

**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)
: :
Reorganized Debtors. : (Jointly Administered)
: :
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**REORGANIZED DEBTORS' MOTION TO
ESTIMATE CERTAIN CLAIMS (DAVIS LITIGATION CLAIMS)**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

The above-captioned reorganized debtors (collectively, the “Debtors” or “Reorganized Debtors,” as applicable) respectfully state the following in support of this motion to estimate certain claims (this “Motion”):

RELIEF REQUESTED

1. By this Motion, the Reorganized Debtors seek entry of an order (the “Order”) estimating each of the claims identified on **Schedule 1** attached to the Order (collectively,

¹ The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.



the “**Davis Litigation Claims**”) each in the amount of \$0.00 for purposes of allowance and distribution under the Plan. The Davis Litigation Claims are both unliquidated and contingent, and failure to estimate such claims will unduly delay administration of this proceeding because, absent estimation, distributions under the Plan cannot be finalized and made to creditors of Superior Energy Services, Inc. (the “**Parent**”). Further, the Davis Litigation Claims, while filed against Parent, primarily assert claims against Reorganized Debtors other than the Parent. As a result, estimation of the Davis Litigation Claims will not prejudice the holders of such claims because claims against Reorganized Debtors other than the Parent can proceed in state court and are unimpaired under the Plan.

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, 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) and 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 3007-1(b) of the Bankruptcy Local Rules for the Southern District of Texas, and the Procedures for Complex Cases in the Southern District of Texas.

BACKGROUND

4. On December 7, 2020 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief in this Court commencing cases (the “**Chapter 11 Cases**”) under chapter 11 of the Bankruptcy Code. 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, Jr., Chief Financial Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 8] (the “**First Day Declaration**”), filed on the Petition Date.

5. On January 15, 2021, the Debtors filed their *First Amended Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 263] (as may be amended, modified, or supplemented, the “**Plan**”).² On January 19, 2021, the Court entered the *Order (I) Approving Disclosure Statement and (II) Confirming First Amended Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 289] (the “**Confirmation Order**”). The Plan provides that the Reorganized Debtors are authorized to object to scheduled claims and proofs of claim and interests.³ On February 2, 2021, the Plan was substantially consummated, and the Effective Date (as defined in the Plan) occurred.⁴

6. On the Petition Date, Debtor Superior Energy Services, Inc. (the “**Parent**”) filed its schedules of assets and liabilities (“**Schedules**”) and statements of financial affairs, pursuant to Bankruptcy Rule 1007.⁵

7. On December 8, 2020, the Court issued the *Order (I) Establishing (A) Bar Dates and (B) Related Procedures for Filing Proofs of Claim Against Superior Energy Services, Inc. and*

² Capitalized terms used but not defined herein have the meanings given to them in the Plan.

³ Plan Article VIII.

⁴ See *Notice of Effective Date and Entry of Order Approving the Disclosure Statement and Confirming the First Amended Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 317].

⁵ See Docket Nos. 24 & 25.

(II) *Approving the Form and Manner of Notice Thereof* [Docket No. 88] (the “**Bar Date Order**”) pursuant to which the Court, among other things, established January 7, 2021 at 5:00 p.m. (Prevailing Central Time) (the “**Parent Bar Date**”), as the deadline for all non-governmental entities⁶ holding or wishing to assert a “claim” (as defined in section 101(5) of the Bankruptcy Code).

8. As set forth in the Bar Date Order and the Plan, a proof of claim was only required to be filed for claims against the Parent. All general unsecured claims against Reorganized Debtors other than the Parent are unimpaired under the Plan. The Plan provides that “[t]he legal, equitable, and contractual rights of the holders” of such claims were unaltered by the Plan.⁷ The Plan further provides that all Holders of Claims (other than Holders of Claims against the Parent) “shall not be required to File a proof of Claim, and no such parties should File a proof of Claim.”⁸

THE DAVIS LITIGATION CLAIMS

9. The Davis Litigation Claims assert claims based on certain prepetition litigation (the “**Davis Litigation**”) between the Reorganized Debtors and the claimants who filed the Davis Litigation Claims (the “**Davis Claimants**”). The Parent, along with Affiliate Debtors SESI, L.L.C., (“**SESI**”), SPN Well Services, Inc., f/k/a Integrated Production Services, Inc. (“**IPS**”), and Warrior Energy Services, Corp. (“**Warrior**” and, collectively, the “**Plaintiffs**”), commenced the Davis Litigation seeking damages from the Davis Claimants (among others) for breaches of fiduciary duty, fraud, conversion, and other causes of action. Prior to the Petition Date, the Davis Claimants were employed by or did business with IPS and Warrior. The Davis Claimants abused

⁶ The deadline for all governmental units asserting a “claim” (as defined in section 101(5) of the Bankruptcy Code) against the Parent that arose on or prior to the Petition Date to file written proof of such claim was June 7, 2021 at 5:00 p.m. (prevailing Central Time) (together with the Parent Bar Date, the “**Bar Dates**”).

⁷ Plan Art. III.B.8

⁸ *Id.* Art. VIII.A.4.

their positions of trust to enrich themselves, their friends, and certain related entities at the expense of the Plaintiffs. Once the Plaintiffs learned of their malfeasance, the Plaintiffs terminated the employment of, and their business relationships with, the Davis Claimants.

10. Certain of the Davis Claimants filed counterclaims against the Plaintiffs in the Davis Litigation alleging damages based on the termination of their employment and business relationships and based on alleged interference with certain business opportunities and contracts. Claimant Barry Davis, while not originally a party to the Davis Litigation, filed a plea in intervention alleging damages due to intentional infliction of emotional distress and tortious interference with contract.⁹

11. By this Motion, the Reorganized Debtors request that the each of the Davis Litigation Claims be estimated at the amount of \$0.00 (the “**Estimated Amounts**”) for purposes of allowance and distribution under the Plan. The Reorganized Debtors request that the Estimated Amounts be the amount used to determine each Davis Claimant’s distribution on account of their Class 6 General Unsecured Claims Against Parent.

12. The Reorganized Debtors further request that the Davis Litigation Claims be estimated in the Estimated Amounts without enlarging or otherwise altering any parties’ rights in the Davis Litigation and without any evidentiary, precedential, estoppel, or other impact in such litigation. Nothing herein shall constitute admissions regarding liability on, or the validity of, the Davis Litigation Claims, or recognitions of actual amounts owed. The Estimated Amounts are proposed solely to complete the claims administration and to facilitate distributions to unsecured creditors in, and the closing of, these chapter 11 cases. Thus, the Estimated Amounts do not

⁹ Though his claim purports to be against the Parent, the plea in intervention filed by Barry Davis and attached to his proof of claim only names IPS as a counter-defendant and does not assert any claims against the Parent. *See* Claim No. 424.

represent, and should not be construed as, estimates regarding amounts of potential liability on account of the Davis Litigation Claims.

13. For the avoidance of doubt, the relief sought herein is without prejudice to the Davis Claimants' rights to pursue the Davis Litigation Claims against any Reorganized Debtor other than the Parent, including SESI, IPS, and Warrior. The Estimated Amounts shall apply solely to the Davis Litigation Claims asserted against the Parent in these bankruptcy cases.

14. Accordingly, the Reorganized Debtors request that the Court enter the Order estimating the Davis Litigation Claims in the Estimated Amounts. As noted above, claims against Reorganized Debtors other than the Parent are unimpaired under the Plan. Estimation of the Davis Litigation Claims will therefore not prejudice the Davis Claimants or otherwise prevent them from prosecuting their claims in the Davis Litigation.

BASIS FOR RELIEF

15. Section 502(c) of the Bankruptcy Code provides for the estimation of “any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case.”¹⁰ This section is “is designed to avoid the need to await the resolution of outside lawsuits to determine issues of liability or amount owed” and “promote a fair distribution to creditors through a realistic assessment of uncertain claims.”¹¹ Courts have considerable discretion to estimate the amount of a claim consistent with the Bankruptcy Code and applicable law.¹²

¹⁰ 11 U.S.C. § 502(c)(1).

¹¹ *First City Beaumont v. Durkay (In re Ford)*, 967 F.2d 1047, 1053 (5th Cir. 1992).

¹² *Addison v. Langston (In re Brints Cotton Mktg., Inc.)*, 737 F.2d 1338, 1341 (5th Cir. 1984); *In re Armstrong World Indus., Inc.*, 348 B.R. 111, 123 (D. Del. 2006).

16. Here, estimation of the Davis Litigation Claims is appropriate because they arise from an outside lawsuit that will likely take many months, if not years, to fully resolve. As result, these claims are both contingent and unliquidated and fully liquidating them would unduly delay administration of this case. The claims are contingent because the Reorganized Debtors' liability on the claims would only be triggered by a judgment in favor of the Davis Claimants. The claims are unliquidated because the amount of each Davis Litigation Claim is "unknown" according to the proofs of claim filed by the Davis Claimants.

17. With respect to the undue delay of administrating this case, the Davis Litigation Claims are among the only remaining claims left to be reconciled before the Parent can make the final distributions to unsecured creditors and close its case. Under the terms of the Plan, Class 6 General Unsecured Claims Against Parent are entitled to their pro rata share of the Parent GUC Recovery Cash Pool. Before the Parent can make those distributions, all unliquidated claims, including the Davis Litigation Claims, must first be liquidated or otherwise resolved.

18. The Reorganized Debtors have been diligently working to reconcile and liquidate all the Class 6 claims. The Davis Litigation, however, has been pending since October 2017 and is still in the discovery stage. It involves complex issues of commercial law, and it is unlikely that the litigation will be resolved in the near future. To facilitate the claims resolution process, the Reorganized Debtors have attempted to reach a consensual resolution with the Davis Claimants on the Davis Litigation Claims, including seeking a stipulated amount for allowance of the Davis Litigation Claims against the Parent. Unfortunately, those efforts were unsuccessful. Absent estimation of the Davis Litigation Claims, the Reorganized Debtors will potentially be forced to wait several years for the ultimate conclusion of the Davis Litigation. In the meantime, the Parent

will be unable to make distributions to holders of allowed claims and will continue to incur the costs of administration of its estate.

19. The Estimated Amounts are appropriate in this case because a review of the pleadings attached to the Davis Litigation Claims show that the bulk of the acts alleged to have given rise to the Davis Litigation Claims were acts performed by IPS and/or Warrior, and not the Parent. As a result, the Davis Litigation Claims largely assert claims against Reorganized Debtors other than the Parent. Such claims are unimpaired under the Plan and would be completely unaffected by the relief requested in the Motion, and the Davis Claimants will be free to pursue the Davis Litigation Claims against the other Reorganized Debtors.

RESERVATION OF RIGHTS

20. This Motion is without prejudice to the rights of the Reorganized Debtors or any other party in interest to object to any of the Davis Litigation Claims on any grounds whatsoever, and the Reorganized Debtors expressly reserve all substantive or procedural objections they may have.

[Remainder of page intentionally left blank]

WHEREFORE, the Reorganized Debtors respectfully request that the Court enter the proposed Order, granting the relief requested herein and such other and further relief as may be just and proper.

Signed: October 28, 2021
Houston, Texas

Respectfully Submitted,

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

Timothy A. ("Tad") Davidson II (TX Bar No. 24012503)

Ashley L. Harper (TX Bar No. 24065272)

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Counsel for the Reorganized Debtors

CERTIFICATE OF SERVICE

I certify that on October 28, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

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

**ORDER GRANTING REORGANIZED DEBTORS’ MOTION TO
ESTIMATE CERTAIN CLAIMS (DAVIS LITIGATION CLAIMS)**
[Relates to Docket No. __]

Upon the motion (the “**Motion**”)² of the above-captioned reorganized debtors (collectively, the “**Reorganized Debtors**”) seeking entry of an order (this “**Order**”) estimating the Davis Litigation Claims at the amounts set forth in **Schedule 1** attached hereto, all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing 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 the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other

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

notice need be provided; and the Court having reviewed the Motion; and all responses, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. Each Davis Litigation Claim (i.e., each claim listed on **Schedule 1** hereto) is allowed as a Class 6 General Unsecured Claim Against Parent in the amount set forth in the “Estimated Amount” column and is otherwise disallowed.

2. The estimation of the Davis Litigation Claims is without prejudice to the rights, defenses, and objections of the Reorganized Debtors to the merits of the Davis Litigation Claims. The Estimated Amounts do not constitute an admission regarding liability or validity of the Davis Litigation Claims, or recognition of actual amounts owed. The Estimated Amounts are solely to complete the claims administration and to facilitate distribution to unsecured creditors in, and the closing of, these chapter 11 cases. The Estimated Amounts do not represent, and shall not be construed as or be deemed to be estimates regarding amounts of potential liability for the Davis Litigation Claims.

3. Nothing herein shall affect any claims held by the Davis Claimants against any Reorganized Debtor other than the Parent, including SESI, IPS, and Warrior.

4. The entry of this Order is without prejudice to the Davis Claimants’ ability to pursue the Davis Litigation against the Reorganized Debtors other than the Parent.

5. Kurtzman Carson Consultants LLC, as claims agent, is authorized and directed to update the claims register maintained in these chapter 11 cases to reflect the relief granted in this Order.

6. The Reorganized Debtors and Kurtzman Carson Consultants LLC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

7. This Court shall retain exclusive jurisdiction to resolve any dispute arising from or related to this Order.

Signed: _____, 2021

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Davis Litigation Claims

Schedule 1 - Davis Litigation Claims

	NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ESTIMATED AMOUNT
1	AMY DAVIS WARNER JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/6/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	388	\$ 0.00
2	BARRY LYNN DAVIS JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/7/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	424	\$ 0.00
3	CLYDE WARNER JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/6/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	387	\$ 0.00
4	DJ EQUIPMENT RENTAL & SALES, LLC JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/7/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	419	\$ 0.00
5	DONNA WRAY DAVIS JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/6/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	386	\$ 0.00
6	LARRY CALVIN DAVIS JOSEPH F. POSTNIKOFF PO BOX 1928 FORT WORTH, TX76101	1/6/2021	20-35812 (DRJ)	Superior Energy Services, Inc.	389	\$ 0.00