

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. : (Jointly Administered)
: :
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**DEBTORS’ EMERGENCY MOTION FOR ENTRY
OF AN ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE
THEIR CUSTOMER PROGRAMS AND (II) GRANTING RELATED RELIEF**

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

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

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

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’

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.



Procedures,” then “View Home Page” for Judge Jones. Under “Electronic Appearance” select “Click here to submit Electronic Appearance”. Select the case name, complete the required fields and click “Submit” to complete your appearance.

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

Relief is requested not later than December 8, 2020.

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

RELIEF REQUESTED

1. By this Motion, the Debtors request entry of an order, substantially in the form attached hereto (the “**Order**”) authorizing but not directing the Debtors, in their discretion, to continue, enforce, renew, replace, implement new and/or terminate their Customer Programs (as defined below) and any other ordinary course customer practices as the Debtors deem reasonably appropriate, without further application to the Court. For the avoidance of doubt, nothing herein shall impair the Debtors’ rights to dispute the validity of any obligation that arises from a Customer Program.

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), 363(b) and 363(c) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), 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 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.

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

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

BASIS FOR RELIEF

10. Before the Petition Date and in the ordinary course of their businesses, the Debtors entered into certain master services agreements and other equipment rental agreements (together, the “**Customer Contracts**”) and established various programs with certain customers, both domestically in the United States and in certain international areas, including the Warranty Program and the Pre-Payment Program (each as defined below, and together, the “**Customer Programs**”), each of which is described in more detail below. The Debtors seek authority, in their reasonable discretion, to continue the Customer Programs or implement new customer practices in the ordinary course of the Debtors’ businesses as the Debtors deem necessary. As further described below, the Debtors do not have any unpaid prepetition monetary obligations with respect to their Customer Programs.

11. The Debtors’ goodwill and ongoing business relationships may erode if their customers perceive that the Debtors are unable or unwilling to fulfill the prepetition commitments they have made through the Customer Programs. If the Debtors are unable to preserve the loyalty of their customers, the Debtors’ businesses would suffer material harm. It is essential that the Debtors retain their current customers throughout the Chapter 11 Cases. Continuing the Customer Programs will help to accomplish this goal by ensuring customer satisfaction and generating repeat business, which ultimately increases net revenue.

12. While the Debtors do not believe that Court approval is required to continue the Customer Programs, by this Motion the Debtors request, out of an abundance of caution, authority to continue, enforce, renew, replace, modify, implement new, and/or terminate the Customer Programs, in the ordinary course and in their reasonable business judgment.

13. The following are general descriptions and examples of the Customer Programs.

A. Warranty Program

14. In the ordinary course of business, the Debtors provide limited warranties (the “**Warranty Program**”) to customers pursuant to the Customer Contracts. Under the Warranty Program, the Debtors agree to maintain certain standards with respect to the quality and specifications of their tools, equipment, services, and workmanship. Although there are variations to the warranty provisions in the Customer Contracts, in general, in the event the Debtors’ performance does not meet the required applicable standards, the Debtors agree to replace the defective work product or re-perform such work at no additional cost to the customer. Alternatively, under some of the Customer Contracts, the Debtors must refund or credit the customer in question for the cost of the defective work. Further, in some instances, the Debtors warrant or guarantee to repair or replace, solely at their cost and expense, any of the customer’s materials and equipment that have been damaged or destroyed as a result of the Debtors’ work.

15. Under the Warranty Program, credits provided by the Debtors to customers for defective work can take various forms including, but not limited to, (a) billing future work at a reduced rate, (b) charging for less than the actual period worked, (c) reclassifying the type of services or equipment used to a less-costly category, and (d) crediting a portion of the customer’s payment toward future services.

16. The Debtors do not believe that any prepetition amounts are due and payable under the Warranty Program as of the Petition Date. Nonetheless, the Debtors request by this Motion, out of an abundance of caution, authority to incur, honor, pay, or otherwise satisfy any and all ordinary course prepetition and postpetition obligations related to the Warranty Program.

B. The Pre-Payment Program

17. From time to time and in the ordinary course of business, the Debtors enter into Customer Contracts that involve pre-payments to the Debtors for services yet to be performed or

rental equipment yet to be provided. The Debtors record the prepayment as a deferred revenue liability until such services have been provided. As of the Petition Date, the Debtors have up to \$6.8 million of this type of deferred revenue.

18. The Debtors do not believe that, as of the Petition Date, any monetary prepetition amounts are due and payable under the Pre-Payment program. Nonetheless, the Debtors request by this Motion, out of an abundance of caution, authority to incur, honor, pay or otherwise satisfy any and all ordinary course prepetition and postpetition obligations related to the Pre-Payment Program.

APPLICABLE AUTHORITY

C. Section 363 of the Bankruptcy Code Supports the Continuation of the Customer Programs.

19. To the extent that the continuation of the Customer Programs would be deemed to constitute a use of property outside the ordinary course of business, a basis for authorizing such continuation is found under section 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code empowers the Court to allow a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate[.]” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business where the debtor in possession has articulated a good business reason for such use. *See, e.g., Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (holding that section 363(b) of the Bankruptcy Code requires that “there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business”); *In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the

movant must articulate some business justification for the sale”); *In re Terrace Gardens Park P’ship*, 96 B.R. 707, 714 (Bankr. W.D. Tex. 1989) (applying *Continental* to require “articulated business justification” for section 363 transaction).

20. Where a debtor has articulated a valid business justification for a proposed transaction, courts generally apply the business judgment rule in evaluating such transaction. *See, e.g., ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO L.L.C.)*, 650 F.3d 593 (5th Cir. 2011) (“Section 363 of the Bankruptcy Code addresses the debtor’s use of property of the estate and incorporates a business judgment standard. . . . The business judgment standard in section 363 is flexible and encourages discretion.”). Courts emphasize that the business judgment rule is not an onerous standard. “Great judicial deference is given to the [debtor’s] exercise of business judgment.” *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (N.D. Tex. 2005). As long as a transaction “appears to enhance a debtor’s estate, court approval of a debtor-in-possession’s decision to [enter into the transaction] should only be withheld if the debtor’s judgment is clearly erroneous, too speculative, or contrary to the Bankruptcy Code.” *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (citation and internal quotation marks omitted).

21. Finally, section 363(c) of the Bankruptcy Code authorizes a debtor in possession operating its business pursuant to Section 1108 of the Bankruptcy Code to “enter into transactions . . . in the ordinary course of business without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Section 363 of the Bankruptcy Code is designed to allow a debtor “to continue its daily operations without excessive court or creditor oversight and protect[] secured creditors and others from dissipation of the estate’s assets.” *U.S. ex rel. Harrison v. Estate of Deutscher*, 115 B.R. 592, 599

(M.D. Tenn. 1990) (citations omitted); *see also Phelps v. U.S. Bank Nat. Ass'n.*, No. 2:13-CV-361, 2014 WL 991803, at *3 (S.D. Tex. Mar. 13, 2014) (citing section 363 of the Bankruptcy Code and holding that “[a]n assignment that is made in the ordinary course of business does not require the pre-approval of the Bankruptcy Court of the lifting of the automatic stay”); *In re Cook & Sons Mining, Inc.*, No. Civ.A. 05-19, 2005 WL 2386238, at *3 (E.D. Ky. Sept. 28, 2005) (“Code § 363 is designed to allow a Chapter 11 debtor the flexibility to engage in ordinary transactions without unnecessary creditor and bankruptcy court oversight while protecting creditors by giving them an opportunity to be heard when transactions are not ordinary.”) (quoting *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992)). Moreover, the “‘ordinary course of business’ standard is intended to allow a debtor the flexibility it needs to run its business and respond quickly to changes in the business climate.” *Harrison*, 115 B.R. at 598 (quoting *In re Johns-Manville Corp.*, 60 B.R. 612, 617 (Bankr. S.D.N.Y. 1986)).

22. The Bankruptcy Code does not define “ordinary course of business.” However, “through a synthesis of case law, courts have developed a workable analytical framework for determining whether an activity is within the debtor’s ‘ordinary course of business.’” *In re Husting Land & Dev., Inc.*, 255 B.R. 772, 778 (Bankr. D. Utah 2000), *aff’d*, 274 B.R. 906 (D. Utah 2002). “Typically courts examine the ‘horizontal’ and ‘vertical’ dimensions of a debtor’s business to address these policies reflected in the Code and to determine whether a transaction is outside the ordinary course of business.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at *4 (quoting *In re Crystal Apparel, Inc.*, 220 B.R. 816, 831 (Bankr. S.D.N.Y. 1998)).

23. The horizontal test is “an objective test asking whether, from an industry-wide perspective, the transaction is of the sort commonly undertaken by companies in that industry.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at *4 (quoting *In re Roth Am., Inc.*, 975 F.2d at

953); *see also Peltz v. Gulfcoast Workstation Grp. (In re Bridge Info. Sys., Inc.)*, 293 B.R. 479, 486 (Bankr. E.D. Mo. 2003) (a transaction qualifies as “ordinary course” if it “is of the type that is commonly undertaken within the debtor’s industry.”).

24. The vertical dimension examines “the reasonable expectations of interested parties as to this particular debtor-in-possession.” *In re Cook & Sons Mining, Inc.*, 2005 WL 2386238, at *4 (“Thus, the issue is whether the transaction ‘is the type of transaction which creditors would expect to have advance notice of and have a chance to object to.’”) (quoting *In re Waterfront Cos., Inc. v. Johnston*, 56 B.R. 31, 35 (Bankr. D. Minn. 1985)); *see also In re James A. Phillips, Inc.*, 29 B.R. 391, 394 (Bankr. S.D.N.Y. 1983) (“The touchstone of ‘ordinariness’ is [] the interested parties’ reasonable expectations of what transactions the debtor in possession is likely to enter in the course of its business. So long as the transactions conducted are consistent with these expectations, creditors have no right to notice and hearing, because their objections to such transactions are likely to relate to the bankrupt’s chapter 11 status, not the particular transactions themselves.”).

25. An important characteristic of an “ordinary” postpetition business transaction is its similarity to a prepetition business practice. *Marshack v. Orange Comm. Credit (In re Nat’l Lumber & Supply, Inc.)*, 184 B.R. 74, 79 (B.A.P. 9th Cir. 1995) (to qualify as ordinary course, payment must be consistent with the past practices and industry standards), *abrogated on other grounds by Office of the U.S. Tr. v. Hayes (In re Bishop, Baldwin, Rewald, Dillingham & Wong, Inc.)*, 104 F.3d 1147, 1148 (9th Cir. 1997). Relevant factors in determining whether a transaction is ordinary include the type of business a debtor is engaged in as well as the size and nature of the business and transaction in question. *U.S. ex rel. Harrison v. Estate of Deutscher*, 115 B.R. at 598. While the Debtors do not believe that Court approval is required to continue honoring and

maintaining the Customer Programs in the ordinary course of business, out of an abundance of caution, the Debtors request entry of the Order authorizing them to continue to honor and maintain such programs postpetition.

26. The Debtors submit that the requested relief represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm, and is justified under sections 363(b) and 363(c) of the Bankruptcy Code. If the Debtors are prohibited from honoring and maintaining their Customer Programs consistent with their past business practices, customers will likely lose confidence in the Debtors' ability provide goods and services on competitive terms. In addition, the damage from refusing to honor these commitments far exceeds the costs associated with honoring prepetition commitments and continuing these practices. The relief requested herein will protect the Debtors' goodwill during this critical time and enhance the Debtors' ability to generate revenue. Consequently, all of the Debtors' creditors will benefit if the requested relief is granted.

27. Accordingly, the Debtors request that they be authorized, in their reasonable discretion, to continue, renew, replace, enforce, implement new and/or terminate the Customer Programs and any other ordinary course customer practices as they deem appropriate, without further application to the Court. Any delay in the relief sought—indeed, even being forced to advise customers that further judicial relief is necessary—could result in the Debtors losing a portion of their customer base and severe harm to their estates. Accordingly, the requested relief is necessary to avoid immediate and irreparable harm to the Debtors and to their estates, which would far outweigh the cost of the Customer Programs.

D. Section 105 of the Bankruptcy Code and the “Doctrine of Necessity” Support the Continuation of the Customer Programs.

28. In addition, the Debtors submit that the Court may grant the relief requested herein under the “doctrine of necessity” and to the extent applicable, section 105(a) of the Bankruptcy Code. *In re Scotia Dev., LLC*, No. 07-20027, 2007 WL 2788840, at *1 (Bankr. S.D. Tex. Sept. 21, 2007) (acknowledging the existence of the doctrine of necessity). For the reasons set forth above, and in light of the need for the Debtors to preserve the going concern value of their businesses, the relief requested herein is proper and should be granted.

29. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts 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). Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to “protect and preserve the estate, including operation business’ going-concern value,” on behalf of the debtors’ creditors and other parties in interest. *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 Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232-33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management was burdened with the duties and responsibilities of a bankruptcy trustee.”).

EMERGENCY CONSIDERATION

30. 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. Any delay in granting the requested relief could irreversibly damage customer relations, harming business operations in both the near and long-term. Moreover, by not authorizing the Debtors to honor their Customer Programs, the Debtors run the risk of losing those customers and signaling to the market that the Debtors may not be able to meet their obligations. 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

31. 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

32. 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

33. 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

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

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

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

Signed: December 7, 2020
Houston, Texas

Respectfully Submitted,

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

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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

**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.	:	(Jointly Administered)
	:	
	X	

**ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE
THEIR CUSTOMER PROGRAMS AND (II) GRANTING RELATED RELIEF**
[Relates to Motion at Docket No. ____]

Upon the emergency motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”) (i) authorizing the Debtors to continue their Customer Programs in the ordinary course and (ii) 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,

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.

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, in the ordinary course of business and consistent with prepetition practices, to continue, enforce, renew, replace, modify, implement new and/or terminate existing Customer Programs and any other customer practices as they deem appropriate, without further application to the Court, including making all payments, honoring all discounts and credits, satisfying all obligations, and permitting and effecting all setoffs in connection therewith, in each case whether related to the prepetition period or to the postpetition period; *provided*, that, the Debtors shall obtain the written consent (not to be unreasonably withheld, conditioned or delayed) of the Ad Hoc Noteholder Group before implementing any new material Customer Programs or practices or modifying, renewing or terminating any existing material Customer Programs.

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

3. 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).

4. The Debtors shall use commercially reasonable efforts to maintain a schedule of material payments/obligations/adjustments related to the Customer Contracts and Customer Programs made pursuant to this Order, including the following information: (a) the names of the payee/obligee; (b) the date and amount of the payment/obligation; (c) the category or type of payment/obligation; and (d) the Debtor or Debtors that made the payment or incurred the obligation as characterized in the motion. To the extent that any of the payments, obligations or adjustments are made to insiders (as that term is defined in the Bankruptcy Code), it should be reflected in the schedule. Debtors shall provide a copy of such schedule to counsel to the Ad Hoc Noteholder Group and the U.S. Trustee within four business days following every month-end during the pendency of these Chapter 11 Cases. Each such schedule shall cover material payments/obligations/adjustments made during the previous month, as well as material payments/obligations/adjustments made since entry of this Order.

5. The Debtors will notify the U.S. Trustee, the Ad Hoc Noteholder Group, and any statutory committee appointed in these Chapter 11 Cases if Debtors make any material changes to Debtors’ Customer Programs practices and procedures.

6. 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.

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

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

9. 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.

10. 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