



ENTERED
12/08/2020

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

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

**ORDER AUTHORIZING THE PAYMENT OF PREPETITION
CLAIMS OF CERTAIN CREDITORS IN THE ORDINARY COURSE OF BUSINESS**
[Relates to Motion at Docket No. 15]

Upon the emergency motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (the “**Debtors**”) for entry of an order (this “**Order**”) authorizing, but not directing, the Debtors to pay certain prepetition creditors in the ordinary course of business, 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

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.



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and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient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 pay, in the ordinary course of business, the Prepetition Trade Claims of Prepetition Trade Creditors in the aggregate amounts reflected by category on Exhibit A to this Order. In the event any payments made by the Debtors pursuant to this Order will exceed any category amount, the Debtors shall file a notice with the Court describing the category and overage amount; *provided*, that the Debtors shall obtain the prior written consent (not to be unreasonably withheld, conditioned, or delayed) of the Ad Hoc Noteholder Group before paying any such overage amount, to the extent such overage amount is material.

2. As a condition to receiving payment on account of their Prepetition Trade Claims, the Debtors, at their discretion, may require, by written agreement, that the Prepetition Trade Creditors agree to maintain or reinstate trade terms during the pendency of these Chapter 11 Cases that are (a) at least as favorable as those existing as of the Petition Date or (b) on terms satisfactory to the Debtors (in the case of material payments, in consultation with the Ad Hoc Noteholder Group) in their business judgment (“**Customary Terms**”).

3. If any Prepetition Trade Creditor accepts payment pursuant to this Order on account of a Prepetition Trade Claim premised on such Prepetition Trade Creditor’s compliance with paragraph 2 hereof, and thereafter fails to comply with the Customary Terms, or such other terms agreed to by the Debtors (including, for the avoidance of doubt, any prepetition arrangement or

contract), then the Debtors may, in their discretion, (a) deem such payment to be applied to postpetition amounts payable to such Prepetition Trade Creditor or (b) deem such payment an avoidable postpetition transfer under Section 549 of the Bankruptcy Code, and the Prepetition Trade Creditor shall be required to immediately repay to the Debtors any payment made to it on account of its asserted claim to the extent the aggregate amount of such payments exceeds the postpetition obligations then outstanding, without the right of any setoffs, claims, provision for payment of reclamation or trust fund claims or otherwise. Upon recovery by the Debtors, the Prepetition Trade Claim shall be reinstated as a prepetition claim in the amount so recovered.

4. The Debtors' banks and financial institutions shall be, and hereby are, authorized, when requested by the Debtors in their discretion, to process, honor, pay, and, if necessary, reissue any and all checks, including prepetition checks that the Debtors reissue postpetition, and electronic fund transfers drawn on the Debtors' bank accounts relating to those Prepetition Trade Claims whose payment is approved by this Order, whether such checks were presented or funds transfer requests were submitted prior to or subsequent to the Petition Date, provide that sufficient funds are available in the applicable accounts to make the payments. Further, the Debtors are authorized to issue new postpetition checks and initiate new postpetition electronic fund transfers to replace any checks or electronic fund transfers that may be dishonored and to reimburse any related expenses that may be incurred as a result of any bank's failure to honor a prepetition check or electronic fund transfer.

5. 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).

6. 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.

7. Notwithstanding anything herein to the contrary, nothing in the Motion or this Order shall be deemed to authorize any prepetition payment to an Insider, an Affiliate of an Insider, or an Affiliate of the Debtors.

8. 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.

9. Neither the provisions contained herein, nor any actions or payments made by the Debtors pursuant to this Order, shall be deemed an admission as to the validity of any underlying obligation or a waiver of any rights the Debtors or any other party in interest may have to dispute such obligation on any ground that applicable law permits.

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

11. Nothing herein shall impair or prejudice the rights of the U.S. Trustee, the Ad Hoc Noteholder Group and any statutory committee appointed in these chapter 11 cases, which are expressly reserved, to object to any payment made pursuant to this order to an insider (as such term is defined in section 101(31) of the Bankruptcy Code), or an affiliate of an insider, of the Debtors. To the extent the Debtors intend to make a payment to an insider or an affiliate of an insider of the Debtors, the Debtors shall, to the extent reasonably practicable, provide five (5) business days' advance notice to, and opportunity to object by the U.S. Trustee and any statutory committee appointed in these chapter 11 cases; *provided*, that if any party objects to the payment, the Debtors shall not make such payment without further order of the Court.

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

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

14. 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.

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

Signed: December 08, 2020.


DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE