



ENTERED
12/08/2020

**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., <i>et al.</i> , ¹	:	Case No. 20-35812 (DRJ)
	:	
Debtors.	:	(Jointly Administered)
	:	
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ORDER AUTHORIZING PAYMENT OF PREPETITION TAXES AND FEES
[Relates to Motion at Docket No. 9]

Upon the emergency motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”) authorizing the Debtors, in their reasonable discretion, to pay amounts owed on account of prepetition Taxes and Fees to the Taxing Authorities and the other Debtors, 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

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, L.L.C. (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.



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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, in their sole discretion, to pay to the Taxing Authorities (directly or via an intermediary) or the other Debtors in the ordinary course and consistent with past practices all Taxes and Fees relating to the period prior to the commencement of their Chapter 11 Cases (the “**Petition Date**”), solely to the extent that such Taxes and Fees become payable in accordance with applicable law. Such Taxes and Fees are summarized in further detail in the chart below.

Category	Description	Estimated Amount
Franchise and Business Taxes	Taxes required to conduct business in the ordinary course, including the Commercial Activity Tax (“ <u>CAT</u> ”).	\$220,000
Income Taxes	Taxes imposed on the Debtors’ income and that are required to conduct business in the ordinary course.	\$676,000
Property Taxes	Taxes and obligations related to real and personal property holdings.	\$8,980,000
Sales and Use Taxes	Taxes imposed on the sale and use of certain goods and services.	\$974,000
Other Taxes	IFTA, Gross Production	\$23,000
Government Regulatory Taxes/Licensing Fees	Taxes and obligations related to regulatory fees and the granting of licenses that are required to conduct business in the ordinary course.	\$17,000
TOTAL		\$10,890,000

2. The Debtors’ or any other party in interest’s rights to contest the amounts of any Taxes and Fees on any grounds they deem appropriate are reserved and extend to the payment of Taxes and Fees relating to tax audits that have been completed, are in progress, or arise from

prepetition periods. To the extent that the Debtors have overpaid any Tax or Fee, the Debtors are authorized to seek a refund or credit.

3. The Debtors may seek additional relief from this Court in the future in the event that the Debtors, in consultation with the advisors to the Ad Hoc Noteholder Group, subsequently determine that additional prepetition Taxes and Fees are owed by the Debtors.

4. Nothing in this Order authorizes the Debtors to accelerate any payments not otherwise due.

5. Nothing in the Motion or this Order shall be construed as impairing the Debtors' or any other party in interest's right to contest the validity, amount, or priority of any Taxes and Fees allegedly due or owing to any Taxing Authorities or the other Debtors, or any claim or lien against the Debtors and all Debtors' or any other party in interest's rights with respect thereto are hereby reserved.

6. 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).

7. The Debtors' banks and financial institutions shall be, and are hereby authorized, when requested by the Debtors in their reasonable discretion, to process, honor, pay and, if necessary, reissue any and all checks or electronic fund transfers, including prepetition checks

and electronic payment and transfer requests that the Debtors reissue or re-request postpetition, drawn on the Debtors' bank accounts relating to the prepetition Taxes and Fees, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the accounts to make the payments.

8. 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.

9. The Debtors shall maintain a schedule of payments/obligations/adjustments related to Taxes and Fees 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. 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.

10. 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' rights 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.

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

12. 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.

13. 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