

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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**DECLARATION OF RYAN OMOHUNDRO IN SUPPORT OF THE DEBTORS’
OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO (I) REJECT CERTAIN UNEXPIRED LEASES EFFECTIVE
AS OF THE DATES SPECIFIED IN THE MOTION AND (II) ABANDON
CERTAIN REMAINING PERSONAL PROPERTY IN CONNECTION THEREWITH**

I, Ryan Omohundro, hereby declare under penalty of perjury:

1. I am a Managing Director at Alvarez & Marsal North America, LLC (“**A&M**”), a limited liability corporation, the proposed restructuring advisor to the debtors and debtors-in-possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”). I submit this declaration (the “**Declaration**”) in support of the Debtors’ *Omnibus Motion For Entry Of An Order Authorizing The Debtors To (I) Reject Certain Unexpired Leases Effective As Of The Dates Specified In The Motion And (II) Abandon Certain Remaining Personal Property In Connection Therewith* [Docket No. 37] (the “**Motion**”).²

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 All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.



2. I am authorized to submit this Declaration on behalf of the Debtors. If I were called upon to testify, I would testify competently to the facts and opinions set forth herein.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my discussions with members of the Debtors' management team and their advisors, my review of relevant documents and information concerning the Rejected Leases, Leased Premises, and Abandoned Property, or my opinions based upon my experience and knowledge.

PROFESSIONAL BACKGROUND AND QUALIFICATIONS

4. I am a Managing Director in the North American Commercial Restructuring group at A&M and I am based in A&M's office at 700 Louisiana Street, Suite 3300, Houston, Texas 77002. I received a master's degree in professional accounting and a bachelor's degree in business administration from the University of Texas at Austin, graduating with Highest Honors. I am a Certified Public Accountant (CPA), a Chartered Financial Analyst (CFA), a Certified Insolvency & Restructuring Advisor (CIRA), and a Certified Fraud Examiner (CFE). I have been employed at A&M since June 2006.

5. A&M is a leading restructuring consulting firm with extensive experience and an excellent reputation for providing high quality, specialized management and restructuring advisory services to debtors and distressed companies. Specifically, A&M's core services include turnaround advisory services, interim and crisis management, revenue enhancement, claims management, and creditor and risk management advisory services. I have a broad range of experience in liquidity and working capital management, cash forecasting, liquidation analyses and valuation, business plan development, cost-cutting and asset rationalization, lender negotiations, bankruptcy planning, and accounting. In addition to the Debtors, I have advised several distressed energy companies,

including FTS International, Arena Energy, Hi-Crush Inc., Weatherford International, and Parker Drilling Company, among others.

ADVISOR RETENTION

6. A&M was engaged as a restructuring advisor to the Debtors in August 2020 to, among other things, assist in potential restructuring planning, develop and manage a cash-flow forecast, evaluate the Debtors' business plan, assist with financing issues, and liaise with creditors. Since A&M's engagement in this matter, A&M has been working closely with the Debtors' management and other professionals to assist the Debtors in considering and planning for various restructuring scenarios. As a result of that work, I am familiar with the Debtors' capital structure, business operations, books and records, and restructuring efforts to date, and I have developed a firm understanding of the Debtors' liquidity position and needs.

THE REJECTED LEASES

7. I understand the Debtors are seeking to reject the Rejected Leases in the Chapter 11 Cases under Section 365 of the Bankruptcy Code and abandon any Abandoned Property located at the Leased Premises. As such, A&M evaluated whether the rejection of the Rejected Leases and abandonment of the Abandoned Property would benefit the Debtors' estates.

8. I understand that prior to the Petition Date, the Leased Premises served as office space, storage facilities, and industrial-use facilities for the Debtors' businesses. However, the shifting nature of the in-office workplace environment due to the COVID-19 global pandemic and the general uncertainty resulting therefrom has rendered the Leased Premises unnecessary for the Debtors. I further understand that during the pandemic the Debtors have implemented cost-cutting measures, such as reducing its staff, which has resulted in the Leased Premises being excessive for the Debtors' current workforce. Accordingly, the Leased Premises have all been either

underutilized or vacant in recent months. As such, at the moment, the costs of the Leased Premises outweigh the Debtors' utility for the properties.

9. Rejecting the Rejected Leases will save the Debtors a minimum of approximately \$17.6 million in future obligations owing under the Lease Agreements and, thereby, maximize value for the Debtors' stakeholders. Because the Leased Premises are no longer providing any benefit to the estates, I believe it is in the best interests of the Debtors' estates and their creditors to reject the Rejected Leases on Exhibit 1 of the Motion, effective as of the Petition Date, and those on Exhibit 2 of the Motion, effective as of the date that the Debtors have removed their property from those Leased Premises but, for the avoidance of doubt, no later than the Effective Date (as defined in the Plan).

10. I also believe from my own analysis and from my discussions with the Debtors' management team that the costs associated with the continued storage of the Abandoned Property (e.g., certain equipment and personal property or other remaining assets, which might include equipment and/or office furnishings, located or stored at or in the surrendered Leased Premises under the Rejected Leases) will exceed any projected proceeds that could be realized from the sale thereof, or may have low prospects for resale. I believe most of the Abandoned Property at the Leased Premises constitute equipment and materials with scrap value.

11. Accordingly, in my professional opinion, the rejection of the Rejected Leases and abandonment of the Abandoned Property is appropriate and in the best interest of the Debtors, their estates, and their creditors because such rejection and abandonment will otherwise reduce unnecessary postpetition administrative costs of having to pay rent and for the removal of the Personal Property.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: December 14, 2020
Houston, Texas

/s/ Ryan Omohundro
Ryan Omohundro
Managing Director
Alvarez & Marsal, LLC

*Proposed Restructuring Advisor to the
Debtors and Debtors-in-Possession*