attempt, to acquire control of the Company. This proposal is not being presented with the intent that it be used to prevent or discourage any acquisition attempt, but nothing would prevent the Board from taking any

appropriate actions not inconsistent with its fiduciary duties.

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Effectiveness of the Amendment and Vote Required

If the proposed amendment is adopted, it will become effective upon the filing of a certificate of amendment to the Charter with the Secretary of State of the State of Delaware. The adoption of this amendment requires the approval of a majority of the outstanding shares of common stock entitled to vote.

THE BOARD UNANIMOUSLY RECOMMENDS

A VOTE FOR THE PROPOSAL TO AMEND THE COMPANY S CHARTER TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF THE COMPANY S COMMON STOCK.

PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF THIS PROPOSAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

PROPOSAL 3

ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING OF STOCKHOLDERS

You may be asked to vote to approve a proposal to adjourn or postpone the Special Meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the Special Meeting to approve the Stock Issuance Proposal set forth in this proxy statement. We currently do not intend to propose adjournment or postponement of the Special Meeting of stockholders if there are sufficient votes to approve the other proposals.

Vote Required

Pursuant to our bylaws, the affirmative vote of a majority of the stockholders present in person or represented by proxy at a meeting and entitled to vote is required to approve the adjournment or postponement of the Special Meeting of stockholders. Abstentions will have no effect on this proposal, and if you fail to vote, it will have no effect on the outcome of the proposal unless the shares are counted as present at the Special Meeting. Broker non-votes will not affect the outcome of the vote on this proposal.

OUR BOARD RECOMMENDS A VOTE FOR THE PROPOSAL TO ADJOURN OR POSTPONE THE SPECIAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES IN FAVOR OF THE STOCK ISSUANCE PROPOSAL, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH APPROVAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

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SELECTED FINANCIAL DATA OF SIDEWINDER

The following table presents selected historical financial data for Sidewinder, as of and for the period from January 1, 2013 to March 31, 2018. These selected financial data for Sidewinder should be read in conjunction with the audited and unaudited financial statements and accompanying notes that are incorporated by reference in this proxy statement from the Company s Form 8-K filed on July 31, 2018.

	Successor		Predecessor	Successor		Predecessor Year Ended December 31,			
(in thousands)	Three months ended March 31, 2018	Period from February 15, through March 31, 2017	Period from January 1 through February 15, 2017	Period from February 15, through December 31, 2017	Period from January 1 through February 15, 2017	2016	2015	2014	2013
Statement of Operations Data:									
Operating revenue	$ 28,061	$ 11,356	$ 8,292	$ 93,320	$ 8,292	$ 51,972	$ 132,493	$ 258,241	$ 268,647
Operating and maintenance costs	22,226	9,189	9,641	67,224	9,641	51,724	98,324	189,474	209,522
Selling, general and administrative costs	2,433	1,824	8,119	9,900	8,119	13,679	11,437	13,715	18,509
Depreciation and amortization	4,863	2,957	4,748	18,347	4,748	41,645	41,577	40,386	43,634
Acquisition costs									337
Impairment charges	2,325			1,479		10,403	5,701	3,853	2,103
(Gain) loss on asset disposals	(783)	(20)	(3)	59	(3)	(857)	(749)	6,731	(576)
Operating income (loss)	(3,003)	(2,594)	(14,213)	(3,689)	(14,213)	(64,622)	(23,797)	4,082	(4,882)
Interest expense, net	(4,143)	(1,915)	(10,002)	(13,600)	(10,002)	(27,785)	(25,894)	(26,062)	(25,512)
Other income, net	15			54		(1,784)	63	129	1,064
Income tax expense	69		433	185	433	916	303	(638)	(9,181)

(benefit)

Net loss	$ (7,200)	$ (4,509)	$ (24,648)	$ (17,420)	$ (24,648)	$ (95,107)	$ (49,931)	$ (21,213)	$ (20,149)

	Successor	Predecessor	
		Year Ended December 31,	