

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

In re: § **Chapter 11**
§
Superior Energy Services, Inc., et al., § **Case No. 20-35812 (DRJ)**
§
§ **(Jointly Administered)**
Debtors.¹ §

**MARATHON OIL COMPANY’S NOTICE OF OPT-OUT
TO RELEASES AND OBJECTION AND RESERVATION OF
RIGHTS TO DEBTORS’ (I) JOINT PREPACKAGED PLAN OF REORGANIZATION
AND SCHEDULE OF ASSUMED CONTRACTS**

[Related to Docket Nos. 11, 111]

Comes now Marathon Oil Company (“Marathon”), a counter-party to multiple agreements with the Debtors and creditor and party in interest in the above-referenced cases, and files this objection (the “Objection”) to the Debtors’ *Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and its Affiliate Debtors under Chapter 11 of the Bankruptcy Code* [Docket No. 11] (as may be amended, supplemented, or otherwise modified from time to time, the “Plan”) and the *Notice of Cure Amounts in Connection with Contracts and Leases* [Docket No. 111] (as may be amended, supplemented, or otherwise modified from time to time, the “Schedule of Assumed Contracts”). In support of the Objection, Marathon states as follows:

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), Stabill 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.

MARATHON OIL COMPANY’S NOTICE OF OPT-OUT
TO RELEASES AND OBJECTION AND RESERVATION OF
RIGHTS TO DEBTORS’ (I) JOINT PREPACKAGED PLAN OF REORGANIZATION
AND SCHEDULE OF ASSUMED CONTRACTS



203581221011400000000005

1. On December 8, 2020, the Court entered an order [Docket No. 98] approving the Debtors' disclosure statement and establishing a hearing date and related deadlines for confirmation of the Plan and assumption of executory contracts, including the "Confirmation Objection Deadline" of January 12, 2021. By agreement, the Debtor and Marathon extended the Confirmation Objection Deadline to January 14, 2021 at 5:00 p.m. (prevailing Central Time). Marathon has and will continue to engage with the Debtors to resolve and reconcile the claims and issues raised herein, but files this Objection in order to preserve all rights in light of the Confirmation Objection Deadline and ensure that the Debtors properly cure all unliquidated amounts owed to Marathon.

2. Marathon is a counter-party with one or more of the Debtors to a Master Services Agreement and Customer Agreement(s) (collectively, the "Agreements") listed on the Schedule of Assumed Contracts.

3. In the ordinary course of business, there are sometimes audits to determine compliance with the contractual terms of the Agreements. For example, such audits may examine whether the Debtors appropriately charged (or overcharged) Marathon. Marathon reserves all rights under the Agreements to the extent any damages may arise from any provision of Debtors' services to Marathon. Marathon specifically preserves any and all potential claims or damages against the Debtors under the Agreements even if the causation may have arisen prepetition. Since the Debtors intend to assume the Agreements, the Debtors must assume all obligations and are not discharged from any obligations that may arise thereunder and this needs to be clear in any confirmation order.

4. In order to resolve these issues, Marathon respectfully requests that the Debtors include the following language in any proposed order confirming the Plan:

Notwithstanding anything in the Plan, Plan Supplement, or Confirmation Order to the contrary, the Plan and Confirmation Order shall not be, and shall not be construed as or deemed to be, a determination of the cure amount or compensation, if any required to satisfy the provisions of sections 365(b)(1)(A) and 365(b)(1)(B) of the Bankruptcy Code (the “Marathon Cure Amount”) for the assumption of any executory contract (the “Assumed Marathon Contracts”) relating to Marathon Oil Company (together with any affiliates, collectively, “Marathon”). To the extent that any amounts owed relating to the Assumed Marathon Contracts are not paid in the ordinary course of business, the Debtors or Reorganized Debtors, as applicable, and Marathon shall endeavor in good faith to reach agreement as to the Marathon Cure Amount within ninety (90) days following the Effective Date and if such agreement is reached may, but need not, file a stipulation with the Court setting forth the agreed Marathon Cure Amount. If the Reorganized Debtors and Marathon fail to reach an agreement as to the Marathon Cure Amount within such ninety (90) day period, either the Reorganized Debtors or Marathon may, upon notice to the Reorganized Debtors or Marathon, as applicable, request a hearing before the Court for the determination of the Marathon Cure Amount. For purposes of determining the Marathon Cure Amount, the effective date of assumption shall be the Petition Date. Nothing herein shall prejudice Marathon’s right to oppose assumption and/or assignment of any Executory Contracts between the Debtors and Marathon, or the Debtors’ or the Reorganized Debtors’ right to add any Assumed Marathon Contract to the list of rejected executory contracts if the Court determines that the Marathon Cure Amount is greater than the amount set forth in any applicable cure notice. All allowed claims arising under the Assumed Marathon Contracts that arise after the Petition Date shall be deemed to be allowed administrative claims based on liabilities incurred by the Debtors in the ordinary course of their business, and the Debtors or the Reorganized Debtors, as applicable, shall pay in full all postpetition obligations and other disbursements due and owing on account of the foregoing to Marathon after the Petition Date. Nothing herein shall prejudice (a) Marathon’s right to assert an administrative claim for, inter alia, any postpetition obligation owed to Marathon in accordance with applicable law, or (b) the Debtors’ or the Reorganized Debtors’ right dispute such claim. To the extent that any Assumed Marathon Contract is assumed, such assumption shall result in the release and satisfaction of only those claims that are based on an actual default existing as of the Petition Date with respect to such Assumed Marathon Contract. Otherwise, Marathon expressly retains all of its rights under the Assumed Marathon Contracts.

Notwithstanding anything in the Plan, Plan Supplement, or Confirmation Order to the contrary, the Plan and Confirmation Order shall not alter any of Marathon’s rights of setoff or recoupment to the extent such rights exist under the Assumed

Marathon Contracts, executory contracts rejected pursuant to the Plan, or applicable law. Marathon shall not be a Releasing Party.

5. Marathon expressly reserves the right to supplement this Objection, to introduce evidence at any hearing with respect to the Plan and/or any assumption of the executory contracts with Marathon listed on the Schedule of Assumed Contracts, and to file additional supplemental objections and pleadings prior to any hearing with respect to Plan and/or any assumption of the executory contracts with Marathon listed on the Schedule of Assumed Contracts. Marathon also reserves all rights as to all agreements and contracts between Marathon and the Debtors.

NOTICE OF AND OBJECTION TO OPT-OUT BY MARATHON OIL COMPANY

6. In addition to the Objection, Marathon hereby provides notice of its election to opt out of, and objection to, the third-party release provisions contained in the Plan, including those releases in Article X of the Plan.

Dated: January 14, 2021

Respectfully submitted by,

/s/ Clay M. Taylor

Clay M. Taylor

Texas State Bar No. 24033261

M. Jermaine Watson

Texas State Bar No. 24063055

J. Robertson Clarke

Texas State Bar No. 24108098

BONDS ELLIS EPPICH SCHAFFER JONES LLP

420 Throckmorton Street, Suite 1000

Fort Worth, Texas 76102

(817) 405-6900 telephone

(817) 405-6902 facsimile

Email: clay.taylor@bondsellis.com

Email: jermaine.watson@bondsellis.com

Email: robbie.clarke@bondsellis.com

**ATTORNEYS FOR
MARATHON OIL COMPANY**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 14, 2021, a copy of the foregoing document was served on all parties requesting service via the Court's ECF system.

/s/ M. Jermaine Watson

M. Jermaine Watson