

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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In re: : Chapter 11
: :
SUPERIOR ENERGY SERVICES, INC., *et al.*,¹ : Case No. 20-35812 (DRJ)
: :
Debtors. : (Joint Administration Requested)
: :
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**DEBTORS’ EMERGENCY MOTION FOR ENTRY
OF AN ORDER (I) AUTHORIZING (A) PAYMENT OF
PREPETITION INSURANCE OBLIGATIONS, (B) PAYMENT
OF PREPETITION BONDING OBLIGATIONS, (C) MAINTENANCE
OF POSTPETITION INSURANCE COVERAGE, (D) MAINTENANCE
OF BONDING PROGRAM, AND (E) MAINTENANCE OF POSTPETITION
FINANCING OF INSURANCE PREMIUMS, AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. A hearing will be conducted on this matter on December 8, 2020 at 1:00 pm (Prevailing Central Time) in Courtroom 400, 4th floor, United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Street, Houston, Texas 77002. You may participate in the hearing by audio/video connection.

Audio communication will be by use of the Court’s regular dial-in facility. You may access the facility at (832) 917-1510. You will be responsible for your own long-distance charges. Once connected, you will be asked to enter the conference room number. Judge Jones’ conference room number is 205691.

You may view video via GoToMeeting. To use GoToMeeting, the Court recommends that you download the free GoToMeeting application. To connect, you should enter the meeting Code “JudgeJones” in the GoToMeeting app or click the link on Judge Jones’ home page on the Southern District of Texas website. Once connected, click the settings icon in the upper right corner and enter your name under the personal information setting.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Superior Energy Services, Inc. (9388), SESI, L.L.C. (4124), Superior Energy Services-North America Services, Inc. (5131), Complete Energy Services, Inc. (9295), Warrior Energy Services Corporation (9424), SPN Well Services, Inc. (2682), Pumpco Energy Services, Inc. (7310), 1105 Peters Road, L.L.C. (4198), Connection Technology, L.L.C. (4128), CSI Technologies, LLC (6936), H.B. Rentals, L.C. (7291), International Snubbing Services, L.L.C. (4134), Stabil Drill Specialties, L.L.C. (4138), Superior Energy Services, L.L.C. (4196), Superior Inspection Services, L.L.C. (4991), Wild Well Control, Inc. (3477), and Workstrings International, L.L.C. (0390). The Debtors’ address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.



Hearing appearances must be made electronically in advance of the hearing. To make your electronic appearance, go to the Southern District of Texas website and select “Bankruptcy Court” from the top menu. Select “Judges’ Procedures,” then “View Home Page” for Judge Jones. Under “Electronic Appearance” select “Click here to submit Electronic Appearance”. Select the case name, complete the required fields and click “Submit” to complete your appearance.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must either appear at the hearing or file a written response prior to the hearing. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Relief is requested not later than December 8, 2020.

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) respectfully state the following in support of this emergency motion (this “**Motion**”):

RELIEF REQUESTED

1. By this Motion, the Debtors request entry of an order, substantially in the form attached hereto (the “**Order**”), authorizing the Debtors to:

- a) continue to (i) administer insurance coverage currently in effect, as set forth below, and pay all amounts on account of prepetition premiums, deductibles, taxes, charges, fees, and other obligations owed under or with respect thereto (including any fees due to the Debtors’ insurance brokers, McGriff Insurance Services, Inc. (“**McGriff**”), RKH Specialty Limited n/k/a Howden Insurance Brokers Limited, Alesco Risk Management Services Limited, and JH Blades & Co., Inc. (collectively, in such capacities, the “**Insurance Brokers**”) (such fees, the “**Insurance Brokers’ Fees**”)) (collectively, the “**Prepetition Insurance Obligations**”), and (ii) pay amounts on account of any obligations owed to issuers of surety bonds on the Debtors’ behalf that accrued but remain unpaid as of the Petition Date (as defined below), and any fees and other obligations associated therewith (including any fees due to McGriff, the Debtors’ surety bond broker (in such capacity, the “**Surety Broker**”, and together with the Insurance Brokers, the “**Brokers**”) (such fees, the “**Surety Broker’s Fees**”, and together with the Insurance Brokers’ Fees, the “**Brokers’ Fees**”)) (collectively, the “**Prepetition Bonding Obligations**”), to the extent the Debtors determine in their discretion that such payments are necessary or appropriate;
- b) in the ordinary course of business, pay all postpetition premiums, administrative fees, deductibles, and other obligations (including the Brokers’ Fees) relating to (i) the insurance coverage and related programs, and, subject to the terms of the Order, any other additional, revised, or supplemental insurance policies or

programs obtained by the Debtors (the “**Postpetition Insurance Obligations**”, and together with the Prepetition Insurance Obligations, the “**Insurance Obligations**”), and (ii) the Debtors’ surety bond program (the “**Postpetition Bonding Obligations**”, and together with the Prepetition Bonding Obligations, the “**Bonding Obligations**”), as such payments become due;

- c) subject to the terms of the Order, revise, extend, supplement, change, terminate and/or replace the Debtors’ insurance coverage, or purchase new, supplemental, or replacement surety bonds (such bonds, together with the surety bonds outstanding as of the Petition Date, the “**Bonding Program**”) as needed in the ordinary course of business; and
- d) subject to the terms of the Order, maintain or renew current, or enter into new, postpetition financing arrangements with respect to insurance premiums.

2. The Debtors seek authority under this Motion to make payments on account of the Insurance Obligations and the Bonding Obligations, whether prepetition or postpetition, as they come due in the ordinary course of business.

3. Although the Debtors do not believe Court approval is required to maintain their existing Insurance Policies and Bonding Program or to amend, extend, or renew the Insurance Policies or the Bonding Program in the ordinary course of business, or to terminate and subsequently initiate new Insurance Policies or Bonding Programs, out of an abundance of caution, the Debtors request entry of the proposed Order authorizing them to take such actions and to pay their Insurance Obligations and their Bonding Obligations where necessary to maintain their Insurance Policies and Bonding Program on a postpetition basis.

JURISDICTION AND VENUE

4. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and this Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a), 362(d), 363(b), 363(c), and 364(c) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 6003 and 6004, of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”), and the Procedures for Complex Cases in the Southern District of Texas (the “**Complex Case Procedures**”).

BACKGROUND

6. The Debtors and their indirect subsidiaries are an oilfield services provider headquartered in Houston, Texas, with operations spanning Africa, the Asia Pacific region, Europe, the Middle East, North America, and Latin America. The Debtors’ businesses serve the drilling, completion, and production-related needs of oil and gas companies through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells. In particular, the Debtors manufacture, rent, and sell specialized equipment and tools for use with well drilling, completion, production, and workover activities, and offer fluid handling and well servicing rigs. The Debtors also provide coiled tubing services, electric line, slickline, and pressure control tools and services, as well as snubbing and hydraulic workover services.

7. On the date hereof (the “**Petition Date**”), the Debtors filed voluntary petitions in this Court commencing cases for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Westervelt T. Ballard, Chief Financial*

Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings (the “**First Day Declaration**”), filed contemporaneously herewith and fully incorporated herein by reference.²

8. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been requested in the Chapter 11 Cases, and no committees have been appointed or designated.

9. Simultaneously with the filing of this Motion, the Debtors have filed a motion with this Court pursuant to Bankruptcy Rule 1015(b) seeking joint administration of the Chapter 11 Cases.

10. These Chapter 11 Cases are “prepackaged” cases commenced for the purpose of implementing a restructuring of the Debtors’ liabilities. As of the Petition Date, the Debtors have entered into that certain Amended and Restated Restructuring Support Agreement, dated as of December 4, 2020 (as amended, modified, or supplemented, the “**Restructuring Support Agreement**”)³ with holders of approximately 85% of the outstanding principal amount of the Debtors’ senior unsecured notes (the “**Consenting Noteholders**”).

11. A plan of reorganization reflecting the terms of the Restructuring Support Agreement (as may be amended, modified, or supplemented, the “**Plan**”) was filed on the Petition Date, along with a disclosure statement with respect to the Plan (as may be amended, modified, or supplemented, the “**Disclosure Statement**”). Among other things, the Plan contemplates that all Allowed General Unsecured Claims (as defined in the Plan) against all Debtors other than Superior Energy Services, Inc. (the “**Parent**”) will be paid in full or will otherwise be unimpaired.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

³ The Debtors originally entered into that certain Restructuring Support Agreement, dated as of September 29, 2020, which was amended and restated by the Restructuring Support Agreement.

BASIS FOR RELIEF

A. The Debtors' Insurance Obligations

12. In the ordinary course of business, the Debtors maintain certain insurance policies that are administered by multiple third-party insurance carriers (the “**Insurance Carriers**”), which provide coverage for, among other things, general liability, commercial automobile liability, commercial property liability, employment practices liability and fiduciary liability, umbrella liability, excess liability, contractors risk, directors’ and officers’ liability, workers compensation,⁴ inland marine, aviation, pollution, well control, and professional liability (collectively, the “**Insurance Policies**”). A detailed list of the Insurance Policies under which the Debtors are currently covered is attached hereto as Exhibit A.⁵ The Insurance Policies are essential to the preservation of the Debtors’ businesses, property, and assets, and, in some cases, such coverage is required by various federal and state laws and regulations, as well as the terms of the Debtors’ various commercial contracts. The Insurance Policies provide coverage that is typical in scope and amount for businesses within the Debtors’ industry.

13. The total amount paid in annual premiums for the policy year of 2020 is approximately \$13,863,335 for payments associated with all of the Insurance Policies.⁶ Monthly

⁴ The Debtors have separately sought authorization to honor their obligations under their workers’ compensation programs (including making prepetition payments associated with insurance premiums) as part of the contemporaneously filed the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing (A) Payment of Prepetition Workforce Obligations and (B) Continuation of Workforce Programs on a Postpetition Basis, (II) Authorizing Payment of Payroll Taxes, (III) Confirming the Debtors’ Authority to Transmit Payroll Deductions, (IV) Authorizing Payment of Postpetition Claims Owing to Administrators, and (V) Directing Banks to Honor Prepetition Checks and Fund Transfers for Authorized Payments*. The Debtors, however, have additionally included hereunder reference to workers’ compensation insurance and the attendant premiums associated with such coverage out of an abundance of caution.

⁵ Certain of the Insurance Policies listed in Exhibit A are paid for by non-debtor affiliates of the Debtors, but have been included in Exhibit A because one or more of the Debtors is listed as an insured party on those Insurance Policies.

⁶ Debtor SESI, L.L.C. pays the premiums and other insurance-related payments on behalf of all of the Debtors, which payments are recorded in the books and records of the Debtors.

payments to Insurance Carriers in connection with loss runs for Insurance Policies in the last 12 months have averaged approximately \$545,000. The Debtors' Insurance Policies are annual policies that renew at various times throughout each year. As of the Petition Date, the Debtors have no Insurance Policies that will expire before January 31, 2020.

14. The Insurance Brokers manage the Debtors' relationships with the Insurance Carriers. Among other things, the Insurance Brokers assist the Debtors in selecting the appropriate carriers (subject to the Debtors' approval) and represent the Debtors in negotiations with the Insurance Carriers. The Insurance Brokers have allowed the Debtors to obtain the insurance coverage necessary to operate their businesses in a reasonable and prudent manner, and to realize savings in the procurement of such policies. The Insurance Brokers' Fees are included in certain of the premium payments the Debtors make under the Insurance Policies. In 2019, the Debtors paid approximately \$1,785,319 in the aggregate to the Insurance Brokers and Surety Brokers on account of Brokers' Fees in connection with the Insurance Policies and the Bonding Program.

15. Maintenance of insurance coverage under the various Insurance Policies on an uninterrupted basis is essential to the continued operation of the Debtors' businesses and is required under the United States Trustee's Operating Guidelines for Chapter 11 Cases (the "Operating Guidelines"), the federal laws and regulations applicable to the Debtors' businesses, the laws of the various states in which the Debtors operate, and the Debtors' various contractual commitments. Thus, the Debtors submit that they should be authorized to continue to pay premiums, taxes, charges, fees, retention amounts, and all other obligations owed under or with respect to the Insurance Policies as such obligations come due in the ordinary course of the Debtors' businesses, including any and all deductibles that might be owed under any of the Insurance Policies.

16. The Debtors' maintenance of their relationships with the Insurance Carriers and the Insurance Brokers is critical to ensuring the continued availability of insurance coverage and reasonable pricing of such coverage for future policy periods. Accordingly, the Debtors request authorization to pay any Prepetition Insurance Obligations to the Insurance Carriers and the Insurance Brokers, as applicable, to the extent that the Debtors determine, in their sole discretion, that such payment is necessary to avoid cancellation, default, alteration, assignment, attachment, lapse, or any form of impairment to the coverage, benefits, or proceeds provided under the Insurance Policies, and to maintain good relationships with the various Insurance Carriers and the Insurance Brokers. The Debtors additionally request, out of an abundance of caution, and subject to the terms of the Order, authority to renew or replace the Insurance Policies as necessary in the ordinary course.

B. The Debtors' Bonding Program

17. In the ordinary course of business, the Debtors are required by certain applicable statutes, rules, and regulations to participate in the Bonding Program, pursuant to which the Debtors provide surety bonds to certain third parties to secure the Debtors' payment or performance of certain obligations, often to governmental units or other public agencies.⁷ The Bonding Program generally covers reclamation, permits and taxes, conservation and environmental obligations, and other miscellaneous items (collectively, the "**Covered Obligations**"). A detailed list of the surety bonds that are currently maintained for the benefit of the Debtors is attached hereto as Exhibit B.⁸ The Bonding Program provides coverage that is typical in scope and amount for businesses within the Debtors' industry.

⁷ Certain of the Debtors' Surety Bonds are backed by letters of credit or cash deposits.

⁸ The Debtors request authority to honor obligations and renew all surety bonds, as applicable, notwithstanding any failure of the Debtors to include a particular surety bond on Exhibit B.

18. The issuance of a surety bond shifts the risk of the Debtors' nonperformance or nonpayment of their obligations covered by the surety bond from the beneficiary of the surety to the surety. If the Debtors fail to pay the Covered Obligations, the applicable surety will pay the Debtors' obligations, up to a specified amount. Unlike an insurance policy, if a surety incurs a loss on a surety bond, the surety is entitled to recover the full amount of that loss from the Debtors.

19. As of the Petition Date, the Debtors' outstanding surety bonds were issued by four separate sureties: (a) RLI Corp (81 surety bonds totaling approximately \$91,471,300); (b) Aspen Insurance (six surety bonds totaling approximately \$122,500); (c) IndemCo (three surety bonds totaling approximately \$30,000); and (d) Zurich Insurance Group (two surety bonds totaling \$10,000) (collectively, the "Sureties").

20. The premiums for the surety bonds are generally determined on an annual basis and are paid when the bonds are issued and annually upon renewal. Such premiums are generally approximately 1.0% of the total amount of the surety bond and are paid to the Surety Broker who in turn pays the Sureties. The total amount paid in annual premiums and payments associated with all of the surety bonds in 2019 was approximately \$759,162. As of the Petition Date, the Debtors estimate that there are approximately \$6,700 in outstanding premium payments in relation to the Prepetition Bonding Obligations.

21. McGriff serves as the Debtors' Surety Broker and manages the Debtors' relationships with the Sureties. Among other things, the Surety Broker assists the Debtors in selecting the appropriate Sureties (subject to the Debtors' approval) and represents the Debtors in negotiations with the Sureties. The Surety Broker has enabled the Debtors to obtain the bonding coverage necessary to operate their businesses in a reasonable and prudent manner, and to realize savings in the procurement of such policies. The Surety Broker's Fees are included in the premium

payments the Debtors make under the Bonding Program. As noted above, in 2019, the Debtors paid approximately \$1,785,319 in the aggregate to the Surety Broker and Insurance Brokers on account of Broker's Fees in connection with the Bonding Program and Insurance Policies.

22. To continue their business operations, the Debtors must be able to provide financial assurances to federal and state governments, regulatory agencies, and other third parties. This, in turn, requires the Debtors to maintain access to the existing Bonding Program, including by paying the Bonding Obligations as they come due, maintaining required letters of credit, and paying any indemnity obligations that may arise in connection with the Bonding Program in the ordinary course of business, as well as renewing or potentially acquiring additional bonding capacity as needed in the ordinary course of their businesses, requesting releases from obsolete bonding obligations, and executing other agreements in connection with the Bonding Program.

23. The Debtors, therefore, request that they be authorized to participate in the Bonding Program in the same manner as they did prepetition and to: (a) pay any Prepetition Bonding Obligations;⁹ (b) continue to make all payments for Postpetition Bonding Obligations; and (c) revise, extend, supplement, or change the Bonding Program as needed, including through the issuance of new surety bonds.

APPLICABLE AUTHORITY

A. Payment of the Insurance Obligations and Renewal of the Insurance Policies Is Necessary to Comply with U.S. Trustee Requirements, the Bankruptcy Code, and the Bankruptcy Local Rules

24. Maintenance of insurance coverage under the various Insurance Policies is essential to the continued operation of the Debtors' businesses and is required under the Operating

⁹ The Debtors do not believe there are any outstanding Prepetition Bonding Obligations and request the instant relief out of an abundance of caution.

Guidelines, the federal laws and regulations applicable to the Debtors' businesses, the laws of the various states in which the Debtors operate, and the Debtors' various contractual commitments. *See* Operating Guidelines Sec. 6 (requiring maintenance of appropriate insurance coverage). In addition, pursuant to section 1112(b)(4)(C) of the Bankruptcy Code, a "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Further, Bankruptcy Local Rule 4002-1 requires a debtor "to prevent the depletion of assets of the business during the proceedings." Bankruptcy Local Rule 4002-1.

25. The Debtors believe that the ordinary course maintenance of their necessary insurance coverage, including paying all Insurance Obligations, satisfying all postpetition commitments to the Insurance Carriers, or renewing the Insurance Policies, without further order of the Court, is necessary and essential to the Debtors' achievement of their chapter 11 objectives, especially where, as here, the Debtors' failure to take all actions necessary to honor their obligations to and preserve their relationships with the Insurance Carriers could have disastrous consequences for the Debtors' estates.

26. The employment of the Insurance Brokers is necessary for the ordinary course maintenance of the Insurance Policies in the most efficient, cost-effective manner (and has the additional benefit of positioning the Debtors to obtain the most competitive rates and high quality service from the Insurance Brokers in connection with any renewals of the Insurance Policies). Accordingly, to the extent that any amounts accrue on account of the Insurance Brokers' Fees or other amounts owed to the Insurance Brokers, the Debtors believe that they should be authorized to continue to pay such amounts as they come due.

B. Section 363 of the Bankruptcy Code Supports Payment of the Insurance Obligations and the Bonding Obligations

27. To the extent that payment of any of the Insurance Obligations and the Bonding Obligations sought to be paid under this Motion would be deemed to constitute a use of property outside the ordinary course of business, a basis for authorizing payment of the amounts associated with such obligations is found under section 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business pursuant to Section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., In re BNP Petrol. Corp.*, 642 F. App’x 429, 434–35 (5th Cir. 2016) (citing *In re Cont’l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”)); *see also ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011) (“Section 363 of the Bankruptcy Code addresses the debtor’s use of property of the estate and incorporates a business judgment standard. . . . The business judgment standard in section 363 is flexible and encourages discretion.”). Once the debtor articulates a reasonable basis for its business decisions, “courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). There is a presumption that “in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best

interests of the company.” *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

28. The Debtors have routinely paid premiums, taxes, charges, fees, retention amounts, and all other obligations in connection with their Insurance Policies and the Bonding Program, and, thus, view the payments of such obligations as ordinary course payments. To the extent the Court (or any party in interest) believes that this Court’s express authorization under section 363(b) of the Bankruptcy Code is necessary to honor the Insurance Obligations or the Bonding Obligations, however, the Debtors’ assert that sound business judgment supports the relief requested herein because the failure to pay such obligations could result in the cancellation of their Insurance Policies or their surety bonds, the Debtors’ inability to obtain renewal of their Insurance Policies or their surety bonds on terms that are as competitive, and the violation of the Operating Guidelines, the various applicable federal and state laws and regulations, various contractual commitments, and the fiduciary duties of the debtors in possession. Each of these outcomes would be detrimental to the Debtors, their creditors, and their estates. Accordingly, the Debtors submit that they have satisfied the requisite standard applied to requests under section 363(b) of the Bankruptcy Code and, to the extent necessary, this Court should authorize the payment of all the Insurance Obligations and the Bonding Obligations on such basis.

C. Section 105 of the Bankruptcy Code and the Doctrine of Necessity Support Payment of the Prepetition Insurance Obligations and the Prepetition Bonding Obligations

29. To the extent any payments are made on account of the Prepetition Insurance Obligations and the Prepetition Bonding Obligations, such payments should be authorized pursuant to section 105(a) of the Bankruptcy Code and under the “doctrine of necessity.” Section 105(a) of the Bankruptcy Code authorizes this Court “to issue any order . . . necessary or appropriate to carry out the provisions” of the Bankruptcy Code. 11 U.S.C. § 105(a). The doctrine

of necessity is a well-settled doctrine that permits a bankruptcy court to authorize the payment of certain prepetition claims prior to the completion of the reorganization process where the payment of such claims is necessary to the reorganization. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (recognizing the “doctrine of necessity”)¹⁰; *see also In re CEI Roofing, Inc.*, 315 B.R. 50, 56, 60–61 (Bankr. N.D. Tex. 2004) (holding that payment of certain prepetition claims under the doctrine of necessity is “based on both common sense and the express provisions of the Bankruptcy Code”); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2004) (authorizing the debtors to pay certain prepetition claims because “the court d[id] not wish Debtors’ businesses seriously damaged.”); *In re Equalnet Commc’ns Corp.*, 258 B.R. 368, 369 (Bankr. S.D. Tex. 2000).

30. For the reasons stated herein, and in light of the risks applicable to the Debtors’ operations and the critical need for the Debtors to protect their assets and recoverable value from such risks through, among other things, maintenance of legally-mandated insurance coverage, good relationships with the Insurance Carriers and the Brokers, as well as maintenance of the Bonding Program, payment of the Prepetition Insurance Obligations and the Prepetition Bonding Obligations is proper and in accordance with section 105(a) of the Bankruptcy Code, and necessary to the Debtors’ achievement of their chapter 11 objectives.

¹⁰ The Court’s power to apply the doctrine of necessity in chapter 11 cases derives from the Court’s inherent equity powers and its statutory authority to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). The United States Supreme Court first articulated the doctrine of necessity over a century ago, in *Miltenberger v. Loqansport, C. & Sw. Ry. Co.*, 106 U.S. 286 (1882), in affirming the authorization by the lower court of the use of receivership funds to pay pre-receivership debts owed to employees, vendors and suppliers, among others, when such payments were necessary to preserve the receivership property and the integrity of the business in receivership. *See id.* at 309-14. The modern application of the doctrine of necessity is largely unchanged from the Court’s reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry.*, 657 F.2d 570, 581–82 (3d Cir. 1981) (“[I]n order to justify payment under the ‘necessity of payment’ rule, a real and immediate threat must exist that failure to pay will place the [debtor’s] continued operation . . . in serious jeopardy.”).

D. Sections 363 and 364 of the Bankruptcy Code Support the Debtors' Request to Maintain Postpetition Insurance Coverage and the Bonding Program, and Enter into New Coverage as Needed

31. The Debtors submit that section 363(c) of the Bankruptcy Code provides statutory authority for the Debtors' request for authorization to satisfy all of the Debtors' postpetition commitments with respect to the Insurance Carriers, the Brokers, and the Sureties, renew the Insurance Policies and surety bonds, or enter into new insurance policies and surety bonds in the Debtors' reasonable and sole discretion. In pertinent part, section 363(c)(1) of the Bankruptcy Code provides that "unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The maintenance of the Insurance Policies and the Bonding Program, and honoring of postpetition obligations arising thereunder, including undertaking renewals of the Insurance Policies and surety bonds as they expire or entering into new insurance arrangements or surety contracts, are each the type of ordinary course transactions contemplated by the foregoing provision. To the extent, however, that this Court (or any party in interest) believes that any such actions are not properly characterized as transactions in the ordinary course of the Debtors' businesses, the Debtors respectfully request that this Court authorize the Debtors to take such actions pursuant to section 363(b) of the Bankruptcy Code as a reasonable exercise of their business judgment.

E. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers

32. The Debtors have sufficient funds to pay any amounts related to the Insurance Obligations and Bonding Obligations in the ordinary course of business. Under the Debtors' existing cash management system, the Debtors have made arrangements to readily identify checks

or wire transfer requests relating to the Insurance Obligations and Bonding Obligations, as applicable. The Debtors believe there is minimal risk that checks or wire transfer requests that the Court has not authorized will be inadvertently made. Accordingly, the Debtors request that the Court authorize and direct all banks and financial institutions to receive, process, honor, pay, and, if necessary, reissue all prepetition and postpetition checks and fund transfers, including prepetition checks and electronic payment and transfer requests that the Debtors reissue or re-request postpetition, drawn on the bank accounts used by the Debtors to satisfy their obligations in connection with the Insurance Obligations and Bonding Obligations, upon receipt by each bank or financial institution of notice of such authorization, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors additionally request that the Court authorize them to issue new postpetition checks to replace any checks that may nevertheless be dishonored and to reimburse any expenses that the Insurance Carriers, the Insurance Brokers, the Surety Broker, or the Sureties may incur as a result of any bank's failure to honor a prepetition check.

EMERGENCY CONSIDERATION

33. Pursuant to Bankruptcy Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one (21) days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and the success of the Chapter 11 Cases. As discussed in detail above and in the First Day Declaration, immediate and irreparable harm would result if the relief requested herein is not granted. Among other things, certain of the Insurance Carriers or Sureties may seek to terminate the Insurance Policies or Surety Bonds, respectively, which would jeopardize the Debtors'

operations and endanger the Debtors' efforts to reorganize and maximize the value of their assets through the Chapter 11 Cases. Accordingly, failure to receive the applicable relief during the first twenty-one (21) days of the Chapter 11 Cases would severely disrupt the Debtors' operations at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 as well as the requirements of Bankruptcy Local Rule 9013-1(i) and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

BANKRUPTCY RULE 6004 SHOULD BE WAIVED

34. To the extent that any aspect of the relief sought herein constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors request a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors request in this Motion is immediately necessary in order for the Debtors to be able to continue to operate their businesses and preserve the value of their estates. The Debtors respectfully request that the Court waive the notice requirements imposed by Bankruptcy Rule 6004(a) and the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

35. Nothing contained herein is or should be construed as: (a) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any claim or lien on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim would constitute an allowed claim; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; (f) a limitation on the Debtors'

rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to the proposed Order once entered; or (g) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law. Nothing contained in the Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

CONSENT TO JURISDICTION

36. The Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that the Court would lack Article III jurisdiction to enter such final judgment or order absent consent of the parties.

NOTICE

37. Notice of this Motion will be given to: (a) the United States Trustee for the Southern District of Texas (the "**U.S. Trustee**"); (b) the parties included on the Debtors' consolidated list of the holders of the 30 largest unsecured claims against the Debtors; (c) counsel to the agent for the Debtors' prepetition secured asset-based revolving credit facility (the "**Prepetition ABL Agent**"); (d) counsel to the indenture trustee for the Debtors' prepetition notes; (e) counsel to that certain ad hoc group of holders of prepetition senior notes (the "**Ad Hoc Noteholder Group**"); (f) the United States Attorney's Office for the Southern District of Texas; (g) the Insurance Carriers; (h) the Sureties; (i) the Brokers; (j) the Internal Revenue Service; (k) the Securities and Exchange Commission; (l) the state attorneys general for states in which the Debtors conduct business; (m) the Environmental Protection Agency; and (n) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no other or further notice is required or needed under the circumstances.

38. A copy of this Motion is available on (a) the Court's website: www.txs.uscourts.gov, and (b) the website maintained by the Debtors' proposed Claims and Noticing Agent, Kurtzman Carson Consultants LLC, at www.kccllc.net/superior.

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WHEREFORE, the Debtors respectfully request that the Court enter the proposed Order, substantially in the form attached hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Signed: December 7, 2020
Houston, Texas

Respectfully Submitted,

/s/ Timothy A. ("Tad") Davidson II
Timothy A. ("Tad") Davidson II (TX Bar No. 24012503)
Ashley L. Harper (TX Bar No. 24065272)
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-and-

George A. Davis (*pro hac vice* admission pending)
Keith A. Simon (*pro hac vice* admission pending)
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Proposed Counsel for the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on December 7, 2020, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II
Timothy A. ("Tad") Davidson II

EXHIBIT A**Policy Schedule**

Policy Type	Effective Period	Policy Number	Carrier	Total Premium (Including Taxes & Fees)
Pollution Legal Liability	May 1, 2020 - May 1, 2021	EPC019414404	Zurich	\$95,966
Contractors Pollution	July 1, 2020 - May 1, 2021	CPL18240887	AIG	\$91,574
Energy Policy - Bullwinkle-SES 51% interest only	Apr 1, 2020 - Apr 1, 2021	Combined Cover Note JHB-CJP-2371 (A), Certificate No. JHB2M10093(A), JHBME20163944685(A), JHB2M100931(B)	Lloyd's	\$1,651,076
Primary Hull & Machinery	May 31, 2020 - May 31, 2021	B0180MA2003033, Cover Note MS-S6413	Lloyd's Of London	\$80,630
Excess Hull & Machinery/ Increased Value	May 31, 2020 - May 31, 2021	B0180MA2002042, Cover Note MS-S6429, B0180MA2003041, Cover Note, MS-S6430	Lloyd's Of London	\$14,400
Commercial Property - Onshore & Offshore	June 1, 2020 - June 1, 2021	B1263EG0062920	Lloyds - Alesco	\$1,405,975
Motor Truck Cargo/ Rigger's Liability	June 1, 2020 - June 1, 2021	7900195490004	Atlantic Specialty	\$32,000
Fiduciary Liability	March 1, 2019 - March 1, 2021	8257-9339	Federal Insurance Company (Chubb)	\$45,000
Special Crime	March 30, 2018 - March 30, 2021	UKA3008313.18	Hiscox	\$31,450
Employment Practices Liability	May 31, 2020 - April 15, 2021	425525883	SOMPO	\$91,767
Directors & Officers - Primary	April 15, 2020 - April 15, 2021	DON G24573333 012	Chubb	\$394,763
D&O - 1st Layer	April 15, 2020 - April 15, 2021	DOX930015006	Arch	\$350,000
D&O - 2nd Layer	April 15, 2020 - April 15, 2021	39926167	Illinois National	\$315,000

Policy Type	Effective Period	Policy Number	Carrier	Total Premium (Including Taxes & Fees)
D&O - 3rd Layer	April 15, 2020 - April 15, 2021	ANV139007A	Associated Industries	\$275,000
D&O - 4th Layer	April 15, 2020 - April 15, 2021	W79349200ASP	StarStone Specialty	\$247,000
D&O - Side A 5th Layer	April 15, 2020 - April 15, 2021	V2AFD7200101	Beazley	\$125,000
D&O - Side A 6th Layer	April 15, 2020 - April 15, 2021	QPL1276380	QBE	\$125,000
D&O - Side A 7th Layer	April 15, 2020 - April 15, 2021	39926191	National Union Fire Insurance Company of Pittsburgh PA	\$120,000
D&O - Side A 8th Layer	April 15, 2020 - April 15, 2021	USF00799220	Allianze	\$120,000
D&O - Side A 9th Layer	April 15, 2020 - April 15, 2021	EUW184313800	Wesco	\$120,000
D&O - Side A 10th Layer	April 15, 2020 - April 15, 2021	ADX30001643200	Endurance	\$120,000
D&O - Side A 11th Layer	April 15, 2020 - April 15, 2021	NHS686658	RSUI Indemnity	\$120,000
D&O - Side A 12th Layer	April 15, 2020 - April 15, 2021	24MGU20A49159	US Specialty	\$120,000
D&O - Side A 13th Layer	April 15, 2020 - April 15, 2021	XMF20000675	Freedom Specialty	\$120,000
D&O - Side A 14th Layer	April 15, 2020 - April 15, 2021	47EPC31078001	Berkshire Hathaway	\$120,000
Workers Comp	Oct 1, 2020 - Oct 1, 2021	WA7-69D-004287-010	Liberty Mutual	\$1,119,159
Auto Liability US & Canada	Oct. 1, 2020 - Oct. 1 - 2021	AS7-691-004287-020	Liberty Mutual	\$75,000
Commercial General Liability US & Canada	Oct. 1, 2020 - Oct. 1 - 2021	EB2-691-004287-100, KE1-691-460579-010	Liberty Mutual	\$75,000

Policy Type	Effective Period	Policy Number	Carrier	Total Premium (Including Taxes & Fees)
Foreign Master Controlled Program	Oct 1, 2020 - Oct 1, 2021	CXC D3806633A005	Chubb	\$346,553
Commercial Umbrella \$10M X underlying	Oct. 1, 2020 - Oct. 1 - 2021	BO180ME2002710	White Bear	\$2,250,000
Commercial Umbrella \$15M X \$10M	Oct. 1, 2020 - Oct. 1 - 2021	BO180ME2002698 (AXS 1686) BO180ME2017452 (HDI) BO180ME2021189 (ASC 1414)	Lloyds	\$1,750,000
Commercial Umbrella \$25M X \$25M	Oct 1, 2020 - Oct 1, 2021	BO180ME2002709 (MRS 457) BO180ME2019129 (HDI) BO180ME2021190 (ASC 1414)	Lloyds	\$495,000
Commercial Umbrella \$50M X \$50M	Oct 1, 2020 - Oct 1, 2021	BO180ME2002727 (MRS 457)	Lloyds	\$342,475
Commercial Umbrella \$100M X \$100M	Oct 1, 2020 - Oct 1, 2021	BO180ME2002728 (COF 1036) BO180ME2021191 (ASC 1414)	Lloyds	\$410,800
Non-Owned Aviation, \$25 million	Oct. 1, 2020 - Oct. 1 - 2021	ALLZWL1401508-01	Allianz Global Risks US Ins. Co.	\$11,600
Control of Well \$10 million	Oct. 1, 2020 - Oct. 1 - 2021	31N32599	Travelers Property Casualty Co of America	\$18,750
Vessel Pollution \$5 million Limit	Oct 1, 2020 - Oct 1, 2021	54-25777	WQIS	\$5,163
Protection and Indemnity \$1 million	Oct. 1, 2020 - Oct. 1 - 2021	BO180ME2011066	Lloyds	\$275,000

EXHIBIT B**Surety Bonds**

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
200925009	H.B. Rentals, L.C.	RLI	\$50,000.00	Bureau of Customs Border Protection	Importer or Broker Bond Customs Bond No. 20C001AKM
B003618	SPN Well Services Inc.	Indemco	\$5,000.00	State of Oklahoma	License and Permit Bond; Release in Process
B004813	Complete Energy Services, Inc.	Indemco	\$15,000.00	State of Wyoming	Surety Bond for Non-Residential Employers; Release in Process
B006472	Integrated Production Services.	Indemco	\$10,000.00	Maryland State Hwy Admin.	Hauling Performance Bond
CMS0264657	Warrior Energy Services Corporation	RLI	\$13,203,649.00	Harris County Clerk	Supersedeas Bond - 80th Judicial Court; Relates to IP litigation; Note Undetermined if Bond will be Allocated to NAM or RemainCo
CMS0264659	Complete Energy Services, Inc.	RLI	\$20,000.00	Board of Commissioners, Arapahoe, Colorado	Permit Bond - For County ROW to Install Temporary Water Transfer Lines
CMS0264660	Complete Energy Services, Inc.	RLI	\$5,000.00	Adams County Public Works	Permit Bond - For County ROW to Install Temporary Water Transfer Lines
CMS0264664	SPN Well Services Inc.	RLI	\$10,000.00	Maryland State Hwy Admin.	Hauling Performance Bond
LPM7606543	H.B. Rentals, L.C.	Zurich	\$5,000.00	Arkansas Highway & Transportation Department	License or Permit Bond; Release in Process
LPM7608220	SPN Well Services Inc.	Zurich	\$5,000.00	Commonwealth of Pennsylvania	License and Permit Bond for Hauling

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
LSM1278265	Complete Energy Services, Inc.	RLI	\$1,000.00	State of Oklahoma	Notary Public Bond; Release in Process
RLB0012952	Wild Well Control, Inc.	RLI	\$50,000,000.00	Shell Offshore Inc.	Note: Bond is in the Name of Superior Energy Services, Inc.; Relates to Oil & Gas Leases; Green Canyon 65 Unit, Bullwinkle Field; Required by Shell as part of Bullwinkle Purchase - Secures Wellbore P&A Obligations with Phased Releases Based on Working off the ARO (T&A/P&A)
RLB0015815	Complete Energy Services, Inc.	RLI	\$10,000.00	Oklahoma Corporation Commission	Closure and Reclamation Bond for McAlester Yard Pit
RLB0015830	Guard Drilling Mud Disposal, Inc.	RLI	\$106,000.00	Oklahoma Corporation Commission	Closure and Reclamation Bond; Pertains to Story Pit; In Process of Closing and Restoration
RLB0015832	Complete Energy Services, Inc.	RLI	\$60,000.00	Colorado Oil & Gas Conservation Commission	Plugging Blanket Bond in Weld County
RLB0015846	Warrior Energy Services Corporation	RLI	\$57,000.00	State of Wyoming	Non-Resident Employer Surety Bond; Release in Process
RLB0015847	Warrior Energy Services Corporation	RLI	\$5,000.00	Pennsylvania Department of Transportation	Right of Way Bond; Release in Process
RLB0015851	Complete Energy Services, Inc.	RLI	\$50,000.00	Colorado Oil & Gas Conservation Commission	Oil & Gas Bond; Surface Well HPD Platteville (Facility ID #159270)
RLB0015852	Complete Energy Services, Inc.	RLI	\$50,000.00	Colorado Oil & Gas Conservation Commission	Surface Mining Bond For HPD Kersey (Facility ID #159287)
RLB0015870	Guard Drilling Mud Disposal, Inc.	RLI	\$96,400.00	Oklahoma Corporation Commission	Oil & Gas Bond; Pertains to Guard (Orienta) #4; Pit Closed but OCC Required 5 Year Hold on Bond

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0015876	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Closure and Reclamation Bond; T.G. Summer Pit at the T.G. Summer SWD Site to Cover Closure Cost
RLB0015881	Complete Energy Services, Inc.	RLI	\$105,618.00	Texas Railroad Commission	Oil & Gas Bond; Sally Brainard Pit at Sally Brainard SWD #1 Site to Cover Closure Cost
RLB0015948	Complete Energy Services, Inc.	RLI	\$307,899.00	Texas Railroad Commission	Oil and Gas Bond; Carrizo Springs Pit at the SWD Site; Required to Cover Closure Cost of the Pit
RLB0015949	Complete Energy Services, Inc.	RLI	\$217,029.00	Texas Railroad Commission	Oil and Gas Bond; Pertains to Falls City SWD (Property Sold; Release in Process)
RLB0015950	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado - Oil and Gas Conservation Commission	Kersey # 1 Performance Surface Bond; Release in Process
RLB0015951	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado - Oil and Gas Conservation Commission	Kersey #1 Performance Plugging Bond; Release in Process
RLB0015952	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado - Oil and Gas Conservation Commission	Platteville #1 Performance Plugging Bond; Release in Process
RLB0015953	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado - Oil and Gas Conservation Commission	Platteville # 1 Performance Surface Bond; Release in Process
RLB0015960	SPN Well Services Inc.	RLI	\$1,000.00	State of Arkansas	Contract Bond for Vehicles of Excess Size or Weights over Arkansas Roads or Highways
RLB0015972	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado - Oil and Gas Conservation Commission	Platteville # 2 Performance Surface Bond; Release in Process

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0015987	SPN Well Services Inc.	RLI	\$20,000.00	Commonwealth of Pennsylvania - Department of Transportation	License/ Permit Bond Over Size / Over Weight Tolerance Permit; To Cancel if Coil Tubing Business Exits Pennsylvania
RLB0015988	Complete Energy Services, Inc.	RLI	\$10,000.00	Oklahoma Tax Commission	Tax Bond - Gross Tax Production
RLB0015990	Guard Drilling Mud Disposal, Inc.	RLI	\$115,200.00	Oklahoma Corporation Commission	Oil and Gas Bond; Closure and Reclamation Bond - Commercial; Guard (Orienta) #5; Pit Closed but OCC Required 5 Year Hold on Bond
RLB0015991	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Closure and Reclamation Bond; Pertains to Kliever Pit at the SWD Site; Required to Cover Closure Cost
RLB0015993	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado - Oil and Gas Conservation Commission	Platteville #2 Performance Plugging Bond; Release in Process
RLB0016023	SPN Well Services Inc.	RLI	\$5,000.00	Pennsylvania DOT	License and Permit Bond for Road Use
RLB0016032	H.B. Rentals, L.C.	RLI	\$25,000.00	State of Ohio	Payment/Registration Bond; Sewage Treatment Systems Hauler
RLB0016033	H.B. Rentals, L.C.	RLI	\$5,000.00	Pennsylvania Department of Transportation	License and Permit Bond; Release in Process
RLB0016036	Guard Drilling Mud Disposal, Inc.	RLI	\$103,000.00	Oklahoma Corporation Commission	Closure and Reclamation Bond; Replaces Bond No. B007399; Guard (Orienta) #6; Closed but OCC Required 5 Year Hold on Bond
RLB0016043	Complete Energy Services, Inc.	RLI	\$574,471.00	Texas Railroad Commission	License and Permit; Disposal Bond - Sewell Lease (Coverage for Closure)

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0016046	Complete Energy Services, Inc.	RLI	\$325,471.50	Texas Railroad Commission	Permit Bond; Disposal Facility 4M SWD (30655) Lease, PO11349 & PO11350 (Covers 4M #1 and #2 Pits)
RLB0016056	SPN Well Services Inc.	RLI	\$5,000.00	Oklahoma DPS	License and Permit Bond Replaces Bond No. B003618
RLB0016059	SPN Well Services Inc.	RLI	\$15,000.00	Texas Department of Motor Vehicles	Overweight Penalty Bond
RLB0016076	Complete Energy Services, Inc.	RLI	\$113,868.00	Texas Railroad Commission	License and Permit Bond to Operate Disposal Facility; Wolf Pit at the Pontotoc, Oklahoma SWD Site; Required to Cover Closure Cost
RLB0016116	SPN Well Services Inc.	RLI	\$20,000.00	State of Arkansas	Overweight Penalty Bond For Movement of Vehicles of Excess Size or Weights over Arkansas Roads or Highways; Pertains to Kilgore Yard
RLB0016119	Complete Energy Services, Inc.	RLI	\$20,000.00	Wyoming DEQ	Reclamation Bond Permit No. SP0750 Muddy Creek Rock Pit - (Restoration Still Ongoing)
RLB0016120	Complete Energy Services, Inc.	RLI	\$10,000.00	Wyoming DEQ - Land Quality Section	Reclamation Bond Permit No 1302ET Red Rock Pit Reclamation Bond (Restoration Still Ongoing)
RLB0016184	SPN Well Services Inc.	RLI	\$20,000.00	The Atchafalaya Basin Levee	Ooversize and Overweight Annual Permit Bond
RLB0016213	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Reclamation Bond SW 1/4 Sec 05 T19N R16W Dewey County; Pertains to Seiling SWD #1

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0016214	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Reclamation Bond NE 1/4 Sec 35 T23N R05W Garfield County Helberg #1 SWD
RLB0016215	Complete Energy Services, Inc.	RLI	\$10,000.00	Oklahoma Corporation Commission	Reclamation Bond NW 1/4 SEC 29 T16N R11W Blaine County Watonga #1-29 SWD
RLB0016219	SPN Well Services Inc.	RLI	\$15,000.00	TX DMV	Over Axle and Over Gross Weight Tolerance Bond
RLB0016237	Complete Energy Services, Inc.	RLI	\$50,000.00	Texas Railroad Commission	Oil & Gas Bond; Collecting Pits/33 Wells; P5 Bond for Permit Operator 169785 and WHP 3114
RLB0016244	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma DPS	Overweight Penalty Bond
RLB0016245	Guard Drilling Mud Disposal, Inc.	RLI	\$96,000.00	Oklahoma Corporation Commission	Reclamation Bond; Guard (Giles) Pit #1; In Process of Closing and Restoration
RLB0016246	Guard Drilling Mud Disposal, Inc.	RLI	\$96,000.00	Oklahoma Corporation Commission	Reclamation Bond - Guard (Orienta) #3; Closed but OCC Required 5 Year Hold on Bond
RLB0016247	Guard Drilling Mud Disposal, Inc.	RLI	\$80,000.00	Oklahoma Corporation Commission	Reclamation Bond for Hydrocarbon Recycling/Reclaiming; Guard (Giles) Pit #2; In Process of Closing and Restoration
RLB0016249	Complete Energy Services, Inc.	RLI	\$10,000.00	Oklahoma Corporation Commission	Reclamation Bond; Pertains to Nichols #2-27 - Pittsburg, Oklahoma
RLB0016250	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Reclamation Bond; Pertains to Cogar SWD Pit to Cover Closure Cost (Site has Been Restored); Release in Process

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0016251	Complete Energy Services, Inc.	RLI	\$25,000.00	Oklahoma Corporation Commission	Blanket Plugging Bond for SWDs in Oklahoma (C9:A8:J12)
RLB0016268	Complete Energy Services, Inc.	RLI	\$15,000.00	TX DMV	Overweight Penalty Bond
RLB0016273	Complete Energy Services, Inc.	RLI	\$242,879.00	Texas Railroad Commission	Reclamation Bond - WHP3469 for Charlotte Pit and is Required to Cover the Closure Cost of the Pit
RLB0016304	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Plugging Bond for Platteville #1 (Sold 2019); Release in Process
RLB0016305	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Bond NENE 24 3N 66W 6th; Surface Bond for Kersey SWD # 1; Release in Process
RLB0016306	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Bond NENE 24 3N 66W 6TH Kersey SWD #1; Release in Process
RLB0016307	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Bond NENE 24 -3N - 66W 6th 50,000.00; Surface Bond; Relates to Platteville SWD # 1 (Sold 2019); Release in Process
RLB0016308	Complete Energy Services, Inc.	RLI	\$50,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Bond NESE 24 3N 66W 6TH; Performance Surface Bond Platteville SWD #2 (Sold in 2019); Release in Process
RLB0016309	Complete Energy Services, Inc.	RLI	\$20,000.00	State of Colorado Oil and Gas Conservation Commission	Performance Bond NESE 24 3N 66W 6TH; Bond for Plugging; Platteville SWD # 2 (Sold in 2019); Release in Process

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0016340	Complete Energy Services, Inc.	RLI	\$103,594.00	Texas Railroad Commission	Disposal Bond for Terry Kate Pit to Cover Closure Cost (Located at Terry Kate SWD)
RLB0016353	Complete Energy Services, Inc.	RLI	\$14,000.00	Oklahoma Corporation Commission	Oil & Gas Bond - Watonga Yard - Truck Wash Pit
RLB0016354	Complete Energy Services, Inc.	RLI	\$14,200.00	Oklahoma Corporation Commission	Oil & Gas Bond; Pertains to Thomas Yard Truck Wash Pit
RLB0016355	Complete Energy Services, Inc.	RLI	\$21,700.00	Oklahoma Corporation Commission	Oil & Gas Bond - Weatherford Yard - Truck Wash Pit
RLB0016356	Complete Energy Services, Inc.	RLI	\$14,000.00	Oklahoma Corporation Commission	Oil & Gas Bond - Ringwood Yard - Truck Wash Pit
RLB0016357	Complete Energy Services, Inc.	RLI	\$8,700.00	Oklahoma Corporation Commission	Oil & Gas Bond - Truck Wash Pit for Cheyenne Yard; Release in Process
RLB0016360	Complete Energy Services, Inc.	RLI	\$9,500.00	Oklahoma Corporation Commission	Oil & Gas Bond; Truck Wash Pit Springer Yard; Release in Process
RLB0016361	Complete Energy Services, Inc.	RLI	\$15,200.00	Oklahoma Corporation Commission	Oil & Gas Bond - Truck Wash Pit; Lindsay Yard
RLB0016362	Complete Energy Services, Inc.	RLI	\$33,000.00	Oklahoma Corporation Commission	Oil & Gas Bond; Truck Wash Pit for Chickasha Yard; Release in Process
RLB0016363	Complete Energy Services, Inc.	RLI	\$16,100.00	Oklahoma Corporation Commission	Oil & Gas Bond for Truck Wash Pit - Verden Yard; Release in Process
RLB0016368	Complete Energy Services, Inc.	RLI	\$20,000.00	OK Corporation Commission	Oil & Gas Bond for the Truck Wash Pit for the Fairview Yard
RLB0016402	SPN Well Services Inc.	RLI	\$100,000.00	Ohio Dept. of Commerce Div of State Fire Marshal Bureau	Permit Bond for Explosive Storage and Explosive Materials
RLB0016456	Superior Energy Services, Inc., Stabil Drill Specialities, L.L.C., SESI, L.L.C.	RLI	\$25,000.00	Harris County, Texas	Relates to Stabil Drill vs. Russo, Leblanc, and Martin Litigation

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
RLB0016568	Complete Energy Services, Inc.	RLI	\$12,000.00	OK Corporation Commission	Oil and Gas Bond for the Truck Wash Pit Bond for the Enid Yard Pit
RLB0016745	H.B. Rentals, L.C.	RLI	\$5,000.00	State of Oklahoma	Size and Weight Permit Bond
RLB0016843	Warrior Energy Services Corporation	RLI	\$20,000.00	Board of Commissioners	Oversize/Overweight Permit Bond
RLB0017119	Superior Energy Services, LLC	RLI	\$24,076,792.00	State of Washington	Stay Bond with Respect to Department of Revenue; Sales/Use Tax Claim Related to Containment Services Contract for the Artic Challenger (special purpose vessel Superior built for Shell)
ROG0001431	SPN Well Services Inc.	RLI	\$10,000.00	TX DMV	Superheavy or Oversize Permit Bond
SU13936	H.B. Rentals, L.C.	Aspen	\$50,000.00	State of Louisiana	Motor Vehicle Dealers Bond
SU13997	H.B. Rentals, L.C.	Aspen	\$15,000.00	Texas Department of Motor Vehicles	Over Axle and Over Gross Weight Tolerance Permit Bond
SU14012	H.B. Rentals, L.C.	Aspen	\$5,000.00	Pennsylvania Department of Transportation	Permit Bond
SU14113	Warrior Energy Services Corporation	Aspen	\$35,000.00	Louisiana Department of Transportation	License and Permit Bond
SU14206	SPN Well Services Inc.	Aspen	\$7,500.00	Texas Department of Motor Vehicles	Certificate of Title Surety Bond

Bond No.	Principal	Bond Provider	Bond Amount	Obligee	Description
SU14222	SPN Well Services Inc.	Aspen	\$10,000.00	State of New York	Permit to Haul Oversized and/or Overweight Equipment

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

-----X
 In re: : Chapter 11
 :
 SUPERIOR ENERGY SERVICES, INC., *et al.*,¹ : Case No. 20-35812 (DRJ)
 :
 Debtors. : (Joint Administration Requested)
 :
 -----X

**ORDER (I) AUTHORIZING (A) PAYMENT
OF PREPETITION INSURANCE OBLIGATIONS, (B) PAYMENT
OF PREPETITION BONDING OBLIGATIONS, (C) MAINTENANCE
OF POSTPETITION INSURANCE COVERAGE, (D) MAINTENANCE OF
BONDING PROGRAM, AND (E) MAINTENANCE OF POSTPETITION FINANCING
OF INSURANCE PREMIUMS, AND (II) GRANTING RELATED RELIEF
[Relates to Motion at Docket No. ____]**

Upon the emergency motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”), authorizing the Debtors to (i) continue to (a) administer the Insurance Policies and pay the Prepetition Insurance Obligations and (b) pay the Prepetition Bonding Obligations, to the extent the Debtors determine in their discretion that such payments are necessary or appropriate; (ii) in the ordinary course of business, pay all postpetition premiums, administrative fees, deductibles, and other obligations (including the Brokers’ Fees) relating to (a) the Postpetition Insurance Obligations, or (b) the Postpetition Bonding Obligations, as such payments become due; (iii) revise, extend, supplement,

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Superior Energy Services, Inc. (9388), SESI, L.L.C. (4124), Superior Energy Services-North America Services, Inc. (5131), Complete Energy Services, Inc. (9295), Warrior Energy Services Corporation (9424), SPN Well Services, Inc. (2682), Pumpco Energy Services, Inc. (7310), 1105 Peters Road, L.L.C. (4198), Connection Technology, L.L.C. (4128), CSI Technologies, LLC (6936), H.B. Rentals, L.C. (7291), International Snubbing Services, L.L.C. (4134), Stabil Drill Specialties, L.L.C. (4138), Superior Energy Services, L.L.C. (4196), Superior Inspection Services, L.L.C. (4991), Wild Well Control, Inc. (3477), and Workstrings International, L.L.C. (0390). The Debtors’ address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Motion.

change, terminate, and/or replace the Debtors' insurance coverage or the Bonding Program as needed in the ordinary course of business; and (iv) maintain or renew current, or enter into new, postpetition financing arrangements with respect to insurance premiums, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given under the circumstances and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in the Order, it is hereby

ORDERED THAT:

1. The Debtors are authorized, but not directed, to continue their Insurance Policies and the Bonding Program identified, respectively, on Exhibit A and Exhibit B to the Motion, and any related agreements.

2. The Debtors are authorized, but not directed, to pay to the Insurance Carriers, the Brokers, and the Sureties any amounts owed on account of the Insurance Obligations and the Bonding Obligations, whether incurred prepetition or postpetition, in the ordinary course of business.

3. The Debtors are authorized, but not directed, to revise, extend, supplement, change, terminate, and/or replace existing insurance coverage and their Bonding Program as needed and

to enter into new insurance policies and surety bonds through either renewal or purchase of new insurance policies and surety bonds, in each case in the ordinary course of business on a postpetition basis; *provided* that the Debtors will notify (a) counsel to the Prepetition ABL Agent, (b) counsel to the Ad Hoc Noteholder Group, (c) the U.S. Trustee, and (d) any statutory committee appointed in these Chapter 11 Cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase or decrease existing coverage, change carriers, enter into any new premium financing agreements, or purchase additional coverage, at least five (5) business days prior to taking any such action.

4. The Debtors shall maintain a schedule of any material payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the date and amount of the payment; (c) the category or type of payment and (d) the Debtor or Debtors that made the payment. The Debtors shall provide a copy of such schedule to (a) counsel to the Prepetition ABL Agent, (b) counsel to the Ad Hoc Noteholder Group, (c) the U.S. Trustee, and (d) any statutory committee appointed in these Chapter 11 Cases within four (4) business days following every month-end during the pendency of these Chapter 11 Cases. Each such payment schedule shall cover payments made during the previous month, as well as payments made since entry of this Order.

5. The Debtors are authorized to pay any prepetition or postpetition fees of the Brokers in connection with the Insurance Policies and the Bonding Program in the ordinary course of business.

6. The Debtors shall within five (5) days of the date of such action notify counsel to the Ad Hoc Noteholder Group if the Debtors (a) make any material payment referred to in paragraphs 2 and 4 of this Order or (b) obtain additional letters of credit. Such notification must

include the following information: (a) the names of the payee; (b) the date and amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; and (d) the Debtor or Debtors that made the payment.

7. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Policies or the Bonding Program are owed.

8. The Debtors' banks and financial institutions shall be, and hereby are, authorized, when requested by the Debtors in their sole discretion, to process, honor, pay, and, if necessary, reissue any and all checks, including prepetition checks that the Debtors reissue postpetition, and electronic fund transfers drawn on the Debtors' bank accounts relating to those Insurance Obligations and the Bonding Obligations whose payment is approved by this Order, whether such checks were presented or funds transfer requests were submitted prior to or subsequent to the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

9. Notwithstanding anything to the contrary contained herein, (a) any payment made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors under any orders approving a postpetition financing facility or any order regarding the use of cash collateral approved by this Court in these Chapter 11 Cases (collectively, the "**DIP Order**"), and (b) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control. For the avoidance of doubt, the Debtors are not authorized to make any payments pursuant to this Order except as permitted by the Budget (as defined in the DIP Order).

10. The Debtors' banks and financial institutions may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Order.

11. The Debtors are hereby authorized, but not directed, to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests with respect to the Prepetition Insurance Obligations and the Prepetition Bonding Obligations dishonored or denied as a consequence of the commencement of the Chapter 11 Cases, and to reimburse any expenses that holders of claims in connection with the Prepetition Insurance Obligations and the Prepetition Bonding Obligations may incur as a result of any bank's failure to honor a prepetition check.

12. The Debtors are not authorized by this Order to take any action with respect to a Bonding Obligation that would have the effect of transforming a prepetition undersecured or unsecured Bonding Obligation to a postpetition or secured obligation. Such relief may be sought by separate motion.

13. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be construed as: (a) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any claim or lien on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim would constitute an allowed claim; (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; (f) a limitation on the Debtors' rights under

section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Order; or (g) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rules 6003(b) and 6004(a).

15. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

16. The Debtors are hereby authorized to take such reasonable actions and to execute such documents as may be necessary to implement the relief granted by this Order.

17. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: _____, 2020

THE HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE