

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) CONTINUED USE OF EXISTING CASH MANAGEMENT
SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK
ACCOUNTS, CHECKS, AND BUSINESS FORMS, (B) CONTINUATION OF
EXISTING DEPOSIT AND INVESTMENT PRACTICES, (C) CONTINUATION
OF INTERCOMPANY TRANSACTIONS, AND (II) GRANTING ADMINISTRATIVE
EXPENSE STATUS TO CERTAIN POSTPETITION INTERCOMPANY CLAIMS**

Emergency relief has been requested. A hearing will be conducted on this matter on December 8, 2020 at 1:00 p.m. (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

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.



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website. Once connected, click the settings icon in the upper right corner and enter your name under the personal information setting.

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**”):

- (a) authorizing, but not directing, the Debtors to continue in the ordinary course of business consistent with past practices to maintain and use their existing cash management system, including maintenance of their existing bank accounts, checks, and business forms;
- (b) authorizing, but not directing, the Debtors to continue in the ordinary course of business consistent with past practices to maintain and use their existing deposit and investment practices notwithstanding the provisions of section 345(b) of the Bankruptcy Code;
- (c) granting the Debtors an extension of time for a period of 60 days from the Petition Date (*i.e.* until February 5, 2020) within which to comply with certain bank account and related requirements of the Office of the United States Trustee (the “**U.S. Trustee**”) or make such other arrangements as agreed with the U.S. Trustee to the extent that such requirements are inconsistent with the Debtors’ practices under their existing cash management system or other actions described herein;

- (d) authorizing, but not directing, the Debtors to continue the Intercompany Transactions (as defined herein);
- (e) authorizing the Debtors to open and close Bank Accounts (as defined herein) in the ordinary course of business consistent with past practices;
- (f) according administrative expense status to postpetition Intercompany Claims (as defined herein) arising from Intercompany Transactions; and
- (g) authorizing all banks with which the Debtors maintain their accounts to continue to maintain, service, and administer such accounts and authorize third-party payroll and benefits administrators and providers to prepare and issue checks on behalf of the Debtors.

JURISDICTION AND VENUE

2. 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.

3. The bases for the relief requested herein are sections 105(a), 345, 363, 503(b), and 507(a) 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**”), Rule 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

4. 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.

5. 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

6. 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.

7. 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.

8. 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

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

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**”).

9. 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.

BASIS FOR RELIEF

A. The Debtors’ Cash Management System and the Bank Accounts

10. The primary source of cash for both the Debtors and their non-Debtor affiliates (the “**Non-Debtor Affiliates**,” and together with the Debtors, the “**Company**”) is revenue generated from providing oilfield products and services to major, national, and independent oil and gas exploration and production companies around the world. The Company maintains a complex cash management system (the “**Cash Management System**”) that is integral to the operation and administration of their business. The Cash Management System is critical to the Debtors’ operations as it enables the Debtors to, among other things, monitor cash receipts and ensure payment of necessary disbursements, track various intercompany transfers and transactions, and ensure accurate cash forecasting and reporting.

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

11. The Cash Management System is managed by the Debtors at their U.S. corporate headquarters in Houston, Texas, where they oversee the administration of the various bank accounts used in the Cash Management system to effect the collection, disbursement, and movement of cash (together with any accounts opened after the Petition Date, the “**Bank Accounts**”). This centralized oversight facilitates accurate cash forecasting and reporting and the monitoring of the collection and disbursement of funds to and from the Bank Accounts.

12. The Cash Management System is organized in a way that respects the separate cash funding and operating needs of the Debtors and the Non-Debtor Affiliates. The Cash Management System is divided into two separate structures: (a) the domestic structure, which includes the Debtors and certain U.S. Non-Debtor Affiliates (the “**Domestic Structure**”); and (b) the foreign structure, which includes bank accounts at non-U.S. entities, as well as foreign bank accounts of certain Debtor entities (the “**Foreign Structure**”).⁴ Within the Domestic Structure, cash flows between the Debtor entities and certain Non-Debtor Affiliates in the ordinary course. The Foreign Structure operates independently with a few exceptions, as described below, and does not, in the ordinary course, rely on funding from Debtor Bank Accounts.

13. To provide an overview of the movement of cash through the Cash Management System, a schematic diagram illustrating the flow of funds through the Cash Management System as of the Petition Date is attached hereto as Exhibit A. Because the Company has operations across the United States and in over 25 foreign countries, the Cash Management System relies on bank accounts located in numerous countries, holding funds in various currencies. As of the Petition

⁴ For purposes of this Motion, unless otherwise stated, the “Cash Management System” refers only to the Domestic Structure.

Date, the Debtors maintain a total of 54 bank accounts, which are held at JPMorgan Chase Bank, N.A. (“**JPM**”), Wells Fargo Bank, National Association (“**Wells Fargo**”), Whitney Bank (“**Whitney**”), Bank of America, N.A. (“**BofA**”), National Bank of Kuwait (“**NBK**”), SpareBank (“**SpareBank**”), and International Bank of Azerbaijan (“**IBA**”) (collectively, the “**Banks**”). A schedule of the Bank Accounts is attached hereto as Exhibit B, and a summary of the Bank Accounts is included in the chart below.⁵ The Debtors do not anticipate sending or receiving any funds from the Debtors’ foreign bank accounts during the pendency of the Chapter 11 Cases.

14. The Debtors’ Bank Accounts are comprised of (a) one main operating account that serves as the Debtors’ concentration account at Wells Fargo (the “**Main Operating Account**”) and a second operating account at Whitney (the “**Whitney Operating Account**”) that serves as a concentration account for receipts in Whitney lockbox accounts; (b) one account that receives funding from the Main Operating Account to process payroll and the associated payroll taxes (the “**Payroll Account**”); (c) 18 lockbox zero-balance accounts (“**ZBAs**”) where customer receivables are collected and swept to the Main Operating Account and the Whitney Operating Account on a daily basis (the “**Lockbox Accounts**”); (d) two accounts in the name of Debtor Wild Well Control, Inc. (the “**Wild Well Accounts**”) that do not regularly sweep to the Main Operating Account; (e) 18 disbursement accounts used to pay third-party vendors, bank fees, and fees associated with the Debtors’ current ABL Facility in the ordinary course (the “**Disbursement Accounts**”), which are funded by the Main Operating Account on an as-needed basis; (f) two investment accounts holding cash and other highly liquid investments (the “**Investment**

⁵ The Debtors believe, and have undertaken reasonable efforts to ensure, that Exhibit B lists all of the bank accounts that comprise the Debtors’ Cash Management System. In the event that any bank account has been inadvertently omitted from Exhibit B, the Debtors request that the relief sought by this Motion be deemed to apply to such account.

Accounts”), which receive and transfer funds to the Main Operating Account on an as-needed basis; (g) five restricted cash accounts, which hold cash collateral and cash deposits on account of the Debtors’ purchase card program, surety bond, worker’s compensation, and insurance obligations, and future obligations associated with the Debtors’ non-operated offshore oil and gas property (the “**Restricted Cash Accounts**”); and (h) six accounts in the name of certain Debtors at international banks primarily serving as operating accounts for certain Debtor foreign operations (the “**Debtor Foreign Accounts**”).⁶ Additionally, the Debtors furnish certain employees with corporate credit cards and/or fuel cards (the “**Company Cards**”) maintained through JPM, Wells Fargo, Whitney, American Express, and WEX Bank (collectively, the “**Company Card Providers**”).

15. Additionally, the Non-Debtor Affiliates maintain various bank accounts held at different foreign banks near the respective Non-Debtor Affiliate, as well as banks in the United States (the “**Non-Debtor Affiliate Accounts**”). Funds in the Non-Debtor Affiliate Accounts are held either in U.S. Dollars or in the currency local to the respective Non-Debtor Affiliate.

16. The Cash Management System has five main components: (a) cash collection; (b) cash concentration; (c) cash disbursement; (d) investment; and (e) bank fees.

(i) Cash Collection

17. The Debtors receive payments from customers on account of product and service revenue, which are deposited directly into either the Lockbox Accounts or the Wild Well Accounts, depending on historical practices and the entity with which the customer has a relationship. By this Motion, the Debtors request authority to continue their cash collection practices in the ordinary course of business consistent with past practices.

⁶ For purposes of this Motion, the Debtor Foreign Accounts are considered part of the Foreign Structure.

(ii) Cash Concentration

18. Revenues from the Lockbox Accounts are either swept daily to the Main Operating Account or to the Whitney Operating Account (which periodically transfers funds to the Main Operating Account). Cash concentrated in the Main Operating Account is transferred to the Payroll Account or Disbursement Accounts for funding of expenses as needed. By this Motion, the Debtors request authority to continue their cash concentration practices in the ordinary course of business consistent with past practices.

(iii) Cash Disbursements

19. To satisfy their financial obligations to employees, vendors, and other third parties, the Debtors transfer cash into either the Payroll Account or the Disbursement Accounts. The Debtors issue or initiate payments to third parties by check, wire, or ACH Transfer, or authorize electronic draws directly to certain vendors. Where disbursements are made from the Payroll Account or the Disbursement Accounts on account of obligations of another Debtor or Non-Debtor Affiliate, such disbursements are recorded in the books and records as intercompany receivables due from such other Debtor or Non-Debtor Affiliate. In addition to checks, wires, and ACH transfers, the Debtors have relationships with certain vendors whereby, after approval of an invoice by the Debtors' treasury department, the vendors in question are able to draw amounts owed to them directly from the Debtors' accounts on a weekly, bi-weekly, or monthly basis depending on the specific arrangement. By this Motion, the Debtors request authority to continue their cash disbursement practices in the ordinary course of business consistent with past practices.

(iv) Investments

20. The Debtors' Cash Management System also consists of Investment Accounts established to maximize the value of the Debtors' excess funds by earning a predictable rate of

return in excess of the Debtors' other bank accounts. The Debtors' treasury department can direct Wells Fargo to transfer funds from the Main Operating Account to either of the Investment Accounts. If the treasury department anticipates a need for cash, it can also direct transfers of funds out of the Investment Accounts. Cash deposited in the Investment Accounts is invested in highly liquid funds that hold a mix of cash, U.S. Government securities and/or repurchase agreements that are fully collateralized by cash or government securities. By this Motion, the Debtors seek approval to continue investing in the Investment Accounts consistent with their historical practices.

(v) Bank Fees

21. The Debtors pay certain fees to the Banks related to the costs of administering their Bank Accounts (the "**Bank Fees**"). The Debtors estimate that approximately \$50,000 of accrued but unpaid Bank Fees are outstanding as of the Petition Date. By this Motion, the Debtors seek authority to pay outstanding prepetition Bank Fees and to continue to pay the Bank Fees as they become due in the ordinary course of business consistent with past practices on a postpetition basis.

22. The chart below provides a list of the Debtors' Bank Accounts, including a summary description of the function of each category (as outlined above) of the Debtors' Bank Accounts.

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
<i>Operating Accounts</i>			
Main Operating Account (x6990)	SESI, L.L.C.	\$14,210,000	The Main Operating Account is the main concentration account for the Cash Management System. The Main

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
			<p>Operating Account receives funds from customer receipts via the Lockbox Accounts and the Whitney Operating Account, and provides the funding to the Disbursement Accounts and Payroll Accounts that make third-party disbursements on behalf of the Debtors, often receiving and disbursing funds on behalf of more than one Debtor.</p> <p>Additionally, the Main Operating Account funds the Investment Account (using excess funds at management's discretion).</p> <p>Payments from the Main Operating Account are made through various funds-transfer mechanisms, including wires, ACH payments, checks, and automatic vendor draws.</p> <p>The Main Operating Account is subject to a deposit account control agreement.</p>
Whitney Operating Account (x1440)	SESI, L.L.C.	\$2,158,000	<p>The Whitney Operating Account functions in a manner similar to the Main Operating Account, but receives funds solely from the Whitney Lockbox Accounts. All funding of the Disbursement Accounts, the Payroll Account, the Whitney Restricted Cash Account, and the Investment Accounts by the Whitney Operating Account occurs via the Main Operating Account.</p>

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Payroll Account			
Payroll Account (x6929)	SESI, L.L.C.	\$0	<p>The Payroll Account is used to (i) fund and process employee payroll, and (ii) fund and process the various employee compensation and benefits programs that are maintained by the Debtors and which are described in detail in the Debtors' Wages Motion.⁷ The Payroll Account is funded manually by the Debtors' treasury department every two weeks from the Main Operating Accounts in an amount sufficient to cover the Debtors' employee payroll and benefits obligations.</p> <p>As described in the Wages Motion, the Debtors perform payroll processing services internally, and draw cash from the Payroll Account after approval from the Debtors' Human Resources department.</p>
Investment Accounts			
Wells Fargo Investment Account (x7322)	SESI, L.L.C.	\$43,074,000	<p>The Investment Accounts hold excess funds that are invested in a money market instrument that holds a mix of cash, U.S. Government securities and/or repurchase agreements that are fully collateralized by cash or government securities.</p> <p>The Debtors transfer excess cash from the Main Operating Account to the Investment Account on a discretionary</p>
BofA Investment Account (x6a11)	SESI, L.L.C.	\$33,081,000	

⁷ The "**Wages Motion**" is 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 Prepetition Claims Owing to Administrators, and (V) Directing Banks to Honor Prepetition Checks and Fund Transfers for Authorized Payments, filed concurrently herewith.

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
			basis as directed by the Debtors' treasurer. Likewise, the Debtors transfer cash from the Investment Account to the Main Operating Account to fund operations at the Debtors' discretion, as needed.
Lockbox Accounts			
International Snubbing Services Wells Fargo Lockbox (x6843)	International Snubbing Services, L.L.C.	\$0	The Lockbox Accounts receive funds from customer receipts, which are then transferred either to the Main Operating Account or a Whitney Operating Account. Transfers from the Lockbox Accounts are typically made via cash sweeps. Most, but not all, of the Lockbox Accounts are subject to a deposit account control agreement. As discussed further below, those accounts subject to a deposit account control agreement may have funds swept into the Restricted Cash Accounts if the Debtors become subject to cash dominion.
Complete Energy Services Wells Fargo Lockbox (x8059)	Complete Energy Services, Inc.	\$0	
Connection Technology Wells Fargo Lockbox (x5513)	Connection Technology, L.L.C.	\$0	
H.B. Rentals Wells Fargo Lockbox (x1580)	H.B. Rentals L.C.	\$0	
Warrior Energy Services Wells Fargo Lockbox (x1572)	Warrior Energy Services Corporation	\$0	
Pumpco Energy Services Wells Fargo Lockbox (x9195)	Pumpco Energy Services, Inc.	\$0	
Superior Energy Services, L.L.C.	Superior Energy Services, L.L.C.	\$0	

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Wells Fargo Lockbox (x5837)			
Superior Inspection Services Wells Fargo Lockbox (x5928)	Superior Inspection Services, L.L.C.	\$0	
Workstrings International Wells Fargo Lockbox (x6827)	Workstrings International, L.L.C.	\$0	
Connection Technology Whitney Lockbox (x1319)	Connection Technology, L.L.C.	\$0	
H.B. Rentals Whitney Lockbox (x0959)	H.B. Rentals L.C.	\$0	
International Snubbing Services Whitney Lockbox (x1394)	International Snubbing Services, L.L.C.	\$0	
Warrior Energy Services Whitney Lockbox (x0211)	Warrior Energy Services Corporation	\$0	
Superior Energy Services, L.L.C. Whitney Lockbox (x1548)	Superior Energy Services, L.L.C.	\$0	
Superior Inspection	Superior Inspection Services, L.L.C.	\$0	

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Services Whitney Lockbox (x4482)			
Workstrings International Whitney Lockbox (x0131)	Workstrings International, L.L.C.	\$0	
Stabil Drill Specialties Wells Fargo Lockbox (x6603)	Stabil Drill Specialties, L.L.C.	\$0	
Stabil Drill Specialties Whitney Lockbox (x1467)	Stabil Drill Specialties, L.L.C.	\$0	
Disbursement Accounts			
Superior Energy Services, Inc. Disbursement (x6882)	Superior Energy Services, Inc.	\$884,000	The Disbursement Accounts are funded by the Main Operating Account and the Whitney Operating Account on an as-needed basis. These accounts are used to make third-party disbursements, in the ordinary course of business, to specific suppliers and vendors on account of expenses incurred by the entity associated with each Disbursement Account. The majority of disbursements made from the Disbursement Accounts relate to trade payables. Payments from the Disbursement Accounts are made through various funds-transfer mechanisms, including wires, ACH payments, checks, and automatic vendor draws.
Complete Energy Services Disbursement (x8117)	Complete Energy Services, Inc.	\$0	
Connection Technology Wells Fargo Disbursement (x1114)	Connection Technology, L.L.C.	\$0	
H.B. Rentals Wells Fargo Disbursement (x8141)	H.B. Rentals L.C.	\$0	

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
International Snubbing Services Wells Fargo Disbursement (x8156)	International Snubbing Services, L.L.C.	\$0	Most, but not all, of the Disbursement Accounts are subject to a deposit account control agreement. As discussed further below, those accounts subject to a deposit account control agreement may have funds swept into the Restricted Cash Accounts if the Debtors become subject to cash dominion.
PumpCo Energy Services Disbursement (x9203)	PumpCo Energy Services, Inc.	\$0	
SESI, L.L.C. Disbursement (x1452)	SESI, L.L.C.	\$0	
SPN Well Services Wells Fargo Disbursement (x2621)	SPN Well Services, LLC	\$0	
SPN Well Services Wells Fargo Disbursement (x3651)	SPN Well Services, LLC	\$0	
Superior Energy Services, L.L.C. Disbursement (x9605)	Superior Energy Services, L.L.C.	\$0	
Superior Inspection Services Wells Fargo Disbursement (x1047)	Superior Inspection Services, L.L.C.	\$0	

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Warrior Energy Services Disbursement (x8175)	Warrior Energy Services Corporation	\$0	
Workstrings International Disbursement (x0877)	Workstrings International, L.L.C.	\$0	
Stabil Drill Specialties Disbursement (x8137)	Stabil Drill Specialties, L.L.C.	\$0	
Connection Technology Whitney Disbursement (x1297)	Connection Technology, L.L.C.	\$0	
CSI Technologies Disbursement (x5232)	CSI Technologies, LLC	\$0	
International Snubbing Services Whitney Disbursement (x1408)	International Snubbing Services, L.L.C.	\$0	
Superior Inspection Services Whitney Disbursement (x8305)	Superior Inspection Services, L.L.C.	\$0	
Wild Well Control	Wild Well Control, Inc.	\$512,000	

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Disbursement (x5032)			
Wild Well Control Disbursement (x3363)	Wild Well Control, Inc.	\$93,000	
Restricted Cash Accounts			
JPM Restricted Cash Account (x8181)	SESI, L.L.C.	\$25,003,000	The Restricted Cash Accounts were (i), in the case of the JPM Restricted Cash Account, opened in conjunction with and are required by the Debtors’ ABL Agreement; (ii) in the case of the Wells Fargo Restricted Cash Account, opened to provide support for the Debtors’ surety bonds, as further described in the Debtors’ Insurance Motion; ⁸ (iii) in the case of the BofA Texas Department of Insurance Account, to hold cash deposited with the Texas Department of Insurance related to workers compensation insurance obligations; ⁹ (iv) in the case of the Whitney Restricted Cash Account owned by Wild Well Control, Inc., to secure performance obligations in addition to a surety bond and (v) in the case of the Whitney Restricted Cash Account owned by H.B. Rentals, to hold the adequate assurance deposit referenced in the Debtors’ Utilities
Wells Fargo Restricted Cash Account (x5200)	SESI, L.L.C.	\$46,001,000	
BofA Texas Department of Insurance Account (x0001)	SESI, L.L.C.	\$6,400,000	
Whitney Restricted Cash Account (x0325)	Wild Well Control, Inc.	\$2,727,000	
H.B. Rentals Whitney Restricted Cash Account (x3712)	H.B. Rentals L.C.	\$395,000	

⁸ The "**Insurance Motion**" is the 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, filed concurrently herewith.

⁹ The BofA Texas Department of Insurance Account is maintained by the Texas Comptroller of Public Accounts in SESI, L.L.C.'s name, and is classified as restricted cash on the Debtors' balance sheet.

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
			<p>Motion.¹⁰ Under certain circumstances under the ABL Facility, the Debtors may become subject to cash dominion, which would allow the administrative agent under the ABL Facility to utilize the JPM Restricted Cash Account to sweep funds from certain of the Debtors' Bank Accounts to pay certain outstanding balances under the ABL Facility.</p> <p>The Debtors are not currently subject to cash dominion.</p>
<i>Debtor Foreign Accounts¹¹</i>			
International Snubbing Services IBA (4006x)	International Bank of Azerbaijan	\$500	The Debtor Foreign Accounts primarily serve as operating accounts for certain of the Debtors' foreign operations. None of the Debtor Foreign Accounts are subject to deposit account control agreements.
International Snubbing Services IBA (4016x)	International Bank of Azerbaijan	\$0	
Warrior Energy Services NBK (x0675)	National Bank of Kuwait	\$2,504,000	
Warrior Energy Services	National Bank of Kuwait	\$6,000	

¹⁰ The "**Utilities Motion**" is the *Debtors' Emergency Motion for Entry of an Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Approving Deposit as Adequate Assurance of Payment, and (III) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment*, filed concurrently herewith.

¹¹ Cash amounts held at each account with IBA are *de minimis*, and such accounts do not currently support active business operations.

Account Name & Account Number	Debtor Account Holder	Approx. Balance as of the Petition Date	Account Description
Corporation (x9546)			
Wild Well Control Sparebank (x0313)	Sparebank	\$92,000	
Wild Well Control (x9927)	Sparebank	\$512,000	

23. Additionally, the chart below provides a summary of the estimated cash held in the aggregate across the Debtors' Bank Accounts referenced in Exhibit B.

Estimated Cash as of the Petition Date	
Unrestricted Cash ¹²	\$97,200,000
Restricted Cash	\$80,500,000

B. The Debtors Should Be Authorized to Maintain and Continue Ordinary Course Intercompany Transactions and Postpetition Intercompany Claims Among the Debtors Should Be Accorded Administrative Expense Status

24. In the ordinary course of business, the Debtors maintain business relationships and transactions with each other and with their Non-Debtor Affiliates (collectively, the “**Intercompany Transactions**”) that may result in intercompany receivables and payables (the “**Intercompany Claims**”) arising in most cases from the following types of transactions: (a) intercompany accounts receivable and payable and (b) intercompany loans, and capital contributions. In addition, in the ordinary course of business, the Debtors make and receive

¹² Estimated unrestricted cash as of the Petition Date includes \$76,155,954 held in the Investment Accounts.

corporate allocations and charges to and from the various Debtors and Non-Debtor Affiliates in respect of their proportional share of certain collective expenses including, most notably, corporate payroll and insurance costs. The Debtors maintain records of all transfers and, therefore, can trace and account for all Intercompany Transactions, and will continue to do so during the Chapter 11 Cases. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted to the detriment of the Debtors and all stakeholders. Accordingly, the Debtors are seeking authority to continue the Intercompany Transactions in the ordinary course of business consistent with past practices.

25. The Foreign Structure operates independently and does not, in the ordinary course, rely on payments from the Debtor Bank Accounts. In certain instances historically, however, the Debtors made certain loans and investments to the Non-Debtor Affiliates in the Foreign Structure to grow foreign business operations, fund acquisitions and capital expenditures, and maintain reasonable amounts of working capital in such Non-Debtor Affiliates as is determined in the Debtors' business judgment. Such working capital has been beneficial to both the Debtors and Non-Debtor Affiliates. The Debtors do not anticipate needing to send funds and shall not send funds, without the consent of the advisors to the Ad Hoc Noteholder Group (as defined below), to Non-Debtor Affiliates during the pendency of the Chapter 11 Cases.

26. In connection with the daily operation of the Cash Management System, as funds are disbursed throughout the Cash Management System and as business is transacted between the Debtors, at any given time there are multiple Intercompany Claims owed by one Debtor to another Debtor. For example, as discussed above, the Main Operating Account frequently receive third-party receipts and make third-party payments on behalf of products or services provided by or for a different Debtor, and in certain specific cases, for certain domestic Non-Debtor Affiliates.

The Main Operating Account also funds the rest of the Cash Management System on an as-needed basis in the ordinary course of business, resulting in Intercompany Claims. While the Debtors rarely settle Intercompany Claims in cash, due to the fluidity of the Cash Management System, the Debtors typically have Intercompany Claims of substantial value. As discussed above, the Intercompany Claims are reflected in the Debtors' books and records as intercompany receivables and payables, and the Debtors track all fund transfers in their respective accounting systems and can ascertain, trace, and account for all Intercompany Transactions. The Debtors propose to make such records available upon request by the U.S. Trustee, any statutory committee appointed in these Chapter 11 Cases, and the advisors to the Ad Hoc Noteholder Group. If the Intercompany Transactions were to be discontinued, the Cash Management System and the Debtors' operations would be disrupted unnecessarily to the detriment of the Debtors, their creditors, and other stakeholders. The Debtors seek the authority to continue the Intercompany Transactions in the ordinary course of business consistent with past practices.

27. To ensure that each individual Debtor will not fund the operations of another entity at the expense of such Debtor's creditors, the Debtors request that all postpetition Intercompany Claims be accorded administrative claim status. If postpetition Intercompany Claims are accorded administrative claim status, then each individual Debtor on whose behalf another Debtor has utilized funds or incurred expenses will continue to bear ultimate repayment responsibility, thereby protecting the interests of each individual Debtor's creditors. Accordingly, the Court should grant administrative expense status to postpetition Intercompany Claims.¹³

¹³ Nothing herein constitutes a request to validate the nature or amount of any Intercompany Transaction or Intercompany Claim, whether arising prepetition or postpetition.

C. The Debtors Should Be Authorized to Continue to Use Their Existing Cash Management System and the Bank Accounts

28. The Cash Management System is an ordinary course, customary, and essential business practice, the continued use of which is essential to the Debtors' business operations during the Chapter 11 Cases and the Debtors' goal of maximizing value for the benefit of all parties in interest. To require the Debtors to adopt a new cash management system at this early and critical stage would be expensive, impose needless administrative burdens, and cause undue disruption. Any disruption in the collection and disbursement of funds as currently implemented would adversely (and perhaps irreparably) affect the Debtors' ability to maximize estate value and repay their creditors. Moreover, such a disruption would be wholly unnecessary because the Cash Management System provides a valuable and efficient means for the Debtors to address their cash management requirements and, to the best of the Debtors' knowledge, the Debtors' Bank Accounts are held at financially stable institutions insured by the Federal Deposit Insurance Corporation (the "**FDIC**").¹⁴ For the aforementioned reasons, maintaining the existing Cash Management System without disruption is in the best interests of the Debtors, their estates, and their stakeholders. Accordingly, the Debtors request that they be allowed to maintain and continue to use the Cash Management System, including maintenance of the Bank Accounts, in the ordinary course of business and consistent with past practices.

29. As part of the relief requested herein, and to ensure that their transition into chapter 11 is as smooth as possible, the Debtors seek an order authorizing the Debtors to: (a) maintain and continue to use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as are currently employed; (b) deposit funds in and withdraw funds from the

¹⁴ The Debtor Foreign Accounts are not insured by the FDIC. The Debtors do not anticipate funding or receiving funds from the Debtor Foreign Accounts during the pendency of the Chapter 11 Cases.

Bank Accounts in the ordinary course by all usual means, including, without limitation, checks, wire transfers, drafts, and electronic funds transfers or other items presented, issued, or drawn on the Bank Accounts; (c) pay ordinary course Bank Fees in connection with the Bank Accounts, including prepetition Bank Fees; (d) perform their obligations under the documents and agreements governing the Bank Accounts; and (e) for all purposes, treat the Bank Accounts as accounts of the Debtors in their capacities as debtors-in-possession.

30. The Debtors will work closely with the Banks to ensure appropriate procedures are in place to prevent checks issued by the Debtors prepetition from being honored absent this Court's approval and to ensure that no third party with automatic debit capabilities is able to debit amounts attributable to the Debtors' prepetition obligations.

31. The Debtors request that if any Bank honors a prepetition check or other item drawn on any account that is the subject of this Motion (a) at the direction of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as a result of a good faith error, that the Bank be deemed not liable to the Debtors or to their estates on account of such prepetition check or other item being honored postpetition. The Debtors believe that such flexibility accorded to the Banks is necessary to induce the Banks to continue providing cash management services to the Debtors.

32. Additionally, in each instance in which the Debtors hold one or more accounts at a bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen days of the date of entry of an Order granting this Motion, the Debtors will (a) contact such Bank, (b) provide such Bank with the Debtors' employer identification numbers, and (c) identify each of their accounts as held by a debtor-in-possession in a bankruptcy case. While the Debtors do not believe that they hold any accounts at a bank that is not a party to a Uniform Depository Agreement

with the U.S. Trustee, if any such accounts are identified, the Debtors will use their good faith efforts to cause such bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within forty-five days of the date of entry of an Order granting this Motion, to the extent that such Bank is a domestic bank. In the interest of maintaining the continued and efficient operation of the Cash Management System during the pendency of the Chapter 11 Cases, the Debtors request that all Banks be authorized to continue to administer, service, and maintain the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course (including making deductions for Bank Fees), and, when requested by the Debtors in their reasonable discretion, to honor any and all checks, drafts, wires, electronic funds transfers, or other items presented, issued, or drawn on the Bank Accounts on account of a claim against the Debtors arising on or after the Petition Date.

33. The Debtors further request that they be authorized to implement such reasonable changes to the Cash Management System as the Debtors may deem necessary or appropriate, including, without limitation, closing any Bank Account and opening any additional bank accounts following the Petition Date (the “**New Accounts**”) wherever the Debtors deem that such accounts are needed or appropriate. Notwithstanding the foregoing, any New Accounts that the Debtors open will be at one of the Debtors’ current Banks or at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee, or at such bank that is willing to immediately execute such an agreement, and any New Account that the Debtors open in the United States will be (a) at one of the existing Banks or with a bank that is organized under the laws of the United States of America or any state therein and that is insured by the FDIC or the Federal Savings and Loan Insurance Corporation, (b) designated a “Debtor-in-Possession” account by the relevant bank, and (c) at a bank that agrees to be bound by the terms of the proposed Order. The Debtors request that

the relief sought by this Motion extend to any New Accounts and that any order approving this Motion provide that the New Accounts are deemed to be Bank Accounts that are similarly subject to the rights, obligations, and relief granted in such order. The Debtors will provide the U.S. Trustee and the advisors to the Ad Hoc Noteholder Group with prompt notice of the closing of any Bank Accounts and the opening of any New Accounts. In furtherance of the foregoing, the Debtors also request that the relevant banks be authorized to honor the Debtors' requests to open or close (as the case may be) such Bank Account(s) or New Account(s).

D. The Debtors Should Be Granted an Extension of Time to Comply with Certain Requirements of the U.S. Trustee

34. The Debtors further request, pursuant to sections 105(a) and 363 of the Bankruptcy Code, that this Court grant an extension of time for the Debtors to comply with certain bank account and related requirements of the U.S. Trustee to the extent that such requirements are inconsistent with (a) the Debtors' existing practices under the Cash Management System, or (b) any action taken by the Debtors in accordance with any order granting this Motion or any other order entered in the Chapter 11 Cases.

35. To supervise the administration of chapter 11 cases, the U.S. Trustee has established the *Region 7 Guidelines for Debtors-in-Possession* (the "**UST Requirements**"). The UST Requirements require chapter 11 debtors to, among other things: (a) close all existing bank accounts and open new debtor-in-possession bank accounts; (b) establish one debtor-in-possession account for all estate monies required for the payment of taxes, including payroll taxes; (c) maintain a separate debtor-in-possession account for cash collateral; and (d) obtain checks for all debtor-in-possession accounts that bear (i) the designation "Debtor-in-Possession," (ii) the bankruptcy case number, and (iii) the type of account. The UST Requirements are designed to demarcate clearly prepetition transactions and operations from postpetition transactions and

operations, and to prevent the inadvertent postpetition payment of prepetition claims. As set forth above, the Debtors submit that (x) they are able to work with the Banks to ensure that this goal of separation between the prepetition and postpetition periods is observed, and (y) enforcement of certain of these UST Requirements would disrupt the Debtors' operations and impose a financial burden on the Debtors' estates.

36. It would be onerous, unnecessarily inconvenient, and would fail to produce any realizable benefits to the Debtors' estates to require the Debtors to close all of the Bank Accounts and open new debtor-in-possession accounts. Further, it would be unnecessary and inefficient to require the Debtors to abide by the UST Requirement to establish specific debtor-in-possession accounts for tax payments (including payroll taxes) and to deposit in such accounts sufficient funds to pay any tax liability (when incurred), whether associated with the Debtors' payroll or other tax obligations. The Debtors can pay their tax obligations most efficiently in accordance with their existing practices. Any diversion from the Debtors' existing practices will complicate payment of the Debtors' tax obligations. The creation of new debtor-in-possession accounts designated solely for tax obligations would be unnecessarily burdensome.

37. To minimize expenses to their estates, the Debtors also seek authorization to continue using all checks substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors-in-possession; *provided, however*, that in the event the Debtors generate new checks during the pendency of the Chapter 11 Cases other than from their existing stock of checks, such checks will include a legend referring to the Debtor as "Debtor-in-Possession." The Debtors also seek authority to use all correspondence and other business forms (including, without limitation, letterhead, purchase orders, and invoices) without

reference to the Debtors' status as debtors-in-possession.¹⁵ Changing the Debtors' existing checks, correspondence, and other business forms would be expensive, unnecessary, and burdensome to the Debtors' estates. Further, such changes would disrupt the Debtors' business operations and would not confer any benefit upon parties that deal with the Debtors. For these reasons, the Debtors request that they be authorized to use their existing check stock, correspondence, and other business forms without being required to place the label "Debtor-in-Possession" on any of the foregoing.

38. Additionally, the UST Requirements mandate that chapter 11 debtors, to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with the requirements of the Office of the U.S. Trustee. All of the Bank Accounts, with the exception of the Debtor Foreign Accounts, are designated as authorized depositories by the U.S. Trustee and, therefore, comply with the UST Requirements. The Debtors do not anticipate funding or receiving funds from the Debtor Foreign Accounts during the pendency of the Chapter 11 Cases.

E. The Debtors Should Be Authorized to Continue Their Deposit and Investment Practices

39. As part of the Cash Management System, the Debtors routinely deposit funds into the Bank Accounts (the "**Deposit Practices**"), each of which are insured by the FDIC. The Debtors request (a) authorization to continue to deposit funds in accordance with existing practices under the Cash Management System, subject to any reasonable changes the Debtors may implement to

¹⁵ Although the operating guidelines established for debtors-in-possession by the U.S. Trustee would require the Debtors to obtain and use new checks bearing the "Debtor-in-Possession" designation, the Debtors do not believe that such guidelines impose any limitation on the Debtors' other correspondence and business forms. Nevertheless, out of an abundance of caution, the Debtors seek explicit authority to continue using their existing correspondence and business forms without reference to the Debtors' status as debtors-in-possession.

the Cash Management System, and (b) an initial 60-day period to come into compliance with their obligations under Section 345(b) or otherwise reach agreement with the U.S. Trustee, without prejudice to the Debtors' right to seek an extension of such period, to the extent that such requirements are inconsistent with the Deposit Practices.

40. In addition, as part of the Cash Management System, the Debtors maintain their excess cash in highly liquid investments that satisfy prudent investment guidelines, which have a primary objective of preserving principal, while secondarily maximizing yield and liquidity. As discussed above, the Debtors transfer excess cash to the Investment Account at their discretion. The Debtors invest in highly liquid funds that hold a mix of cash, U.S. Government securities, and/or repurchase agreements that are fully collateralized by cash or government securities.

41. Accordingly, the Debtors respectfully submit that the Debtors' approach to managing their cash reserves balances their need to access liquidity on a daily basis with protections that are comparable to those contemplated by section 345(b) of the Bankruptcy Code. Requiring the Debtors to bond the Investment Account, as contemplated by section 345(b) of the Bankruptcy Code, would impose considerable costs on these estates. The Debtors respectfully request that the Court authorize the Debtors to continue utilizing the Investment Account in the ordinary course of business consistent with the Debtors' investment guidelines and/or past practices (the "**Investment Guidelines**").

F. The Debtors Should Be Authorized to Maintain the Company Card Program and Pay Prepetition Amounts Related Thereto

42. In the ordinary course of business, the Debtors assign Company Cards to certain employees or equipment to maintain a variety of business expenses and/or fuel, subject to certain rules and guidelines (the "**Company Card Programs**"). The Debtors pay the monthly balances

that accrue under the Company Cards directly to the Company Card Providers. As of the Petition Date, there are approximately 1,400 active Company Cards under the Company Card Programs.

43. The Debtors' average monthly expenditure under the Company Card Programs is approximately \$430,000. To avoid any disruptions to their Company Card Programs, the Debtors request authority to satisfy prepetition obligations that may be owing to the Company Card Providers on account of the Company Cards. The Debtors estimate such obligations are approximately \$175,000.

44. The Debtors also seek authority to continue using the Company Card Programs postpetition in the ordinary course of business, subject to any changes the Debtors may make to the Company Card Programs in the ordinary course of their businesses.

45. The Company Card Programs are critical to the Debtors' ability to carry out their ongoing operations without disruption because it enables expenses incurred by eligible employees in the ordinary course of employment to be efficiently paid.

APPLICABLE AUTHORITY

A. The Bankruptcy Code Permits the Debtors to Continue to Use the Cash Management System and the Bank Accounts

46. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor-in-possession to "use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *See In re HLC Props., Inc.*, 55 B.R. 685, 686 (Bankr. N.D. Tex. 1985) (finding "no need to further burden the docket or the staff of the Court with a superfluous order" when a transaction is in the ordinary course of business). The authority granted by section 363(c)(1) extends to a debtor in possession's continued use of its customary cash management

system and, thus, supports the relief requested. *See, e.g., Charter Co. v. Prudential Ins. Co. Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (holding that an order authorizing the debtor to employ a cash management system that was “usual and customary in the past” was “entirely consistent” with section 363(c)(1) of the Bankruptcy Code). Accordingly, it is respectfully submitted that section 363(c)(1) of the Bankruptcy Code authorizes continuation of the Cash Management System as it operated prepetition without this Court’s approval.

47. Section 105(a) of the Bankruptcy Code also authorizes this Court to permit the Debtors to continue to use the Cash Management System, including maintenance of their existing Bank Accounts. Specifically, section 105(a) of the Bankruptcy Code vests in this Court the power 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 continuation of the Cash Management System, including the continued use of the Bank Accounts, is essential to the efficient administration of the Chapter 11 Cases and to the Debtors’ efforts to maximize estate value for all parties in interest. Indeed, one court, in another context, recognized that a centralized cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993), *cert. denied sub nom. Official Comm. of Unsecured Creditors v. Columbia Gas Transmission Corp.*, 510 U.S. 1110 (1994). Bankruptcy courts routinely permit chapter 11 debtors to continue using their existing cash management system, generally treating requests for such relief as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987); *see also Columbia Gas*, 136 B.R. at 934 (recognizing that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of

maintaining separate cash accounts for the many different purposes that require cash”). Therefore, the relief requested is appropriate under section 105(a) of the Bankruptcy Code.

B. This Court Should Grant the Debtors an Extension of Time to Comply with the UST Requirements to Permit the Debtors to Continue to Use the Cash Management System

48. The continuation of the Cash Management System, as requested in this Motion, is consistent with the Debtors’ authority to use property of the estate in the ordinary course of business pursuant to section 363(c)(1) of the Bankruptcy Code. Accordingly, this Court should grant the Debtors an extension of time to comply with the UST Requirements to the extent that such requirements conflict with the Debtors’ existing practices under the Cash Management System or any action taken by the Debtors in accordance with any order granting this Motion or any other order entered in the Chapter 11 Cases.

49. Moreover, compelling the Debtors to immediately alter their current cash management practices and to modify the Cash Management System to comply with the UST Requirements would risk severe disruption to the Debtors’ businesses and jeopardize the Debtors’ ability to maximize value for all parties in interest. *Cf. In re Gaylord Container Corp.*, 1993 WL 188671, at *3, 13 (E.D. La. 1993) (adopting the bankruptcy court’s findings of fact and conclusions of law, which included a finding that the banking requirements of the Office of the United States Trustee for the District of Louisiana “represent a substantial burden on any debtor and, in this case, resulted in the incurrence of extraordinary unquantifiable costs by [the debtor] associated with the confusion engendered by the implementation of new policies and procedures to comply with such rules, and due to the substantial restrictions that such rules placed on the debtor’s treasury functions”). This fact alone justifies the relief that the Debtors are seeking. *See* 11 U.S.C. § 105(a)

(“The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”).

C. This Court Has the Authority to Permit the Debtors to Continue Their Deposit and Investment Practices

50. Section 345(a) of the Bankruptcy Code authorizes a debtor in possession to make deposits of estate money in a manner as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). For deposits or investments that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) of the Bankruptcy Code requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or “the deposit of securities of the kind specified in section 9303 of title 31.” 11 U.S.C. § 345(b).¹⁶

51. This Court has discretion to waive the requirements of section 345(b) of the Bankruptcy Code “for cause.” 11 U.S.C. § 345(b). In *In re Service Merchandise Co., Inc.*, the court indicated that the existence of “cause” should be determined based upon the totality of the circumstances taking account of factors such as: (a) the sophistication of the debtor’s business; the size of the debtor’s business; (b) the amount of investments involved; (c) the ratings of the financial institutions at which the debtor’s funds are held; the complexity of the case; (d) the safeguards in place within the debtor’s own business to ensure the safety of funds; (e) the debtor’s ability to

¹⁶ Strict compliance with the requirements of section 345(b) of the Bankruptcy Code would, in a case such as this, be inconsistent with section 345(a), which permits a debtor in possession to make such investments of money of the estate “as will yield the maximum reasonable net return on such money.” Thus, in 1994, to avoid “needlessly handcuff[ing] larger, more sophisticated debtors,” Congress amended section 345(b) of the Bankruptcy Code to provide that its strict investment requirements may be waived or modified if the Court so orders “for cause.” 140 Cong. Rec. H. 10,767 (Oct. 4, 1994), 1994 WL 54773.

reorganize in the face of a failure of one or more of the financial institutions; (f) the benefit to the debtor; the harm, if any, to the estate; and (g) the reasonableness of the debtor's request for relief from the section 345(b) requirements in light of the overall circumstances of the case. *See In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

52. The Debtors submit that cause exists to modify the requirements of section 345(b) of the Bankruptcy Code because the Debtors are sophisticated entities with a complex Cash Management System that relies on the Bank Accounts on a daily basis. As noted above, the Debtors' material bank accounts are held at stable financial institutions that are insured by the FDIC and, thus, the Debtors' funds in those accounts are safe (up to applicable FDIC limits). Furthermore, in light of the regular deposits to, and disbursements from, the various Bank Accounts, it would be especially disruptive, unnecessary, and wasteful to require the posting of a bond to the extent that the balance of the Bank Accounts exceed the applicable FDIC insurance limits at a given time.

53. Furthermore, the Debtors have determined in their business judgment that it is prudent and desirable to continue to utilize the Investment Account in the ordinary course of business. The Debtors believe that "cause" exists to continue to allow the Debtors to invest in the Investment Accounts. *First*, the Investment Guidelines are structured with the objective to protect the Debtors' cash. The Debtors' surplus cash is only invested in high-credit-quality prime funds and/or government money market funds in a manner consistent with general corporate cash management practices. *Second*, it is likely impossible for the Debtors to bond their Investment Guidelines without incurring considerable costs to the detriment of the Debtors' estates and creditors. *Third*, the Investment Guidelines are structured so as to comport with the investment objectives of section 345(a) of the Bankruptcy Code insofar as they are prudent and have a primary

goal of protecting principal and a secondary goal of maximizing yield and liquidity. *Fourth*, the Debtors achieve significant risk reduction by maintaining the Investment Account at a large and sophisticated financial institution. *See In re Serv. Merch. Co.*, 240 B.R. at 894 (noting that some of the factors to consider in determining whether cause exists “for relief from the strictures of § 345(b)” are whether benefits to the debtors outweigh the harm, if any, to the estate and the bank ratings of the financial institutions where the debtor in possession funds are held). *Fifth*, the Investment Account is a controlled account that holds a portion of the cash collateral for the Debtors’ revolving credit facility. It is intended to be (and, indeed, is) a fundamental part of the collateral package, and any change in circumstances or transition to an alternative arrangement would fundamentally alter the collateral package currently securing the Debtors’ funded debt obligations.

54. Nonetheless, the Debtors propose to engage with the U.S. Trustee to determine what modifications, if any, to the Bank Accounts and Cash Management System would be appropriate under the circumstances. Accordingly, the Debtors request an initial 60-day extension (without prejudice to their rights to request additional extensions) to come into compliance with the requirements of section 345(b) of the Bankruptcy Code or to make other arrangements that would be acceptable to the U.S. Trustee.

55. In light of the above, the Debtors respectfully request that this Court (a) authorize the Debtors to continue to make deposits in accordance with the Deposit and Investment Practices, and (b) grant an extension of time to comply with the deposit and investment requirements of section 345 of the Bankruptcy Code, to the extent that such requirements are inconsistent with the Deposit or Investment Practices. The Debtors submit that the circumstances of the Chapter 11 Cases warrant such relief.

D. The Bankruptcy Code Permits the Debtors to Continue to Engage in the Intercompany Transactions and Permits this Court to Accord Administrative Expense Status to Certain Postpetition Intercompany Claims

56. As noted above, the Debtors routinely engaged in the Intercompany Transactions prior to the Petition Date in the ordinary course of business. Thus, the Debtors respectfully submit that court approval of these transactions is not required pursuant to section 363(c)(1) of the Bankruptcy Code. Nevertheless, out of an abundance of caution, the Debtors seek court approval of the relief requested herein, in the event this Court finds that the Intercompany Transactions are outside the ordinary course of business.

57. Section 363(b)(1) of the Bankruptcy Code authorizes a debtor-in-possession to use property of the estate other than in the ordinary course of business after notice and a hearing. 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.”)). In the event an order permitting the Debtors to continue to engage in the Intercompany Transactions is necessary, the Debtors believe that their business judgment to continue the Intercompany Transactions is sound because, among other reasons discussed herein, the Intercompany Transactions reduce the administrative costs incurred by the Debtors, facilitate the satisfaction of the Debtors' obligations, and are integral to the uninterrupted continuation of the Debtors' operations. If the Debtors are unable to continue entering into the Intercompany Transactions on a postpetition basis they will lose critical

administrative and operational functions, which would significantly and detrimentally affect their ability to operate on an uninterrupted basis going forward. Thus, the Debtors submit that continuation of the Intercompany Transactions is in the best interests of the Debtors' estates and the Debtors' creditors.

58. In order to ensure that each individual Debtor will not, at the expense of its respective creditors, fund the operations of another entity, the Debtors also seek authority, pursuant to sections 503(b) and 507(a) of the Bankruptcy Code, to afford administrative expense status on account of the postpetition Intercompany Claims between and among the Debtors resulting from the operation of the Cash Management System and/or the Intercompany Transactions. If postpetition Intercompany Claims between each respective Debtor are accorded administrative expense status, each Debtor will continue to bear the ultimate repayment responsibility for its respective obligations.

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

59. The Debtors have sufficient funds to pay the Bank Fees described herein in the ordinary course of business by virtue of cash on hand and expected cash flows from ongoing business operations. In addition, under the Debtors' Cash Management System, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of Bank Fees. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently and that the Court should authorize the Banks, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested herein, solely to the extent that the Debtors have sufficient funds on deposit at such Banks to cover such payments, and such Banks

may rely on the representations of the Debtors without any duty of further inquiry and without liability for following the Debtors' instructions.

F. This Court Has the Authority to Permit the Debtors to Continue the Company Card Programs and Pay Prepetition Amounts Related Thereto

60. The Debtors submit that the continuation of the Company Card Programs and the payment of prepetition amounts related thereto should be authorized under section 363(b) of the Bankruptcy Code because the Debtors have a valid business justification for seeking such relief.

61. In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the "implied duty of the debtor in possession to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369 (Bankr. S.D. Tex. 2000) (noting that courts authorize debtors to pay, outside of a plan, prepetition claims from "business transactions which are at once individually minute but collectively immense and critical to the survival of the business of the debtor.").

62. Moreover, under section 105(a) of the Bankruptcy Code, "the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code." 11 U.S.C. § 105(a); *In re CoServ, L.L.C.*, 273 B.R. at 497 (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor in possession to pay prepetition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor's business). The above-referenced sections of the Bankruptcy Code therefore authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor's estate, as is the case here. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. at 497 ("[I]t is only

logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.”).

63. Finally, section 363(c)(1) of the Bankruptcy Code also authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” The Debtors’ employees use the Company Card Programs on a regular basis to help operate the Debtors’ businesses, such that payment of the credit card fees incurred pursuant to the Company Card Programs are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority to continue the Company Card Programs and pay any prepetition amounts related thereto, subject to the terms and condition thereof.

64. If the Company Card Programs were discontinued, the Debtors would no longer be able to directly fund the purchase of employee expenses used to support their operations, and would be dependent on employees being willing and able to carry such costs until the Debtors are able to reimburse such employees for those costs. Therefore, the Debtors believe that the Company Card Programs are necessary to avoid disruption to their daily operations and request that the Court authorize the Debtors to continue the Company Card Programs in the ordinary course of business, subject to the terms and conditions thereof.

EMERGENCY CONSIDERATION

65. 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. Continuity of the Cash Management System is critical to the Debtors' ongoing business operations. To require the Debtors to adopt a new cash management system at this early and critical stage would be expensive, impose needless administrative burdens, and cause undue disruption. Any disruption in the collection of funds as currently implemented would adversely (and perhaps irreparably) affect the Debtors' ability to maximize estate value. 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

66. 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

67. 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

68. 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

69. 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 Banks; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the state attorneys general for states in which the Debtors conduct business; (k) the Environmental Protection Agency; and (l) 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.

70. 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.

[Remainder of page intentionally left blank]

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)
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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

Diagram of Cash Management System

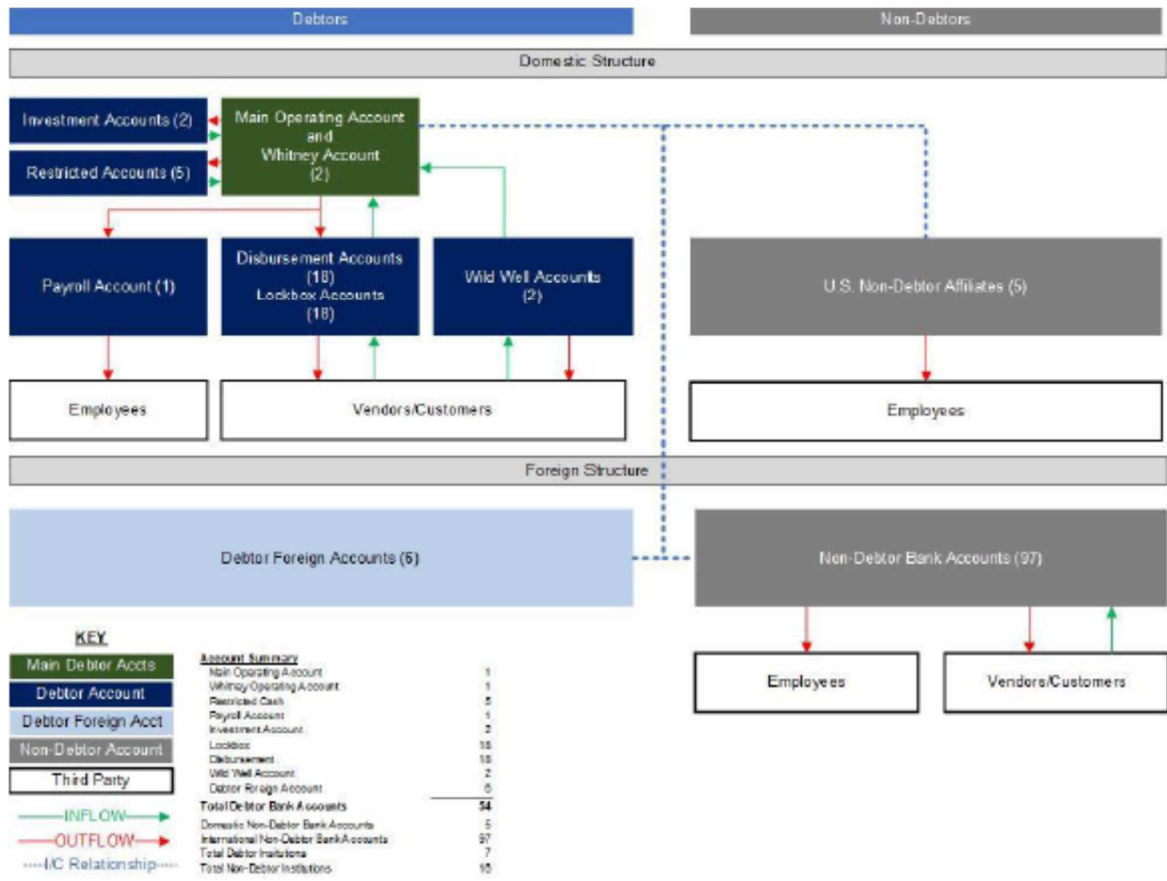
SUPERIOR – CASH SCHEMATIC

EXHIBIT B**Schedule of Bank Accounts**

Debtor Account Holder	Bank	Account Number	Account Type
SESI, L.L.C.	Wells Fargo	x6990	Main Operating Account
SESI, L.L.C.	Whitney	x1440	Whitney Operating Account
SESI, L.L.C.	Wells Fargo	x6929	Payroll Account
SESI, L.L.C.	Wells Fargo	x7322	Investment Account
SESI, L.L.C.	Bank of America	x6a11	Investment Account
International Snubbing Services, L.L.C.	Wells Fargo	x6843	Lockbox
Complete Energy Services, Inc.	Wells Fargo	x8059	Lockbox
Connection Technology, L.L.C.	Wells Fargo	x5513	Lockbox
H.B. Rentals L.C.	Wells Fargo	x1580	Lockbox
Warrior Energy Services Corporation	Wells Fargo	x1572	Lockbox
Pumpco Energy Services, Inc.	Wells Fargo	x9195	Lockbox
Superior Energy Services, L.L.C.	Wells Fargo	x5837	Lockbox
Superior Inspection Services, L.L.C.	Wells Fargo	x5928	Lockbox

Debtor Account Holder	Bank	Account Number	Account Type
Workstrings International, L.L.C.	Wells Fargo	x6827	Lockbox
Connection Technology, L.L.C.	Whitney	x1319	Lockbox
H.B. Rentals L.C.	Whitney	x0959	Lockbox
International Snubbing Services, L.L.C.	Whitney	x1394	Lockbox
Warrior Energy Services Corporation	Whitney	x0211	Lockbox
Superior Energy Services, L.L.C.	Whitney	x1548	Lockbox
Superior Inspection Services, L.L.C.	Whitney	x4482	Lockbox
Workstrings International, L.L.C.	Whitney	x0131	Lockbox
Stabil Drill Specialties, L.L.C.	Wells Fargo	x6603	Lockbox
Stabil Drill Specialties, L.L.C.	Whitney	x1467	Lockbox
Superior Energy Services, Inc.	JPM	x6882	Disbursement
Complete Energy Services, Inc.	Wells Fargo	x8117	Disbursement

Debtor Account Holder	Bank	Account Number	Account Type
Connection Technology, L.L.C.	Wells Fargo	x1114	Disbursement
H.B. Rentals L.C.	Wells Fargo	x8141	Disbursement
International Snubbing Services, L.L.C.	Wells Fargo	x8156	Disbursement
PumpCo Energy Services, Inc.	Wells Fargo	x9203	Disbursement
SESI, L.L.C..	Wells Fargo	x1452	Disbursement
SPN Well Services, LLC	Wells Fargo	x2621	Disbursement
SPN Well Services, LLC	Wells Fargo	x3651	Disbursement
Superior Energy Services, L.L.C.	Wells Fargo	x9605	Disbursement
Superior Inspection Services, L.L.C.	Wells Fargo	x1047	Disbursement
Warrior Energy Services Corporation	Wells Fargo	x8175	Disbursement
Workstrings International, L.L.C.	Wells Fargo	x0877	Disbursement
Stabil Drill Specialties, L.L.C.	Wells Fargo	x8137	Disbursement
Connection Technology, L.L.C.	Whitney	x1297	Disbursement

Debtor Account Holder	Bank	Account Number	Account Type
CSI Technologies, LLC	Whitney	x5232	Disbursement
H.B. Rentals L.C.	Whitney	x3712	Restricted Cash
International Snubbing Services, L.L.C.	Whitney	x1408	Disbursement
Superior Inspection Services, L.L.C.	Whitney	x8305	Disbursement
SESI, L.L.C.	JPM	x8181	Restricted Cash
SESI, L.L.C.	Wells Fargo	x5200	Restricted Cash
SESI, L.L.C.	BofA	x0001	Restricted Cash
Wild Well Control, Inc.	JPM	x5032	Disbursement
Wild Well Control, Inc.	JPM	x3363	Disbursement
Wild Well Control, Inc.	Whitney	x0325	Restricted Cash
International Snubbing Services, L.L.C.	International Bank of Azerbaijan	4006x	Debtor Foreign Account
International Snubbing Services, L.L.C.	International Bank of Azerbaijan	4016x	Debtor Foreign Account
Warrior Energy Services Corporation	National Bank of Kuwait	x0675	Debtor Foreign Account
Warrior Energy Services Corporation	National Bank of Kuwait	x9546	Debtor Foreign Account

Debtor Account Holder	Bank	Account Number	Account Type
Wild Well Control, Inc.	Sparebank	x0313	Debtor Foreign Account
Wild Well Control, Inc.	Sparebank	x9927	Debtor Foreign Account

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

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

**ORDER (I) AUTHORIZING (A) CONTINUED
USE OF EXISTING CASH MANAGEMENT SYSTEM,
INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS,
CHECKS, AND BUSINESS FORMS, (B) CONTINUATION OF EXISTING
DEPOSIT AND INVESTMENT PRACTICES, (C) CONTINUATION OF
INTERCOMPANY TRANSACTIONS, AND (II) GRANTING ADMINISTRATIVE
EXPENSE STATUS TO CERTAIN POSTPETITION INTERCOMPANY CLAIMS
[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**”) (i) authorizing, but not directing, the Debtors to continue to maintain and use their existing cash management system, including maintenance of their existing bank accounts, checks, and business forms in the ordinary course and consistent with past practices; (ii) granting the Debtors an extension of time to comply with certain bank account and related requirements of the Office of the United States Trustee for the Southern District of Texas (the “**U.S. Trustee**”) to the extent that such requirements are

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.

inconsistent with the Debtors' practices under their existing cash management system or other actions described in the Motion or herein; (iii) authorizing, but not directing, the Debtors to continue to maintain and use their existing deposit and investment practices, in the ordinary course of business and consistent with past practices, notwithstanding the provisions of section 345(b) of the Bankruptcy Code; (iv) approving the continuation of the Intercompany Transactions in the ordinary course of business and consistent with past practices; (v) authorizing the Debtors to open and close bank accounts; (vi) according administrative expense status to postpetition intercompany claims arising from transactions among the Debtors; and (vii) granting related relief, 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 to use their current existing Cash Management System in the ordinary course of business and consistent with prepetition practice, and shall maintain through the use thereof detailed records reflecting all transfers of funds, all under the terms and conditions provided for by, and in accordance with, the

existing cash management agreements and other documents and agreements governing the Bank Accounts (collectively, the “**Bank Account Agreements**”), except as modified by this Order. In connection with the ongoing utilization of the Cash Management System, the Debtors shall maintain accurate and detailed records with respect to all transfers, including with respect to postpetition Intercompany Claims and Intercompany Transactions, so that all transactions can be readily ascertained, traced, properly recorded, and distinguished between prepetition and postpetition transactions. The Debtors shall make such records available upon request by the U.S. Trustee, any statutory committee appointed in these Chapter 11 Cases, the advisors to the Ad Hoc Noteholder Group, and the advisors to the Prepetition ABL Agent.

2. The Debtors are authorized, but not directed, to continue to engage in Intercompany Transactions between and amongst Debtors and Non-Debtor Affiliates on a postpetition basis and to make payments to, or set off amounts owed from, the applicable Debtor entity on account of postpetition Intercompany Claims, in a manner consistent with their practices in effect as of the Petition Date in the ordinary course of business and consistent with historical practice.

3. The Debtors are authorized to (a) continue to use the Bank Accounts at the Banks in existence as of the Petition Date in the same manner and with the same account numbers, styles, and document forms as are currently employed and subject to the existing Bank Account Agreements, including, without limitation, those Bank Accounts identified on Exhibit B of the Motion, consistent with historical practice; (b) deposit funds in and withdraw funds from the Bank Accounts in the ordinary course by all usual means, including checks, wire transfers, drafts, and electronic funds transfers or other items presented, issued, or drawn on the Bank Accounts; (c) pay ordinary course Bank Fees in connection with the Bank Accounts (in accordance with the Bank Account Agreements), including any Bank Fees arising prior to the Petition Date; (d) perform their

obligations under the Bank Account Agreements; and (e) for all purposes, treat the Bank Accounts as accounts of the Debtors in their capacities as debtors in possession. For the avoidance of doubt, any other legal rights afforded to the Banks under applicable law shall be preserved.

4. The Banks and the Debtors' financial institutions shall be, and hereby are, authorized, when requested by the Debtors in their sole discretion, (a) to process, honor, pay, and, if necessary, reissue any and all checks, including prepetition checks that the Debtors reissue postpetition, and electronic funds transfers drawn on the Bank Accounts relating to payments permitted by an order of this Court, 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, and (b) to debit the Debtors' Bank Accounts in the ordinary course of business for all undisputed prepetition Bank Fees outstanding as of the date hereof, if any.

5. In each instance in which the Debtors hold Bank Accounts at banks that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen days after entry of this Order the Debtors shall (a) contact the Banks, (b) provide the Banks with each of the Debtors' employer identification numbers, and (c) identify their bank accounts held as being held by a debtor in possession in a bankruptcy case and provide the main case number. In each instance in which the Debtors hold Bank Accounts at banks that are not a party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good faith efforts to cause the banks to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within thirty days of the date of this Order, to the extent such Bank is a domestic bank. The U.S. Trustee's rights to seek further relief from this Court in the event that the aforementioned banks are unwilling

to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

6. The Debtors are authorized to continue to use their existing checks, correspondence, and other business forms without alteration or change and without the designation “Debtor in Possession” or a bankruptcy case number imprinted upon them. Notwithstanding the foregoing, once the Debtors’ existing checks have been used, the Debtors shall, when reordering checks, require the designation “Debtor in Possession” and the main bankruptcy case number on all checks; *provided* that, with respect to checks or other business forms that the Debtors or their agents print themselves, the Debtors shall begin printing the “Debtor in Possession” legend and the main case number on such items within ten days of the date of entry of this Order.

7. The Debtors are authorized to continue to utilize all third-party providers necessary for the administration of their Cash Management System. In addition, the Debtors are authorized, but not directed, to pay all postpetition amounts due to such third party providers in the ordinary course of business and consistent with past practices.

8. Effective as of the Petition Date, and subject to the terms of this Order, all Banks at which the Bank Accounts are maintained are authorized to continue to administer, service, and maintain the Bank Accounts as such accounts were administered, serviced, and maintained prepetition, without interruption and in the ordinary course (including making deductions and setoffs for Bank Fees and other applicable charges related to such cash management services, whether arising prepetition or postpetition, and any other rights and remedies afforded under any applicable Bank Account Agreements) and consistent with and subject to the Bank Account Agreements, and, when requested by the Debtors in their sole discretion, to honor any and all checks, drafts, wires, electronic funds transfers, or other items presented, issued, or drawn on the

Bank Accounts on account of a claim against the Debtors arising on or after the Petition Date; *provided, however*, that unless otherwise ordered by the Court and directed by the Debtors, no checks, drafts, electronic funds transfers (excluding any electronic funds transfer that the Banks are obligated to settle), or other items presented, issued, or drawn on the Bank Accounts on account of a claim against the Debtors arising prior to the Petition Date shall be honored. In no event shall the Banks be required to honor overdrafts or to pay any check, wire, electronic funds transfers, or other debit against the Bank Accounts that is drawn against uncollected funds or, subject to the below, that was issued prior to the Petition Date. Notwithstanding the foregoing, the Banks are authorized to rely on the Debtors' designation of any particular check or electronic payment request, funds transfer, or other transaction (including foreign currency exchanges, transactions or trades) as being approved by order of the Court and have no duty to inquire as to whether such payments are authorized by an order of this Court.

9. The Debtors and the Banks are authorized, without further order of this Court and consistent with the Bank Account Agreements, to agree to and implement such non-material, reasonable changes consistent with this Order to the Cash Management System as the Debtors and the Banks may deem necessary or appropriate, including, without limitation, the opening and closing of Bank Accounts. Any of the Banks are authorized to (a) honor the Debtors' directions with respect to the opening and closing of any Bank Account and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, provided that the Banks shall not have any liability to any party for relying on such representations.

10. The Debtors may close any of the Bank Accounts (subject to the terms of the existing cash management agreement) or open any additional bank accounts following the Petition Date (the "**New Accounts**") wherever the Debtors reasonably deem that such accounts are needed

or appropriate. Notwithstanding the foregoing, the Debtors shall open such New Account(s) only at banks that have executed a Uniform Depository Agreement with the U.S. Trustee for the Southern District of Texas, or at such banks that are willing to immediately execute such an agreement, and any New Account that the Debtors open shall be (a) at a bank that is organized under the laws of the United States of America or any state therein, and that is insured by the FDIC or the Federal Savings and Loan Insurance Corporation, (b) designated a “Debtor in Possession” account by the relevant bank, and (c) at a bank that agrees to be bound by the terms of this Order. The New Accounts are deemed to be Bank Accounts and are similarly subject to the rights, obligations, and relief granted in this Order. The Banks are authorized (but not required, except as set forth in the Bank Account Agreements between the Bank and the Debtors) to honor the Debtors’ requests to open or close (as the case may be) such Bank Account(s) or New Account(s). In the event that the Debtors open or close any Bank Account(s) or New Account(s), such opening or closing shall be timely indicated on the Debtors’ monthly operating reports and notice of such opening or closing shall be provided to the U.S. Trustee, any statutory committee appointed in the Chapter 11 Cases, the advisors to the Ad Hoc Noteholder Group, and the advisors to the Prepetition ABL Agent within ten (10) business days after the opening or closing of any such account.

11. The Debtors are authorized to deposit and invest funds in the ordinary course of business and in accordance with existing practices under the Cash Management System as in effect as of the Petition Date, subject to any reasonable non-material changes, consistent with this Order, to the Cash Management System that the Debtors may implement. To the extent such practices or Bank Accounts do not comply with the requirements of section 345(b) of the Bankruptcy Code or any of the U.S. Trustee’s requirements or guidelines, the Debtors are hereby granted an extension of time for a period of sixty (60) days from the Petition Date (*i.e.* until February 5, 2020)

(the “**Extension Period**”) within which to either come into compliance with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee’s requirements or guidelines or to make such other arrangements as agreed with the U.S. Trustee. Such extension is without prejudice to the Debtors’ right to obtain a further extension of the Extension Period by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court’s docket without the need for further Court order. Nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached.

12. Despite the Debtors’ use of a consolidated Cash Management System, the Debtors shall calculate any quarterly fees due under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of who makes the disbursements.

13. The Debtors shall not be required to establish separate accounts for cash collateral and/or tax payments except as otherwise required by any applicable agreements between the Debtors and the Banks.

14. All Intercompany Claims arising after the Petition Date owed by a Debtor to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under sections 503(b) and 507(a) of the Bankruptcy Code.

15. The Debtors are authorized to continue the Company Card Program, including payment of obligations thereunder, whether arising before, on, or after the Petition Date, including without limitation (a) the WellsOne Commercial Card Agreement, dated on or around October 31, 2020, with an effective date of October 23, 2012 (as amended, restated, supplemented or otherwise modified from time to time), between SESI, L.L.C. and Wells Fargo, and (b) the Wright Express Fleet Business Charge Card Agreement, dated on or around April 30, 2012 (as amended by the Amendment to Wright Express Fleet Business Charge Card Agreement, dated March 17, 2015,

and as further amended, restated, supplemented or otherwise modified), between SESI, L.L.C. (as assignee of Hamm & Phillips Service Company, Inc.) and WEX Bank (formerly known as Wright Express Financial Service Corporation).

16. If any Bank honors a prepetition check, wire, or item drawn on any account that is the subject of this Order, (a) at the direction of the Debtors to honor such prepetition check, wire, or item, (b) in the good faith belief that the Court has authorized such prepetition check, wire, or item to be honored, or (c) as a result of a good faith error, such Bank shall not be deemed liable to any party on account of such prepetition check, wire, or item being honored postpetition or otherwise in violation of this Order.

17. Nothing contained in the Motion or this Order shall be construed to (a) create, alter, or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date, or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

18. 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.

19. Notwithstanding anything to the contrary herein or any historic past practices, no Debtor or Non-Debtor Affiliate may enter into any Intercompany Transaction with the Parent pursuant to which such Debtor or Non-Debtor Affiliate incurs any liability or satisfies any cost, expense, or other obligation related to the administration of the Parent's individual chapter 11 case, and no cash or other assets of a Debtor entity may be transferred to or used by the Parent in connection with the administration of the Parent's individual chapter 11 case.

20. 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).

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

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

23. 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.

24. 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