UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM.........TO........

COMMISSION FILE NO. 0-20310

SUPERIOR ENERGY SERVICES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	75-2379388
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1105 PETERS ROAD HARVEY, LA	70058
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER: (504) 362-4321

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of each class:	Name of each exchange on which registered:
Common Stock, $.001 Par Value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes [X] No [ ]

The aggregate market value of the voting stock held by non-affiliates of the Registrant at June 30, 2003 based on the closing price on the New York Stock Exchange on that date was $525,743,000.

The number of shares of the Registrant's common stock outstanding on March 1, 2004 was 74,218,201.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Items 10, 11, 12, 13 and 14 of Part III will be included in an amendment to this Form 10-K or incorporated by reference from the Registrant's definitive proxy statement to be filed pursuant to Regulation 14A.

SUPERIOR ENERGY SERVICES, INC.
ANNUAL REPORT ON FORM 10-K FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2003

TABLE OF CONTENTS

		Page
PART I		
Items 1. & 2.	Business and Properties	1
Item 3.	Legal Proceedings	9
Item 4.	Submission of Matters to a Vote of Security Holders	9
Item 4A.	Executive Officers of Registrant	10
PART II		
Item 5.	Market for Registrant's Common Equity and Related Stockholder Matters	11
Item 6.	Selected Financial Data	12
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	21
Item 8.	Financial Statements and Supplementary Data	23
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	44
Item 9A.	Controls and Procedures	44
PART III		
Item 10.	Directors and Executive Officers of the Registrant	45
Item 11.	Executive Compensation	45
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	45
Item 13.	Certain Relationships and Related Transactions	45
Item 14.	Principal Accountant Fees and Services	45
PART IV		
Item 15.	Exhibits, Financial Statement Schedules and Reports on Form 8-K	46

PART I

ITEMS 1. & 2. BUSINESS AND PROPERTIES

GENERAL

We are a leading provider of specialized oilfield services and equipment focused on serving the production-related needs of oil and gas companies in the Gulf of Mexico. We believe that we are one of the few companies in the Gulf of Mexico capable of providing most of the post wellhead products and services necessary to maintain offshore producing wells, as well as plug and abandonment services at the end of their life cycle. We believe that our ability to provide our customers with multiple services and to coordinate and integrate their delivery allows us to maximize efficiency, reduce lead-time and provide cost-effective solutions for our customers.

Over the past several years, we have significantly expanded the geographic scope of our operations and the range of production-related services we provide through both internal growth and strategic acquisitions. We have expanded our geographic focus to select international market areas and added complementary product and service offerings. Currently, we provide a full range of products and services for our customers, including well intervention services, marine services, rental tools and other oilfield services.

OPERATIONS

Well Intervention Services. We provide well intervention services that stimulate oil and gas production using platforms or liftboats rather than through the use of a drilling rig, which we believe provides a cost advantage to our customers. These services include coiled tubing, electric wireline, mechanical wireline, pumping and stimulation, artificial lift, well control, snubbing, recompletion, engineering and well evaluation services. We are the leading provider of mechanical wireline services in the Gulf of Mexico with approximately 180 offshore wireline units, 20 land wireline units and 11 dedicated liftboats configured specifically for wireline services. We also perform both permanent and temporary plug and abandonment services.

In 2003, we expanded our well intervention services to include acquiring mature, shallow water oil and gas properties in the Gulf of Mexico to provide our customers a cost-effective alternative to the decommissioning process. Once properties are acquired, we will develop and produce the remaining reserves and then plug and abandon the wells and decommission and abandon all well facilities. Our goal is to provide additional opportunities for our well intervention group and to expand our well intervention services from our traditional emphasis on plugging and abandoning wells to facility salvaging and decommissioning activities by using our liftboat fleet when possible. We hope to achieve our goals in this area by efficiently developing acquired reserves and performing decommissioning and abandonment work, lowering lease operating expenses and adding new reserves through well work. The intent is to partially offset the seasonal and cyclical nature of our business by scheduling work during slower periods. In December 2003, we acquired our first offshore properties, most of which are in water-depths accessible by our liftboat fleet.

Marine Services. We own and operate the largest and most diverse liftboat fleet in the world. A liftboat is a self-propelled, self-elevating work platform with legs, cranes and living accommodations. We believe that our liftboat fleet is highly complementary to our well intervention services. Our fleet consists of 53 liftboats, including 11 liftboats configured specifically for wireline services and 42 in our rental fleet with leg-lengths from 65 feet through 250 feet. All but one of our liftboats are currently operating in the Gulf of Mexico and represent approximately 24% of the liftboats located in the Gulf of Mexico. We currently have a 200-foot class liftboat and under contract in Venezuela. We intend to reposition some of our larger liftboats to international market areas under long-term contracts as opportunities arise.

Rental Tools. We are a leading provider of rental tools in the Gulf of Mexico. We manufacture, sell and rent specialized equipment for use with offshore and onshore oil and gas well drilling, completion, production and workover activities. Through internal growth and acquisitions, we have increased the size and breadth of our rental tool inventory and now have 36 locations in all major staging points for offshore oil and gas activities in the Gulf of Mexico. We also have rental tool operations in Venezuela, Trinidad, Canada, the United Kingdom, the Netherlands and the Middle East with a limited inventory of rental tools for these market areas. Our rental tools include pressure

control equipment, specialty tubular goods, connecting iron, handling tools, drill pipe, bolting equipment, tongs, power swivels and stabilizers. We also provide both land and offshore on-site accommodations through our rental tools segment.

Other Oilfield Services. We provide a broad range of platform and field management services to the offshore and onshore oil and gas industry, including property management, engineering services, operating labor, transportation, tools and supplies, technical supervision, maintenance, supplemental personnel, and logistics services. We currently provide property management services to approximately 120 offshore facilities in the Gulf of Mexico. We also provide non-hazardous oilfield waste management and environmental cleaning services, including tank and vessel cleaning and safe vessel entry. We sell oil spill containment inflatable boom and ancillary storage, deployment and retrieval equipment. We also provide other services, including the manufacture and sale of specialized drilling rig instrumentation, electronic torque and pressure control equipment.

For additional industry segment financial information, see note 15 to our consolidated financial statements.

CUSTOMERS

Our customers have primarily been the major and independent oil and gas companies operating on the U.S. continental shelf. In 2003, 2002 and 2001, sales to ChevronTexaco accounted for approximately 11%, 12% and 12% of our total revenue, respectively, primarily in the well intervention and other oilfield services segments. We do not believe that the loss of any one customer would have a material adverse effect on our revenues. However, our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or other existing customers could have a material adverse effect on our business and operations.

COMPETITION

We operate in highly competitive areas of the oilfield services industry. The products and services of each of our principal operating segments are sold in highly competitive markets, and our revenues and earnings can be affected by the following factors:

- changes in competitive prices,
- oil and gas prices and industry perceptions of future prices,
- fluctuations in the level of activity by oil and gas producers,
- changes in the number of liftboats operating in the Gulf of Mexico,
- the ability of oil and gas producers to generate capital,
- general economic conditions and
- governmental regulation.

We compete with the oil and gas industry's largest integrated oilfield service providers in the production-related services segments in which we operate, including well intervention and other oilfield services. The rental tools divisions of such companies, as well as several smaller companies that are single source providers of rental tools, are our competitors in the rental tools market. In the marine services segment, we compete with smaller companies that provide liftboat services. We believe that the principal competitive factors in the market areas that we serve are price, product and service quality, safety record, equipment availability and technical proficiency.

Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than our products and services. Further, if our competitors construct additional liftboats for the Gulf of Mexico market area, it will increase the competition for that service. Competitive pressures or other factors also may result in significant price competition that could reduce our operating cash flow and earnings. In addition, competition among oilfield service and equipment providers is affected by each provider's reputation for safety and quality. Although we believe that our reputation for safety and quality service is a key advantage, we cannot assure that we will be able to maintain our competitive position.

HEALTH, SAFETY AND ENVIRONMENTAL ASSURANCE

We have established health, safety and environmental performance as a corporate priority. Our goal is to be an industry leader, by focusing on the belief that all safety and environmental incidents are preventable and an injury-free workplace is achievable by creating a culture that emphasizes correct behavior. We have introduced a company-wide effort to enhance a behavioral safety process and training program that makes safety a constant focus of awareness through open communication with all offshore and yard employees. In addition, we investigate all incidents with a priority of identifying and implementing the corrective measures necessary to reduce the chance of reoccurrence. Results from this program were evident as our safety performance improved significantly in 2003.

POTENTIAL LIABILITIES AND INSURANCE

Our operations involve a high degree of operational risk, particularly of personal injury and damage or loss of equipment. Failure or loss of our equipment could result in property damages, personal injury, environmental pollution and other damage for which we could be liable. Litigation arising from the sinking of a liftboat or a catastrophic occurrence at a location where our equipment and services are used may result in large claims for damages in the future. We maintain insurance against risks that we believe is consistent with industry standards and required by our customers. In addition, changes in the insurance industry have generally led to higher insurance costs and decreased availability of coverage. The availability of insurance covering risks we and our competitors typically insure against may decrease, and the insurance that we are able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

GOVERNMENTAL REGULATION

Our business is significantly affected by the following:

- state and federal laws and other regulations relating to the oil and gas industry,
- changes in such laws and regulations and
- the level of enforcement thereof.

We cannot predict the level of enforcement of existing laws and regulations or how such laws and regulations may be interpreted by enforcement agencies or court rulings in the future. We also cannot predict whether additional laws and regulations will be adopted, or the effect such changes may have on us, our businesses or our financial condition.

Federal and state laws require owners of non-producing wells to plug the well and remove all exposed piping and rigging before the well is permanently abandoned. The timing and need for plug and abandonment services for wells situated on the U.S. continental shelf are regulated by the Minerals Management Service (MMS) of the United States Department of the Interior. State regulatory agencies similarly regulate plug and abandonment services within state coastal waters.

A decrease in the level of industry compliance with or enforcement of these laws and regulations in the future may adversely affect the demand for our services. In addition, the demand for our services from the oil and gas industry is affected by changes in applicable laws and regulations. The adoption of new laws and regulations curtailing drilling for oil and gas in our operating areas for economic, environmental or other policy reasons could also adversely affect our operations by limiting demand for our services.

Certain of our employees who perform services on offshore platforms and liftboats are covered by the provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws operate to make the liability limits established under state workers' compensation laws inapplicable to these employees. Instead, these employees or their representatives are permitted to pursue actions against us for damages for job related injuries, with generally no limitations on our potential liability.

Our operations also subject us to compliance with certain federal and state pollution control and environmental protection laws and regulations. The technical requirements of these laws and regulations are becoming increasingly complex and stringent, and compliance is becoming increasingly difficult and expensive. We believe

that our present operations substantially comply with these laws and regulations and that such compliance has had no material adverse effect upon our operations. Sanctions for noncompliance may include the following:

- revocation of permits,
- corrective action orders,
- administrative or civil penalties and
- criminal prosecution.

The MMS requires holders of offshore oil and gas leases to post bonds in connection with the plugging and abandonment of wells located offshore and the removal of all production facilities. We currently have bonded our offshore leases as required by the MMS, consisting of a $3.0 million Area-Wide Bond plus a $300,000 Pipeline Right-of-Way Bond. Our leases contain standardized terms and require compliance with detailed MMS regulations and orders. These MMS directives are subject to change. The MMS has promulgated regulations requiring offshore production facilities located on the U.S. continental shelf to meet stringent engineering and construction specifications. The MMS has also promulgated other regulations governing the plugging and abandonment of wells located offshore and the removal of all production facilities. Finally, under certain circumstances, the MMS may require any operations on federal leases to be suspended or terminated.

Certain environmental laws provide for joint and several strict liabilities for remediation of spills and other releases of hazardous substances. In addition, companies may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Finally, some environmental statutes impose strict liability, which could render us liable for environmental damage without regard to our negligence or fault. It is possible that changes in environmental laws and enforcement policies, or claims for damages to people, property, natural resources or the environment could result in substantial costs and liabilities to us. Our insurance policies provide liability coverage for sudden and accidental occurrences of pollution or clean-up and containment in amounts that we believe are comparable to policy limits carried by others in our industry.

EMPLOYEES

As of March 1, 2004, we had approximately 3,150 employees. None of our employees is represented by a union or covered by a collective bargaining agreement. We believe that our relationship with our employees is good.

FACILITIES

Our corporate headquarters are located on a 17-acre tract in Harvey, Louisiana. Our other principal operating facility is located on a 32-acre tract in Broussard, Louisiana, which we use to support our rental tools and well intervention group operations. We support the operations conducted by our liftboats from a 3.5-acre maintenance and office facility in New Iberia, Louisiana located on the Intracoastal Waterway that provides access to the Gulf of Mexico. We also own certain facilities and lease other office, service and assembly facilities under various operating leases. We have a total of 77 facilities located in Louisiana, Texas, Alabama, Oklahoma, Venezuela, Australia, Trinidad, the United Kingdom, Canada, the Netherlands, and the Middle East to support our operations. We believe that all of our leases are at competitive or market rates and do not anticipate any difficulty in leasing suitable additional space as may be needed or extending terms when our current leases expire.

INTELLECTUAL PROPERTY

We use several patented items in our operations that we believe are important but are not indispensable to our operations. Although we anticipate seeking patent protection when possible, we rely to a greater extent on the technical expertise and know-how of our personnel to maintain our competitive position.

OTHER INFORMATION

We have our principal executive offices at 1105 Peters Road, Harvey, Louisiana. Our telephone number is (504) 362-4321. We also have a web site at http://www.superiorenergy.com. Copies of the annual, quarterly and current reports we file with the SEC, and any amendments to those reports, are available on our web site. The information posted on our web site is not incorporated into this Annual Report.

CAUTIONARY STATEMENTS

Certain statements made in this Annual Report that are not historical facts are "forward-looking statements." Such forward-looking statements may include, without limitation, statements that relate to:

- our business strategy, plans and objectives,
- our beliefs and expectations regarding future demand for our products and services and other events and conditions that may influence the oilfield services market and our performance in the future and
- our future expansion plans, including our anticipated level of capital expenditures for, and the nature and scheduling of, purchases or manufacture of rental tools, equipment and liftboats.

Also, you can generally identify forward-looking statements by such terminology as "may," "will," "expect," "believe," "anticipate," "project," "estimate" or similar expressions. Such statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements.

RISK FACTORS

All phases of our operations are subject to a number of uncertainties, risks and other influences, many of which are beyond our control. Any one of such influences, or a combination, could materially affect the accuracy of the forward-looking statements and the projections on which the statements are based. Some important factors that could cause actual results to differ materially from the anticipated results or other expectations expressed in our forward-looking statements include the following:

WE ARE SUBJECT TO THE CYCLICAL NATURE OF THE OIL AND GAS INDUSTRY.

Our business depends primarily on the level of activity by the oil and gas companies in the Gulf of Mexico and along the Gulf Coast. This level of activity has traditionally been volatile as a result of fluctuations in oil and gas prices and their uncertainty in the future. The purchases of the products and services we provide are, to a substantial extent, deferrable in the event oil and gas companies reduce capital expenditures. Therefore, the willingness of our customers to make expenditures is critical to our operations. The levels of such capital expenditures are influenced by:

- oil and gas prices and industry perceptions of future prices,
- the cost of exploring for, producing and delivering oil and gas,
- the ability of oil and gas companies to generate capital,
- the sale and expiration dates of offshore leases,
- the discovery rate of new oil and gas reserves and
- local and international political and economic conditions.

Although activity levels in production and development sectors of the oil and gas industry are less immediately affected by changing prices and as a result, less volatile than the exploration sector, producers generally react to declining oil and gas prices by reducing expenditures. This has in the past and may in the future, adversely affect our business. We are unable to predict future oil and gas prices or the level of oil and gas industry activity. A prolonged low level of activity in the oil and gas industry will adversely affect the demand for our products and services and our financial condition and results of operations.

OUR INDUSTRY IS HIGHLY COMPETITIVE.

We compete in highly competitive areas of the oilfield services industry. The products and services of each of our principal industry segments are sold in highly competitive markets, and our revenues and earnings may be affected by the following factors:

- changes in competitive prices,
- fluctuations in the level of activity in major markets,
- an increased number of liftboats in the Gulf of Mexico,
- general economic conditions and
- governmental regulation.

We compete with the oil and gas industry's largest integrated and independent oilfield service providers. We believe that the principal competitive factors in the market areas that we serve are price, product and service quality, availability and technical proficiency.

Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than our products and services. Further, additional liftboat capacity in the Gulf of Mexico would increase competition for that service. Competitive pressures or other factors also may result in significant price competition that could have a material adverse effect on our results of operations and financial condition. Finally, competition among oilfield service and equipment providers is also affected by each provider's reputation for safety and quality. Although we believe that our reputation for safety and quality service is good, we cannot guarantee that we will be able to maintain our competitive position.

OUR OIL AND GAS OPERATIONS WILL INVOLVE SIGNIFICANT RISKS.

Any acquisitions of mature oil and gas properties will require an assessment of a number of factors beyond our control. These factors include estimates of recoverable reserves, future oil and gas prices, operating costs and potential environmental and plugging and abandonment liabilities. These assessments, especially estimates of oil and gas reserves, are inexact and their accuracy is inherently uncertain. In connection with these assessments, we will perform a review that we believe is generally consistent with industry practices. However, our reviews will not reveal all existing or potential problems. In addition, our reviews may not permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We may not always discover structural, subsurface or environmental problems that may exist or arise. In connection with our acquisitions, we expect to acquire properties on an "as is" basis and assume all plugging, abandonment and environmental liability with limited remedies for breaches of representations and warranties. Therefore, the risk is that we may overestimate the value of economically recoverable reserves and underestimate the cost of plugging wells and abandoning production facilities. Our oil and gas operations will also be subject to risks incident to the operation of producing wells, including, but not limited to, uncontrollable flows of oil, gas, brine or well fluids into the environment, blowouts, cratering, mechanical difficulties, fires, explosions, pollution and other risks, any of which could result in substantial losses to us.

WE ARE SUSCEPTIBLE TO ADVERSE WEATHER CONDITIONS IN THE GULF OF MEXICO.

Our operations are directly affected by the seasonal differences in weather patterns in the Gulf of Mexico. These differences may result in increased operations in the spring, summer and fall periods and a decrease in the winter months. The seasonality of oil and gas industry activity as a whole in the Gulf Coast region also affects our operations and sales of equipment. Weather conditions generally result in higher drilling activity in the spring, summer and fall months with the lowest activity in winter months. The rainy weather, hurricanes and other storms prevalent in the Gulf of Mexico and along the Gulf Coast throughout the year may also affect our operations. Accordingly, our operating results may vary from quarter to quarter, depending on factors outside of our control. As a result, full year results are not likely to be a direct multiple of any particular quarter or combination of quarters.

WE DEPEND ON KEY PERSONNEL.

Our success depends to a great degree on the abilities of our key management personnel, particularly our Chief Executive Officer and other high-ranking executives. The loss of the services of one or more of these key employees could adversely affect us.

WE DEPEND ON SIGNIFICANT CUSTOMERS.

We derive a significant amount of our revenue from a small number of major and independent oil and gas companies. Our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or other existing customers, could have a material adverse effect on our business and operations.

WE ARE VULNERABLE TO THE POTENTIAL DIFFICULTIES ASSOCIATED WITH RAPID EXPANSION.

We have grown rapidly over the last several years through internal growth and acquisitions of other companies. We believe that our future success depends on our ability to manage the rapid growth that we have experienced and the demands from increased responsibility on our management personnel. The following factors could present difficulties to us:

- lack of sufficient executive-level personnel,
- increased administrative burden and
- increased logistical problems common to large, expansive operations.

If we do not manage these potential difficulties successfully, our operating results could be adversely affected. The historical financial information herein is not necessarily indicative of the results that would have been achieved had we been operated on a fully integrated basis or the results that may be realized in the future.

OUR INABILITY TO CONTROL THE INHERENT RISKS OF ACQUIRING BUSINESSES COULD ADVERSELY AFFECT OUR OPERATIONS.

Acquisitions have been and we believe will continue to be a key element of our business strategy. We cannot assure you that we will be able to identify and acquire acceptable acquisition candidates on terms favorable to us in the future. We may be required to incur substantial indebtedness to finance future acquisitions and also may issue equity securities in connection with such acquisitions. Such additional debt service requirements may impose a significant burden on our results of operations and financial condition. The issuance of additional equity securities could result in significant dilution to our stockholders. We cannot assure you that we will be able to successfully consolidate the operations and assets of any acquired business with our own business. Acquisitions may not perform as expected when the acquisition was made and may be dilutive to our overall operating results. In addition, our management may not be able to effectively manage our increased size or operate a new line of business.

THE DANGERS INHERENT IN OUR OPERATIONS AND THE LIMITS ON INSURANCE COVERAGE COULD EXPOSE US TO POTENTIALLY SIGNIFICANT LIABILITY COSTS.

Our operations involve the use of liftboats, heavy equipment and exposure to inherent risks, including equipment failure, blowouts, explosions and fire. In addition, our liftboats are subject to operating risks such as catastrophic marine disaster, adverse weather conditions, mechanical failure, collisions, oil and hazardous substance spills and navigation errors. The occurrence of any of these events could result in our liability for personal injury and property damage, pollution or other environmental hazards, loss of production or loss of equipment. In addition, certain of our employees who perform services on offshore platforms and vessels are covered by provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws make the liability limits established by state workers' compensation laws inapplicable to these employees and instead permit them or their representatives to pursue actions against us for damages for job-related injuries. In such actions, there is generally no limitation on our potential liability.

Any litigation arising from a catastrophic occurrence involving our services or equipment could result in large claims for damages. The frequency and severity of such incidents affect our operating costs, insurability and relationships with customers, employees and regulators. Any increase in the frequency or severity of such incidents, or the general level of compensation awards with respect to such incidents, could affect our ability to obtain projects from oil and gas companies or insurance. We maintain what we believe is prudent insurance protection. However, we cannot guarantee that we will be able to maintain adequate insurance in the future at rates we consider reasonable or that our insurance coverage will be adequate to cover future claims that may arise. Successful claims for which we are not fully insured may adversely affect our working capital and profitability. In addition, changes in the

insurance industry have generally led to higher insurance costs and decreased availability of coverage. The availability of insurance covering risks we and our competitors typically insure against may decrease, and the insurance that we are able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

A TERRORIST ATTACK OR ARMED CONFLICT COULD HARM OUR BUSINESS.

Terrorist activities, anti-terrorist efforts and other armed conflict involving the U.S. may adversely affect the U.S. and global economies and could prevent us from meeting our financial and other obligations. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for our services and causing a reduction in our revenues. Oil and gas related facilities could be direct targets of terrorist attacks, and our operations could be adversely impacted if infrastructure integral to customers' operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all.

THE NATURE OF OUR INDUSTRY SUBJECTS US TO COMPLIANCE WITH REGULATORY AND ENVIRONMENTAL LAWS.

Our business is significantly affected by state and federal laws and other regulations relating to the oil and gas industry and by changes in such laws and the level of enforcement of such laws. We are unable to predict the level of enforcement of existing laws and regulations, how such laws and regulations may be interpreted by enforcement agencies or court rulings, or whether additional laws and regulations will be adopted. We are also unable to predict the effect that any such events may have on us, our business, or our financial condition.

Federal and state laws that require owners of non-producing wells to plug the well and remove all exposed piping and rigging before the well is permanently abandoned significantly affect the demand for our plug and abandonment services. A decrease in the level of enforcement of such laws and regulations in the future would adversely affect the demand for our services and products. In addition, demand for our services is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. The adoption of laws and regulations curtailing exploration and development drilling for oil and gas in our areas of operations for economic, environmental or other policy reasons could also adversely affect our operations by limiting demand for our services.

We also have potential environmental liabilities with respect to our offshore and onshore operations, including our environmental cleaning services. Certain environmental laws provide for joint and several liabilities for remediation of spills and releases of hazardous substances. These environmental statutes may impose liability without regard to negligence or fault. In addition, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. We believe that our present operations substantially comply with applicable federal and state pollution control and environmental protection laws and regulations. We also believe that compliance with such laws has had no material adverse effect on our operations. However, such environmental laws are changed frequently. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution. We are unable to predict whether environmental laws will materially adversely affect our future operations and financial results.

AS WE EXPAND OUR INTERNATIONAL OPERATIONS, WE WILL BE SUBJECT TO ADDITIONAL POLITICAL, ECONOMIC AND OTHER UNCERTAINTIES.

A key element of our business strategy is to expand our operations into international oil and gas producing areas. These international operations are subject to a number of risks inherent in any business operating in foreign countries including, but not limited to:

- political, social and economic instability,
- potential seizure or nationalization of assets,
- increased operating costs,
- modification or renegotiating of contracts,
- import-export quotas,

- currency fluctuations and
- other forms of government regulation which are beyond our control.

Our operations have not yet been affected materially by such conditions or events, but as our international operations expand, the exposure to these risks will increase. We could, at any one time, have a significant amount of our revenues generated by operating activity in a particular country. Therefore, our results of operations could be susceptible to adverse events beyond our control that could occur in the particular country in which we are conducting such operations. We anticipate that our contracts to provide services internationally will generally provide for payment in U. S. dollars and that we will not make significant investments in foreign assets. To the extent we make investments in foreign assets or receive revenues in currencies other than U. S. dollars, the value of our assets and our income could be adversely affected by fluctuations in the value of local currencies.

Additionally, our competitiveness in international market areas may be adversely affected by regulations, including, but not limited to, regulations requiring:

- the awarding of contracts to local contractors,
- the employment of local citizens and
- the establishment of foreign subsidiaries with significant ownership positions reserved by the foreign government for local citizens.

We cannot predict what types of the above events may occur.

OUR PRINCIPAL STOCKHOLDERS HAVE SUBSTANTIAL CONTROL.

Certain investment funds managed by First Reserve Corporation beneficially own approximately 24% of our outstanding common stock. As a result, they exercise substantial influence over the outcome of most matters requiring a stockholder vote. In addition, pursuant to a stockholders' agreement, the First Reserve funds are entitled to designate two directors to serve on the board. The First Reserve funds will continue to be entitled to designate these directors until the stockholders' agreement terminates on July 15, 2009 or in the event of certain substantial reductions of their ownership interest.

WE MIGHT BE UNABLE TO EMPLOY A SUFFICIENT NUMBER OF SKILLED WORKERS.

The delivery of our products and services require personnel with specialized skills and experience. As a result, our ability to remain productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers in the Gulf Coast region is high, and the supply is limited. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay or both. If either of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal and other proceedings that are incidental to the conduct of our business. We do not believe that any of these proceedings, if adversely determined, would have a material adverse affect on our financial condition, results of operations or cash flows.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 4A. EXECUTIVE OFFICERS OF REGISTRANT

The following table sets forth certain information about our executive officers.

Name and Age	Position
Terence E. Hall, 58	Chairman of the Board, Chief Executive Officer and President
Kenneth L. Blanchard, 54	Chief Operating Officer and Executive Vice President
Robert S. Taylor, 49	Chief Financial Officer, Vice President and Treasurer

Terence E. Hall has served as our Chairman of the Board, Chief Executive Officer, President and Director since December 1995.

Kenneth L. Blanchard has served as our Chief Operating Officer since June 2002 and as one of our Vice Presidents since December 1995.

Robert S. Taylor has served as our Chief Financial Officer since January 1996 and as one of our Vice Presidents since July 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock trades on the New York Stock Exchange under the symbol "SPN." The following table sets forth the high and low sales prices per share of common stock as reported for each fiscal quarter during the periods indicated.

	HIGH	LOW
2002		
First Quarter	$ 10.88	$ 7.88
Second Quarter	11.65	9.07
Third Quarter	10.10	5.95
Fourth Quarter	9.03	5.97
2003		
First Quarter	$ 9.80	$ 6.80
Second Quarter	11.65	8.30
Third Quarter	10.97	8.40
Fourth Quarter	10.25	8.27
2004		
First Quarter (through March 1, 2004)	$ 10.28	$ 8.98

As of March 1, 2004, there were 74,218,201 shares of Common Stock outstanding, which were held by 122 record holders.

We do not plan to pay cash dividends on our common stock. We intend to retain all of the cash our business generates to meet our working capital requirements and fund future growth. In addition, our bank credit facility prevents us from paying dividends or making other distributions to our stockholders.

We have four stock incentive plans to provide long-term incentives to our key employees, including officers and directors, consultants and advisers. The following table provides information about these incentive plans as of December 31, 2003:

Equity Compensation Plan Information

Plan Category	Number of Securities to be issued upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation Plans Approved by Stockholders	5,628,000	$ 7.53	1,401,101(1)
Equity Compensation Plans Not Approved by Stockholders	-	$ -	8,885(2)

(1) Of the shares remaining available for issuance under the Company's 1999 Stock Incentive Plan and 2002 Stock Incentive Plan, no more than 250,000 shares may be issued as restricted stock or "other stock-based awards" (which awards are valued in whole or in part on the value of the shares of Common Stock) under each plan. Of the shares remaining for issuance under the Company's 1995 Stock Incentive Plan, there is no limit to how many of the shares may be issued as restricted stock or "other stock-based awards."

(2) Under our Director's Stock Plan, our non-employee directors may elect to receive up to 100%, in 25% increments, of any fees paid by the Company in common stock. The fees are converted into shares of common stock in an amount equal to the director's compensation divided by the average price of the stock for the calendar quarter in which the election is made.

ITEM 6. SELECTED FINANCIAL DATA

We present below our selected consolidated financial data for the periods indicated. We derived the historical data from our audited consolidated financial statements.

The data presented below should be read together with, and are qualified in their entirety by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operation" and our consolidated financial statements included elsewhere in this Annual Report. The financial data is in thousands, except per share amounts.

	Years Ended December 31,				
	2003	2002	2001	2000	1999
Revenues	$500,625	$443,147	$449,042(1)	$257,502(2)	$113,076(3)
Income from operations	67,343	57,021	104,953	43,359	10,016
Income (loss) before cumulative effect of change in accounting principle	30,514	21,886	51,187	18,324(4)	(6,548)(4)
Cumulative effect of change in accounting principle, net	-	-	2,589(5)	-	-
Net income (loss)	30,514	21,886	53,776	18,324	(6,548)
Net income (loss) before cumulative effect of change in accounting principle per share:					
Basic	0.41	0.30	0.74	0.28	(0.25)
Diluted	0.41	0.30	0.73	0.28	(0.25)
Net income (loss) per share:					
Basic	0.41	0.30	0.78	0.28	(0.25)
Diluted	0.41	0.30	0.77	0.28	(0.25)
Total assets	832,863	727,620	665,520	430,676	282,255
Long-term debt, less current portion	255,516	256,334	269,633	146,393	117,459
Stockholders' equity	368,129	335,342	269,576	206,247	121,487

(1) In the year ended December 31, 2001, we made five acquisitions for $108 million in initial aggregate consideration, of which $2 million was paid with common stock. These acquisitions have been accounted for as purchases, and the results of operations have been included from the respective company's acquisition date.

(2) In the year ended December 31, 2000, we made six acquisitions for $42.5 million in initial aggregate cash consideration. These acquisitions have been accounted for as purchases, and the results of operations have been included from the respective company's acquisition date.

(3) On July 15, 1999, we acquired Cardinal through a stock for stock merger. The merger was accounted for as a reverse acquisition, which resulted in the adjustment of our net assets existing at the time of the merger to their estimated fair value as required by the rules of purchase accounting. Our operating results have been included from July 15, 1999. We made another acquisition in November 1999 for approximately $2.9 million in cash and 597,000 shares of our common stock that was accounted for as a purchase, and the results of operations have been included from the acquisition date.

(4) Income (loss) before cumulative effect of change in accounting principle has been restated for 2000 and 1999 to include losses due to a refinance of our indebtedness of $1.6 million (net of a $1.0 million income tax benefit) and $4.5 million (net of a $2.1 million income tax benefit), respectively. In accordance with Statement of Financial Accounting Standards No. 145 (FAS No. 145), "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections," we have reclassified these losses, as they are no longer considered extraordinary items.

(5) In 2001, we changed depreciation methods from the straight-line method to the units of production method on our liftboat fleet. The cumulative effect of this change in accounting principle on prior years resulted in an increase in net income of $2.6 million, net of income taxes of $1.7 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements included elsewhere in this Annual Report. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, our actual results may differ from those expressed or implied by the forward-looking statements. See "Cautionary Statements."

EXECUTIVE SUMMARY

We are a leading provider of specialized oilfield services and equipment focused on serving the production-related needs of oil and gas companies primarily operating in the Gulf of Mexico. We operate our businesses through four segments - - well intervention, marine, rental tools and other oilfield services. Although most of our revenue is derived from enhancing production from existing wells, a significant portion of our revenue from our rental tool businesses are derived from drilling-related activity.

We operate in highly competitive markets where revenue and earnings are driven by competitive pricing, changes in the level of customer spending on drilling and production-related projects, general economic conditions and governmental regulations. Most of our work is on a call-out basis, meaning projects are secured within days before commencing, and completed within a month. As a result, predicting revenue and earnings is difficult because backlog, or guaranteed future work, is not typical for the products and services we offer in the markets we compete. We believe the key differentiating factors in our industry are product and service quality; project management and coordination; availability and reliability of assets and personnel; health, safety and environmental standards; and price. Key business drivers include the Gulf of Mexico drilling rig count, oil and natural gas production levels; current and expected future energy prices, particularly natural gas prices; and customers' capital spending allocated for Gulf of Mexico drilling and production.

In 2003, we experienced revenue growth in three of our four business segments as compared to 2002. Revenue was a record $500.6 million and net income was $30.5 million, or $0.41 per share. Despite our record revenue, our core Gulf of Mexico market area experienced only a modest upturn in activity in 2003 over 2002. Although production-related activity slightly increased, the average number of drilling rigs working offshore in the Gulf of Mexico was 108 in 2003, down from an average of 113 rigs in 2002, further indicating that overall demand for oilfield services did not meaningfully recover during the year.

Energy producers continue to deploy the cash flows they reaped from high commodity prices to strengthen their balance sheets and improve their returns on capital. Although energy producers have historically reinvested the vast majority of their cash flows in further exploration and production opportunities, they now seem to be cutting back on these expenditures. They also seem to be reinvesting more of their cash flows into international opportunities rather than in the Gulf of Mexico market area.

We believe the shallow water Gulf of Mexico still has economically viable prospects, and much is being done to stimulate additional exploration and production, such as royalty relief for deep drilling on the U.S. continental shelf. We believe the Gulf of Mexico will see activity levels increase on a long-term basis as properties change owners from major integrated producers to independents, and as producers drill several deep water prospects. However,

while activity levels remain relatively low, we have implemented two strategies to increase the utilization of our assets and enhance our earnings potential.

One of the strategies to enhance our financial performance is to acquire, manage and decommission mature properties in the shallow waters of the Gulf of Mexico. Our main objective in this new venture is to provide additional opportunities for our other well intervention services, as well as our platform management businesses. We will use our production-related services to enhance production and, at the end of a property's economic life, use our assets to plug wells and decommission properties. We will acquire older, more mature properties since they need many of the production-enhancement services we provide. By owning the properties, we can choose when we perform much of the work, helping to increase the utilization of our assets and services during seasonal downtime. We made our first acquisition of oil and gas properties in December 2003 and intend to acquire other mature properties.

Our second strategy is to grow our international business. We intend to accomplish this by seeking international expansion opportunities through both internal growth and possible strategic acquisitions. We have identified other markets that are similar to the Gulf of Mexico with many production-enhancement opportunities. Those markets include Mexico, the Middle East, West Africa and the North Sea, in addition to our locations in Australia, Eastern Canada, Trinidad and Venezuela.

In August 2003, we increased our international business by acquiring Premier Oilfield Services, a provider of rental tools based in Aberdeen, Scotland. Premier Oilfield Services has operations in various rental markets such as the North Sea, continental Europe, the Middle East and West Africa and will serve as a gateway to provide our other rental tools and production-related services to these markets.

We are also focusing on additional expansion within Mexico, Venezuela and Trinidad since we believe they offer the best opportunity to deploy most of our assets including liftboats, production-related services and rental tools. These markets are close to our core Gulf of Mexico market and are forecasted to have significant customer spending.

The discussion below gives a description of some of the drivers affecting the performance of each segment and highlights some of the main factors that impacted our performance in 2003. For additional industry segment financial information, see note 15 to our consolidated financial statements.

Well Intervention Segment

The well intervention segment consists of specialized down-hole services, which are both labor and equipment intensive. While our gross margin percentage tends to be fairly consistent, special projects such as well control can directly increase the gross margin percentage.

During 2003, we expanded our well intervention segment by forming a new subsidiary, SPN Resources, LLC, to acquire, manage and decommission mature properties in the shallow waters of the Gulf of Mexico. As previously mentioned, the main objective of this new venture is to provide additional opportunities for our other well intervention services, as well as our platform management businesses. We intend to increase the utilization of our well intervention services by deploying these services to our own properties during periods of downtime. Since our first acquisition did not occur until December, this expansion did not have a material financial impact on our 2003 operating results.

Marine Segment

Liftboats have relatively high operating leverage, meaning that costs are fairly fixed and, therefore, gross margins can change significantly from quarter-to-quarter and year-to-year based on dayrates and utilization levels.

In 2003, it was difficult for us to maintain steady liftboat utilization due to fluctuating customer demand and multiple weather disruptions in the Gulf of Mexico. The average utilization of our liftboat fleet did not exceed 70% for any quarter. Also, as the result of a tropical storm, one of our 200-foot class liftboats sank in the Gulf of Mexico

on June 30, 2003. The vessel was declared a total loss, and we received $8 million of insurance proceeds for the vessel. We recorded a gain from the insurance proceeds of $2.8 million.

Rental Tools Segment

Over time, our rental tools segment has shown consistent gross margin percentages despite changing levels of industry demand. This has occurred because many of their costs of services vary directly with revenue. In addition, there tends to be little variation in pricing. As a result, changes in revenue are primarily a function of utilization. The rental of drill pipe in the deep water Gulf of Mexico is another factor driving the steady performance of this segment. Drilling-related projects in the deep water Gulf of Mexico market area typically last longer and are less impacted by changes in commodity prices and other factors impacting drilling activity in the shallow water Gulf of Mexico.

Despite a small decline in the Gulf of Mexico rig count, our rental tools revenue increased in 2003. This segment continued to expand internationally, primarily in Eastern Canada and Trinidad. The acquisition of Premier Oilfield Services, in Aberdeen, Scotland is serving to expand our rental tool operations in the North Sea, continental Europe, the Middle East and West Africa.

Other Oilfield Services Segment

Demand for our dockside vessel and tank cleaning and non-hazardous waste treatment businesses are primarily driven by drilling activity in the shallow water Gulf of Mexico, as reflected by the drilling rig count. Much of the cleaning and waste treatment is from residual waste created during the drilling process. Our platform and field management businesses are highly competitive and labor-intensive resulting in relatively low gross margins. Historically, the field management business has contributed the largest percentage of revenue to this segment, yielding gross margin percentages that have been lower than our other segments.

The other oilfield services segment benefited from sales of oil spill containment equipment early in 2003 as a result of a large oil spill off the coast of Spain. However, the decline in drilling in the Gulf of Mexico negatively impacted our environmental services, especially our non-hazardous oilfield waste treatment business.

In August 2003, we sold our construction and fabrication assets. While this sale has greatly reduced this segment's revenue, it has not had a material impact on the segment's earnings because, historically, it was a business with low gross margins.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Note 1 to our consolidated financial statements contains a description of the accounting policies used in the preparation of our financial statements. We evaluate our estimates on an ongoing basis, including those related to long-lived assets and goodwill, income taxes, allowance for doubtful accounts, self-insurance and oil and gas properties. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual amounts could differ significantly from these estimates under different assumptions and conditions.

We believe the following critical accounting policies are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments.

Long-Lived Assets. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. We record impairment losses on long-lived assets, including oil and gas properties, used in operations when the estimated cash flows to be generated by those assets are less than the carrying amount of those items. Our cash flow estimates are based upon, among other things, historical results adjusted to reflect our best estimate of future market rates, utilization levels, operating

performance, future oil and natural gas sales prices, an estimate of the ultimate amount of recoverable oil and natural gas reserves that will be produced from a field, the timing of this future production, future costs to produce the oil and natural gas and other factors. Our estimates of cash flows may differ from actual cash flows due to, among other things, changes in economic conditions or changes in an asset's operating performance. If the sum of the cash flows is less than the carrying value, we recognize an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset. The net carrying value of assets not fully recoverable is reduced to fair value. Our estimate of fair value represents our best estimate based on industry trends and reference to market transactions and is subject to variability. The oil and gas industry is cyclical and our estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows, can have significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment charges. During the year ended December 31, 2003, we did not record any impairment losses related to long-lived assets.

Goodwill. In assessing the recoverability of goodwill, we must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions adversely change in the future, we may be required to record material impairment charges for these assets not previously recorded. We adopted Statement of Financial Accounting Standards No. 142 (FAS No. 142), "Goodwill and Other Intangible Assets," effective January 1, 2002. FAS No. 142 requires that goodwill as well as other intangible assets with indefinite lives no longer be amortized, but instead tested annually for impairment. We estimated the fair value of each of our reporting units (which are consistent with our reportable segments) using various cash flow and earnings projections. We then compared these fair value estimates to the determined carrying value of our reporting units. Based on this test, the fair value of the reporting units exceeded the carrying amount, and no impairment loss has been recognized. Our estimates of the fair value of these reporting units represent our best estimates based on industry trends and reference to market transactions. A significant amount of judgment is involved in performing these evaluations since the results are based on estimated future events.

Income Taxes. We provide for income taxes in accordance with Statement of Financial Accounting Standards No. 109 (FAS No. 109), "Accounting for Income Taxes." This standard takes into account the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our deferred tax calculation requires us to make certain estimates about our future operations. Changes in state, federal and foreign tax laws, as well as changes in our financial condition or the carrying value of existing assets and liabilities, could affect these estimates. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

Allowance for Doubtful Accounts. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. These estimated allowances are periodically reviewed, on a case by case basis, analyzing the customer's payment history and information regarding customer's creditworthiness known to us. In addition, we record a reserve based on the size and age of all receivable balances against which we do not have specific reserves. If the financial condition of our customers was to deteriorate, resulting in their inability to make payments, additional allowances may be required.

Self-Insurance. We self-insure up to certain levels for losses related to workers' compensation, protection and indemnity, general liability, property damage, and group medical. With the recent tightening in the insurance markets, we have elected to retain more risk by increasing our self-insurance. We accrue for these liabilities based on estimates of the ultimate cost of claims incurred as of the balance sheet date. We regularly review our estimates of reported and unreported claims and provide for losses through reserves. While we believe these estimates are reasonable based on the information available, our financial results could be impacted if litigation trends, claims settlement patterns, health care costs and future inflation rates are different from our estimates. Although we believe adequate reserves have been provided for expected liabilities arising from our self-insured obligations, and we believe that we maintain adequate excess insurance coverage, we cannot assure that such coverage will adequately protect us against liability from all potential consequences.

Oil and Gas Properties. Our subsidiary, SPN Resources, LLC, acquires mature oil and gas properties and assumes the related well abandonment and decommissioning liabilities. We estimate the third party market value (including an estimated profit) to plug and abandon wells, abandon the pipelines, decommission and remove the platforms and clear the sites, and use that estimate to record our proportionate share of the decommissioning liability. In estimating the decommissioning liabilities, we perform detailed estimating procedures, analysis and engineering studies. Whenever practical, we will utilize the services of our subsidiaries to perform well abandonment and decommissioning work. When these services are performed by our subsidiaries, all recorded intercompany revenues and expenses are eliminated in the consolidated financial statements. The recorded decommissioning liability associated with a specific property is fully extinguished when the property is completely abandoned. The liability is first reduced by all cash expenses incurred to abandon and decommission the property. If the liability exceeds (or is less than) our out-of-pocket costs then the difference is reported as income (or loss) in the period in which the work is performed. We review the adequacy of our decommissioning liability whenever indicators suggest that the estimated cash flows underlying the liability have changed materially. The timing and amounts of these cash flows are subject to changes in the energy industry environment and may result in additional liabilities recorded, which in turn would increase the carrying values of the related properties. At December 31, 2003, the balance of our oil and gas properties was not significant at an estimated $5.5 million.

COMPARISON OF THE RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

For the year ended December 31, 2003, our revenues were $500.6 million resulting in net income of $30.5 million or $0.41 diluted earnings per share. For the year ended December 31, 2002, our revenues were $443.1 million and our net income was $21.9 million or $0.30 diluted earnings per share. Our increase in revenue and net income is the result of an overall increased demand for most of our services due to increased activity by our customers. The following discussion analyzes our operating results on a segment basis.

WELL INTERVENTION SEGMENT

Revenue for our well intervention segment was $188.0 million for the year ended December 31, 2003, as compared to $148.7 million for 2002. This segment's gross margin percentage increased slightly to 41% in the year ended December 31, 2003 from 37% in 2002. The increase in revenue and gross margin percentage is the result of increased demand for almost all of our services as production-related activity in the Gulf of Mexico increased. Our pumping and stimulation services benefited the most from the increased activity levels in the Gulf of Mexico while our hydraulic workover and well control services benefited from international activity.

MARINE SEGMENT

Our marine revenue for the year ended December 31, 2003 increased 4% over 2002 to $70.4 million. The fleet's average dayrate increased to approximately $6,300 in the year ended December 31, 2003 from approximately $5,850 in 2002, and the average utilization decreased to 66% for 2003 from 69% in 2002. The gross margin percentage for the year ended December 31, 2003 decreased to 29% from 34% in 2002. While revenues and the average dayrate increased because of additions of three larger liftboats to the fleet during 2002, a drop-off in utilization and the increased costs of the new liftboats resulted in a lower gross margin percentage. Increased costs, including maintenance and insurance, also contributed to the decline in gross margin percentage.

RENTAL TOOLS SEGMENT

Revenue for our rental tools segment for the year ended December 31, 2003 was $141.4 million, a 14% increase over 2002. The increase in this segment's revenue was primarily due to an increased demand for our expanded inventory of rental tool equipment and our geographic expansion. During 2003, revenue from international markets grew as we continue to diversify outside of the Gulf of Mexico market area. We acquired Premier Oilfield Services, an Aberdeen, Scotland-based provider of oilfield equipment rentals, in August 2003 to further this diversification. The gross margin percentage decreased slightly to 67% in 2003 from 69% in 2002 due primarily to a change in the mix of the demand for our rental tools.

OTHER OILFIELD SERVICES SEGMENT

Other oilfield services revenue for the year ended December 31, 2003 was $100.9 million, a 2% decrease over the $102.5 million in revenue in 2002. The gross margin percentage decreased slightly to 19% in 2003 from 20% in 2002. The lower revenue is attributable to a decrease in construction and fabrication revenue as the result of the sale of those assets in August 2003, which was partially offset by increases in revenue from our field management services, growth in our oilfield waste treatment business and higher sales of oil spill containment equipment. This segment's slightly lower gross margin percentage was due to additional costs associated with the sale of our construction and fabrication assets and the growth and expansion of our oilfield waste treatment business, which were partially offset by the increased sales of higher margin oil spill containment equipment.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased to $48.9 million in the year ended December 31, 2003 from $41.6 million in 2002. The increase resulted mostly from our larger asset base as a result of our capital expenditures during 2002 and 2003.

GENERAL AND ADMINISTRATIVE

General and administrative expenses increased to $94.8 million for the year ended December 31, 2003 from $86.2 million in 2002. The increase is primarily the result of our internal growth and the acquisition of Premier Oilfield Services. However, general and administrative expenses as a percentage of revenue remained relatively unchanged at approximately 19% for both periods.

COMPARISON OF THE RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

For the year ended December 31, 2002, our revenues were $443.1 million resulting in net income of $21.9 million or $0.30 diluted earnings per share, as compared to revenue of $449.0 million and income before cumulative effect of change in accounting principle of $51.2 million or $0.73 diluted earnings per share for 2001. The decrease in revenue and operating income is a result of reduced activity by our customers, resulting in lower utilization of the Company's expanded asset base. In 2002, we significantly expanded our capacity to serve our customers by adding three large liftboats, expanding our rental tool inventory, and expanding and enhancing several of our operating facilities. The following discussion analyzes our operating results on a segment basis.

WELL INTERVENTION SEGMENT

Revenue for our well intervention segment was $148.7 million for the year ended December 31, 2002, 13% lower than the same period in 2001. This segment's gross margin decreased to 37% in the year ended December 31, 2002 from 44% in the year ended December 31, 2001. Demand and pricing decreased for almost all of our services as production-related activity decreased significantly.

MARINE SEGMENT

Our marine revenue for the year ended December 31, 2002 decreased 5% over the same period in 2001 to $67.9 million. The gross margin percentage decreased to 34% from 52% as utilization for most liftboat classes declined in 2002 to 69% from 78% in 2001. We added two 245-foot class liftboats and one 250-foot class liftboat to our fleet during 2002. Although these larger liftboats earn higher average dayrates, the fleet's average dayrate remained relatively unchanged from 2001.

RENTAL TOOLS SEGMENT

Revenue for our rental tools segment for the year ended December 31, 2002 was $124.1 million, a 2% increase over the same period in 2001, and the rental tools gross margin percentage increased to 69% from 66% in 2001. These increases resulted from our acquisition of a drill pipe and handling tool rental company near the end of the third quarter of 2001 and our larger asset base as a result of our acquisitions and capital expenditures during 2001 and 2002.

OTHER OILFIELD SERVICES SEGMENT

Other oilfield services revenue for the year ended December 31, 2002 was $102.5 million, a 21% increase over the same period in 2001. The gross margin increased slightly to $20.7 million in the year ended December 31, 2002 from $18.3 million in the same period in 2001. This segment generated higher revenue and gross margin primarily from the acquisition of an environmental services company in January 2002.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased to $41.6 million in the year ended December 31, 2002 from $33.4 million in 2001. The increase mostly resulted from our larger asset base as a result of our acquisitions and capital expenditures during 2001 and 2002. As of January 1, 2002, we ceased amortizing our goodwill, while approximately $4.4 million of goodwill amortization expense was recorded in the year ended December 31, 2001.

GENERAL AND ADMINISTRATIVE

General and administrative expenses increased to $86.2 million in the year ended December 31, 2002 from $73.3 million in 2001. The increase is primarily the result of our 2001 and 2002 acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

In the year ended December 31, 2003, we generated net cash from operating activities of $100.2 million. Our primary liquidity needs are for working capital, capital expenditures, debt service and acquisitions. Our primary sources of liquidity are cash flows from operations and borrowings under our revolving credit facility. We had cash and cash equivalents of $19.8 million at December 31, 2003 compared to $3.5 million at December 31, 2002.

We made $50.2 million of capital expenditures during the year ended December 31, 2003, of which approximately $29.1 million was used to expand and maintain our rental tool equipment inventory, approximately $8.8 million was used on facilities construction (including our facility in Broussard, Louisiana) and approximately $1.9 million was made in our marine segment. We also made $10.4 million of capital expenditures to expand and maintain the asset base of our well intervention group and other oilfield services group.

In August 2003, we acquired Premier Oilfield Services, an Aberdeen, Scotland-based provider of oilfield equipment rentals, in order to geographically expand our operations and the rental tools segment. We paid $3.4 million in cash consideration for Premier Oilfield Services, including transaction costs, and paid an additional $29.0 million to repay its existing debt, concurrently with the acquisition.

We have outstanding $200 million of 8 7/8% senior notes due 2011. The indenture governing the senior notes requires semi-annual interest payments, which commenced November 15, 2001 and continue through the maturity date of May 15, 2011. The indenture governing the senior notes contains certain covenants that, among other things, prevent us from incurring additional debt, paying dividends or making other distributions, unless our ratio of cash flow to interest expense is at least 2.25 to 1, except that we may incur debt in addition to the senior notes in an amount equal to 30% of our net tangible assets, which was approximately $147 million at December 31, 2003. The indenture also contains covenants that restrict our ability to create certain liens, sell assets or enter into certain mergers or acquisitions.

We also have a bank credit facility, which was amended in August 2003. The amendment increased the balance of the term loans by $23 million to finance the acquisition of Premier Oilfield Services and extended the maturity date of the facility. At December 31, 2003, we had term loans in an aggregate amount of $50.7 million outstanding and a revolving credit facility of $75 million, none of which was outstanding. As of March 1, 2004, these balances were unchanged and the weighted average interest rate on amounts outstanding under the credit facility was 3.5% per annum. Indebtedness under the credit facility is secured by substantially all of our assets, including the pledge of the stock of our principal subsidiaries. The credit facility contains customary events of default and requires that we

satisfy various financial covenants. It also limits our capital expenditures, our ability to pay dividends or make other distributions, make acquisitions, make changes to our capital structure, create liens or incur additional indebtedness.

We have $19.0 million outstanding at December 31, 2003 in U. S. Government guaranteed long-term financing under Title XI of the Merchant Marine Act of 1936, which is administered by the Maritime Administration (MARAD) for two 245-foot class liftboats. This debt bears an interest rate of 6.45% per annum and is payable in equal semi-annual installments of $405,000, which began December 3, 2002, and matures on June 3, 2027. Our obligations are secured by mortgages on the two liftboats. In accordance with the agreement, we are required to comply with certain covenants and restrictions, including the maintenance of minimum net worth and debt-to-equity requirements.

The following table summarizes our contractual cash obligations and commercial commitments at December 31, 2003 (amounts in thousands) for our long-term debt and operating leases. We do not have any other material obligations or commitments.

Description	2004	2005	2006	2007	2008	Thereafter
Long-term debt	$ 14,210	$ 20,610	$ 7,810	$ 7,810	$ 4,310	$ 214,976
Operating leases	4,275	2,796	1,879	1,359	641	12,423
Total	$ 18,485	$ 23,406	$ 9,689	$ 9,169	$ 4,951	$ 227,399

We have no off-balance sheet arrangements other than our guarantee of the Lamb Energy Services credit facility (consisting of a $9 million term loan at December 31, 2003 and a $3 million revolving credit facility, $500,000 of which was outstanding as of December 31, 2003) and potential additional consideration that may be payable as a result of our acquisitions. Additional consideration is generally based on the acquired company's operating performance after the acquisition as measured by earnings before interest, income taxes, depreciation and amortization (EBITDA) and other adjustments intended to exclude extraordinary items. While the amounts of additional consideration payable depend upon the acquired company's operating performance and are difficult to predict accurately, as of December 31, 2003, the maximum additional consideration payable for the Company's remaining acquisitions will be approximately $16.1 million, which will be determined in the second quarter of 2004 and payable during the second half of 2004. These amounts are not classified as liabilities under generally accepted accounting principles and are not reflected in our financial statements until the amounts are fixed and determinable. We do not have any other financing arrangements that are not required under generally accepted accounting principles to be reflected in our financial statements. When amounts are determined, they are capitalized as part of the purchase price of the related acquisition. In the year ended December 31, 2003, we capitalized additional consideration of $22.7 million related to five of our acquisitions, of which $11.5 million was paid during 2003 and $11.2 million is expected to be paid in the first half of 2004.

We have identified capital expenditure projects that will require up to $50 million in 2004, exclusive of any acquisitions. We believe that our current working capital, cash generated from our operations and availability under our revolving credit facility will provide sufficient funds for our identified capital projects.

We intend to continue implementing our growth strategy of increasing our scope of services through both internal growth and strategic acquisitions. We expect to continue to make the capital expenditures required to implement our growth strategy in amounts consistent with the amount of cash generated from operating activities, the availability of additional financing and our credit facility. Depending on the size of any future acquisitions, we may require additional equity or debt financing in excess of our current working capital and amounts available under our revolving credit facility.

NEW ACCOUNTING PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities." FIN 46 clarifies the application of Accounting Research Bulletin Number 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the

characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. In December 2003, the Financial Accounting Standards Board issued modifications to FIN 46 (FIN 46R), resulting in multiple effective dates based on the nature as well as the creation date of a Variable Interest Entity. We do not expect the adoption of FIN 46 or FIN 46R to have a significant effect on our financial position or results of operations.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149 (FAS No. 149), "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." FAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under Statement of Financial Accounting Standards No. 133 (FAS No. 133), "Accounting for Derivative Instruments and Hedging Activities." FAS No. 149 is effective for contracts entered into or modified after September 30, 2003. The adoption of FAS No. 149 did not have a significant effect on our financial position or results of operations.

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150 (FAS No. 150), "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." FAS No. 150 establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. FAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003. The adoption of FAS No. 150 did not have a significant effect on our financial position or results of operations. In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143 (FAS No. 143), "Accounting for Asset Retirement Obligations." This standard requires us to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying amount of the related long-lived asset. FAS No. 143 is effective for fiscal years beginning after June 15, 2002. The transition adjustment resulting from the adoption of this statement will be reported as a cumulative effect of change in accounting principle. We do not believe the implementation of FAS No. 143 will have a significant impact on our financial condition and results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks associated with foreign currency fluctuations and changes in interest rates. A discussion of our market risk exposure in financial instruments follows.

Foreign Currency Exchange Rates

Because we operate in a number of countries throughout the world, we conduct a portion of our business in currencies other than the U.S. dollar. The functional currency for most of our international operations is the U.S. dollar, but a portion of the revenues from our foreign operations is paid in foreign currencies. The effects of foreign currency fluctuations are partly mitigated because local expenses of such foreign operations are also generally denominated in the same currency. The Company continually monitors the currency exchange risks associated with all contracts not denominated in the U.S. dollar. Any gains or losses associated with such fluctuations have not been material.

We do not hold any foreign currency exchange forward contracts and/or currency options. We make limited use of derivative financial instruments to manage risks associated with existing or anticipated transactions. We do not hold derivatives for trading purposes or use derivatives with leveraged or complex features. Derivative instruments are traded with creditworthy major financial institutions. Assets and liabilities of our foreign subsidiaries are translated at current exchange rates, while income and expense are translated at average rates for the period. Translation gains and losses are reported as the foreign currency translation component of accumulated other comprehensive income in stockholders' equity.

Interest Rates

On occasion, we use interest rate swap agreements to manage our interest rate exposure. Under interest rate swap agreements, we agree with other parties to exchange, at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount. At December 31, 2001, we were party to an interest rate swap with an approximate notional amount of $1.8 million designed to

convert a similar amount of variable-rate debt to fixed rates. The interest rate was 5.675%, and the swap matured in October 2002.

At December 31, 2003, $50.7 million of our long-term debt had variable interest rates. Based on debt outstanding at December 31, 2003, a 10% increase in variable interest rates would increase our interest expense in the year 2003 by approximately $178,000, while a 10% decrease would decrease our interest expense by approximately $178,000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Independent Auditors' Report

The Board of Directors and Stockholders
Superior Energy Services, Inc.:

We have audited the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years in the three year period ended December 31, 2003. In connection with our audit of the consolidated financial statements, we also have audited the accompanying financial statement schedule, "Valuation and Qualifying Accounts," for the years ended December 31, 2003, 2002 and 2001. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Superior Energy Services, Inc. and subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of depreciation on its liftboat fleet in 2001.

As discussed in Note 1 to the consolidated financial statements, effective July 1, 2001, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations", and certain provisions of SFAS No. 142, "Goodwill and Other Intangible Assets" as required for goodwill and intangible assets resulting from business combinations initiated after June 30, 2001. On January 1, 2002, the Company adopted the remaining provisions of SFAS No. 142.

KPMG LLP

New Orleans, Louisiana
March 4, 2004

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2003 and 2002
(in thousands, except share data)

	2003	2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 19,794	$ 3,480
Accounts receivable - net of allowance for doubtful accounts of $6,280 in 2003 and $4,617 in 2002	112,775	108,352
Income taxes receivable	-	6,087
Current portion of notes receivable	19,212	-
Prepaid insurance and other	14,059	11,663
Total current assets	165,840	129,582
Property, plant and equipment - net	427,360	418,047
Goodwill - net	204,727	160,366
Notes receivable	15,145	-
Investments in affiliates	13,224	12,343
Other assets - net	6,567	7,282
Total assets	$ 832,863	$ 727,620
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 20,817	$ 21,010
Accrued expenses	48,949	33,871
Income taxes payable	138	-
Current portion of decommissioning liabilities	20,097	-
Current maturities of long-term debt	14,210	13,730
Total current liabilities	104,211	68,611
Deferred income taxes	86,251	67,333
Decommissioning liabilities	18,756	-
Long-term debt	255,516	256,334
Stockholders' equity:		
Preferred stock of $.01 par value. Authorized, 5,000,000 shares; none issued	-	-
Common stock of $.001 par value. Authorized, 125,000,000 shares; issued and outstanding 74,099,081 and 73,819,341 at December 31, 2003 and 2002, respectively	74	74
Additional paid-in capital	370,798	368,746
Accumulated other comprehensive income	264	43
Accumulated deficit	(3,007)	(33,521)
Total stockholders' equity	368,129	335,342
Total liabilities and stockholders' equity	$ 832,863	$ 727,620

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years Ended December 31, 2003, 2002 and 2001
(in thousands, except per share data)

	2003	2002	2001
Revenues	$ 500,625	$ 443,147	$ 449,042
Costs and expenses:			
Cost of services	289,607	258,334	237,355
Depreciation and amortization	48,853	41,595	33,446
General and administrative	94,822	86,197	73,288
Total costs and expenses	433,282	386,126	344,089
Income from operations	67,343	57,021	104,953
Other income (expense):			
Interest expense, net of amounts capitalized	(22,477)	(21,884)	(20,087)
Interest income	209	530	1,892
Other income	2,762	-	-
Equity in earnings (loss) of affiliates	985	(80)	-
Income before income taxes and cumulative effect of change in accounting principle	48,822	35,587	86,758
Income taxes	18,308	13,701	35,571
Income before cumulative effect of change in accounting principle	$ 30,514	$ 21,886	$ 51,187
Cumulative effect of change in accounting principle, net of income tax expense of $1,655	-	-	2,589
Net income	$ 30,514	$ 21,886	$ 53,776
Basic earnings per share:			
Earnings before cumulative effect of change in accounting principle	$ 0.41	$ 0.30	$ 0.74
Cumulative effect of change in accounting principle	-	-	0.04
Earnings per share	$ 0.41	$ 0.30	$ 0.78
Diluted earnings per share:			
Earnings before cumulative effect of change in accounting principle	$ 0.41	$ 0.30	$ 0.73
Cumulative effect of change in accounting principle	-	-	0.04
Earnings per share	$ 0.41	$ 0.30	$ 0.77
Weighted average common shares used in computing earnings per share:			
Basic	73,970	72,912	68,545
Incremental common shares from stock options	678	960	1,047
Diluted	74,648	73,872	69,592

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2003, 2002 and 2001
(in thousands, except share data)

	Preferred stock shares	Preferred stock	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive income (loss)
Balances, December 31, 2000	-	$ -	67,803,304	$ 68	$ 315,304	$ 58
Comprehensive income:						
Net income	-	-	-	-	-	-
Other comprehensive loss -						
Foreign currency translation adjustment	-	-	-	-	-	(24)
Unrealized loss on derivatives	-	-	-	-	-	(18)
Total comprehensive income (loss)	-	-	-	-	-	(42)
Stock issued for acquisitions	-	-	825,612	1	6,217	-
Exercise of stock options and related tax benefit, net	-	-	693,970	-	3,377	-
Balances, December 31, 2001	-	-	69,322,886	69	324,898	16
Comprehensive income:						
Net income	-	-	-	-	-	-
Other comprehensive income -						
Foreign currency translation adjustment	-	-	-	-	-	9
Unrealized gain on derivatives	-	-	-	-	-	18
Total comprehensive income	-	-	-	-	-	27
Stock issued for cash	-	-	4,197,500	4	38,832	-
Exercise of stock options and related tax benefit, net	-	-	298,955	1	5,016	-
Balances, December 31, 2002	-	-	73,819,341	74	368,746	43
Comprehensive income:						
Net income	-	-	-	-	-	-
Other comprehensive income -						
Foreign currency translation adjustment	-	-	-	-	-	221
Total comprehensive income	-	-	-	-	-	221
Exercise of stock options and related tax benefit, net	-	-	279,740	-	2,052	-
Balances, December 31, 2003	-	$ -	74,099,081	$ 74	$ 370,798	$ 264

	Accumulated deficit	Total
Balances, December 31, 2000	$ (109,183)	$ 206,247
Comprehensive income:		
Net income	53,776	53,776
Other comprehensive loss -		
Foreign currency translation adjustment	-	(24)
Unrealized loss on derivatives	-	(18)
Total comprehensive income (loss)	53,776	53,734
Stock issued for acquisitions	-	6,218
Exercise of stock options and related tax benefit, net	-	3,377
Balances, December 31, 2001	(55,407)	269,576
Comprehensive income:		
Net income	21,886	21,886
Other comprehensive income -		
Foreign currency translation adjustment	-	9
Unrealized gain on derivatives	-	18
Total comprehensive income	21,886	21,913
Stock issued for cash	-	38,836
Exercise of stock options and related tax benefit, net	-	5,017

Balances, December 31, 2002	(33,521)	335,342
Comprehensive income:		
Net income	30,514	30,514
Other comprehensive income - Foreign currency translation adjustment	-	221
Total comprehensive income	30,514	30,735
Exercise of stock options and related tax benefit, net	-	2,052
Balances, December 31, 2003	$ (3,007)	$ 368,129

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years Ended December 31, 2003, 2002, and 2001
(in thousands)

	2003	2002	2001
Cash flows from operating activities:			
Net income	$ 30,514	$ 21,886	$ 53,776
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,853	41,595	33,446
Deferred income taxes	15,183	17,669	25,865
Equity in (earnings) loss of affiliates	(985)	80	-
Other income	(2,762)	-	-
Amortization of debt acquisition costs	1,026	1,031	1,269
Cumulative effect of change in accounting principle	-	-	(2,589)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	104	4,629	(22,248)
Other - net	1,773	2,467	(462)
Accounts payable	(1,932)	(1,660)	(6,816)
Accrued expenses	2,561	(7,466)	18,764
Income taxes	5,905	7,052	(11,656)
Net cash provided by operating activities	100,240	87,283	89,349
Cash flows from investing activities:			
Payments for purchases of property and equipment	(50,175)	(104,452)	(83,863)
Acquisitions of businesses, net of cash acquired	(14,298)	(7,653)	(104,999)
Cash proceeds from insurance settlement	8,000	-	-
Cash proceeds from asset disposition	313	-	-
Increase in notes receivable	-	-	(3,849)
Other	-	-	1,415
Net cash used in investing activities	(56,160)	(112,105)	(191,296)
Cash flows from financing activities:			
Net borrowings (payments) on revolving credit facility	(9,250)	1,550	(8,800)
Proceeds from long-term debt	23,000	20,241	232,000
Principal payments on long-term debt	(43,089)	(39,582)	(118,345)
Payment of debt acquisition costs	(479)	(1,529)	(6,770)
Proceeds from exercise of stock options	2,052	5,017	3,377
Proceeds from issuance of stock	-	38,836	-
Net cash provided by (used in) financing activities	(27,766)	24,533	101,462
Net increase (decrease) in cash and cash equivalents	16,314	(289)	(485)
Cash and cash equivalents at beginning of year	3,480	3,769	4,254
Cash and cash equivalents at end of year	$ 19,794	$ 3,480	$ 3,769

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include the accounts of the Company. All significant intercompany accounts and transactions are eliminated in consolidation. Certain previously reported amounts have been reclassified to conform to the 2003 presentation.

(b) Business

The Company is a leading provider of specialized oilfield services and equipment focusing primarily on serving the production-related needs of oil and gas companies in the Gulf of Mexico. The Company provides most of the post wellhead products and services necessary to maintain offshore producing wells, as well as plug and abandonment services at the end of their life cycle. In recent years, the Company has expanded its geographic focus to include serving the production-related needs of oil and gas companies in select international market areas.

In December 2003, the Company acquired oil and gas properties in order to provide additional opportunities for our well intervention and platform management businesses in the Gulf of Mexico. The Company intends to continue to acquire mature properties from its customers with modest amounts of estimated remaining productive life, to provide all of its services to the properties to produce any remaining proven oil and gas reserves and to decommission and abandon the properties. The Company does not intend to risk any capital by participating in exploratory drilling activities.

A majority of the Company's business is conducted with major and independent oil and gas exploration companies. The Company continually evaluates the financial strength of its customers but does not require collateral to support the customer receivables.

The Company's well intervention and marine services segments are contracted for specific projects on either a day rate or turnkey basis. Rental tools are leased to customers on an as-needed basis on a day rate basis. The Company derives a significant amount of its revenue from a small number of major and independent oil and gas companies. In 2003, 2002 and 2001, one customer accounted for approximately 11%, 12% and 12% of the Company's total revenue, respectively, primarily in the well intervention and other oilfield services segments. The inability of the Company to continue to perform services for a number of its large existing customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Company's business and financial condition.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash Equivalents

The Company considers all short-term deposits with a maturity of ninety days or less to be cash equivalents.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Most of our depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 to 30 years
Marine vessels and equipment	5 to 25 years
Machinery and equipment	5 to 15 years
Automobiles, trucks, tractors and trailers	2 to 5 years
Furniture and fixtures	3 to 7 years

Marine vessels and oil and gas producing assets are depreciated or depleted based on utilization or units of production, subject to a minimum amount, because depreciation and depletion occur primarily through use rather than through elapsed time.

The Company capitalizes interest on borrowings used to finance the cost of major capital projects during the active construction period. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. For 2003, 2002 and 2001, the Company capitalized approximately $87,000, $1,066,000 and $839,000, respectively, of interest for various capital expansion projects.

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

The Company's subsidiary, SPN Resources, LLC acquires oil and natural gas properties and assumes the related well abandonment and decommissioning liabilities. The Company follows the successful efforts method of accounting for its investment in oil and natural gas properties. Under the successful efforts method, the costs of successful exploratory wells and leases are capitalized. Costs incurred to drill and equip developmental wells, including unsuccessful development wells are capitalized. Other costs such as geological and geophysical costs and the drilling costs of unsuccessful exploratory wells are expensed. SPN Resources' property purchases are recorded at the value exchanged at closing, combined with an estimate of its proportionate share of the decommissioning liability assumed in the purchase. All capitalized costs are accumulated and recorded separately for each field and allocated to leasehold costs and well costs. Leasehold costs are depleted on a unit of production basis based on the estimated remaining equivalent proved oil and gas reserves of each field. Well costs are depleted on a unit of production basis based on the estimated remaining equivalent proved producing oil and gas reserves of each field. Properties are assessed for impairment in value, with any impairment charged to expense, whenever indicators become evident.

(f) Goodwill

The Company adopted Statement of Financial Accounting Standards No. 142 (FAS No. 142), "Goodwill and Other Intangible Assets," effective January 1, 2002. FAS No. 142 requires that goodwill as well as other intangible assets with indefinite lives no longer be amortized, but instead tested annually for impairment. In conjunction with the adoption of Financial Accounting Standards No. 141 (FAS No. 141), "Business Combinations," goodwill was no longer amortized for any business combinations initiated or completed after June 30, 2001. In connection with FAS No. 142, the transitional goodwill impairment evaluation required the Company to perform an assessment of whether there was an indication that goodwill was impaired as of the date of adoption. To accomplish this, the Company identified its reporting units (which are consistent with the Company's reportable segments) and determined the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company then estimated the fair value of each reporting unit and compared it to the reporting unit's carrying value.

Based on this test, the fair value of the reporting units exceeded the carrying amount, and the second step of the impairment test was not required. No impairment loss was recognized as the result of the adoption of FAS No. 142 or in the years ended December 31, 2003 or 2002.

Prior to the adoption of FAS No. 142, the Company amortized goodwill using the straight-line method over a period not to exceed 30 years, and evaluated the recoverability of goodwill based on undiscounted estimates for cash flows in accordance with Statement of Financial Accounting Standards No. 121 (FAS No. 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Accumulated amortization of goodwill is $9,151,000 at December 31, 2003 and 2002.

The following table presents net income for each period exclusive of amortization expense recognized in such periods related to goodwill, which is no longer amortized as a result of the adoption of FAS No. 142. Amounts are in thousands except per share information:

	Year Ended December 31,		
	2003	2002	2001
Income before cumulative effect of change in accounting principle, as reported	$ 30,514	$ 21,886	$ 51,187
Cumulative effect of change in accounting principle, net of income tax expense, as reported	-	-	2,589
Goodwill amortization, net of income tax expense	-	-	4,172
Net income, as adjusted	$30,514	$21,886	$57,948
Basic earnings per share:			
Earnings before cumulative effect of change in accounting principle, as reported	$ 0.41	$ 0.30	$ 0.74
Cumulative effect of change in accounting principle, as reported	-	-	0.04
Goodwill amortization, net of income tax expense	-	-	0.06
Earnings per share, as adjusted	$ 0.41	$ 0.30	$ 0.84
Diluted earnings per share:			
Earnings before cumulative effect of change in accounting principle, as reported	$ 0.41	$ 0.30	$ 0.73
Cumulative effect of change in accounting principle, as reported	-	-	0.04
Goodwill amortization, net of income tax expense	-	-	0.06
Earnings per share, as adjusted	$ 0.41	$ 0.30	$ 0.83
Weighted average common shares used in computing earnings per share:			
Basic	73,970	72,912	68,545
Diluted	74,648	73,872	69,592

(g) Other Assets

Other assets consist primarily of debt acquisition costs. Debt acquisition costs are being amortized over the term of the related debt, which is from four to twenty years. The amortization of debt acquisition costs, which is classified as interest expense, was $1,026,000, $1,031,000, and $1,269,000 for the years ended December 31, 2003, 2002 and 2001, respectively. Accumulated amortization of other assets is $3,074,000 and $2,756,000 at December 31, 2003 and 2002, respectively.

(h) Decommissioning Liability

The Company estimates the cost that would be incurred if it contracted an unaffiliated third party to plug and abandon wells, abandon the pipelines, decommission and remove the platforms and clear the sites, and uses that estimate to record its proportionate share of the decommissioning liability. In estimating the decommissioning liability, the Company performs detailed estimating procedures, analysis and engineering studies. Whenever practical, the Company utilizes its own equipment and labor services to perform well abandonment and decommissioning work. When the Company performs these services, all recorded intercompany revenues are eliminated in the consolidated financial statements. The recorded decommissioning liability associated with a specific property is fully extinguished when the property is completely abandoned. The recorded liability is first reduced by all cash expenses incurred to abandon and decommission the property. If the recorded liability exceeds (or is less than) the Company's out-of-pocket costs, then the difference is reported as income (or loss) in the period in which the work is performed. The Company reviews the adequacy of its decommissioning liability whenever indicators suggest that the estimated cash flows needed to satisfy the liability have changed materially. The timing and amounts of these cash flows are estimates, and changes to these estimates may result in additional liabilities recorded, which in turn would increase the carrying values of the related oil and gas properties.

(i) Revenue Recognition

Revenue is recognized when services or equipment are provided. The Company contracts for marine, well intervention and environmental projects either on a day rate or turnkey basis, with a majority of its projects conducted on a day rate basis. The Company's rental tools are leased on a day rate basis, and revenue from the sale of equipment is recognized when the equipment is shipped. Reimbursements from customers for the cost of rental tools that are damaged or lost down hole are reflected as revenue at the time of the incident. The Company recognizes oil and gas revenue from its interests in producing wells as oil and natural gas is produced and sold from those wells.

(j) Income Taxes

The Company provides for income taxes in accordance with Statement of Financial Accounting Standards No. 109 (FAS No. 109), "Accounting for Income Taxes." FAS No. 109 requires an asset and liability approach for financial accounting and reporting for income taxes. Deferred income taxes reflect the impact of temporary differences between amounts of assets for financial reporting purposes and such amounts as measured by tax laws.

(k) Earnings per Share

Basic earnings per share is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed in the same manner as basic earnings per share except that the denominator is increased to include the number of additional common shares that could have been outstanding assuming the exercise of stock options and the potential shares that would have a dilutive effect on earnings per share.

(l) Financial Instruments

The fair value of the Company's financial instruments of cash, accounts receivable and current maturities of long-term debt approximates their carrying amounts. The fair value of the Company's long-term debt is approximately $270.5 million at December 31, 2003.

On occasion, the Company uses interest rate swap agreements to manage its interest rate exposure. The Company specifically designates these agreements as cash flow hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differentials occur. Under interest rate swap agreements, the Company agrees with other parties to exchange at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount. No such agreements were outstanding at December 31, 2003.

(m) Foreign Currency Translation

Assets and liabilities of the Company's foreign subsidiaries are translated at current exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as the foreign currency translation component of accumulated other comprehensive income in stockholders' equity.

(n) Stock Based Compensation

The Company accounts for its stock based compensation under the principles prescribed by the Accounting Principles Board's Opinion No. 25, "Accounting for Stock Issued to Employees" (Opinion No. 25). However, Statement of Financial Accounting Standards No. 123 (FAS No. 123), "Accounting for Stock-Based Compensation" permits the continued use of the intrinsic-value based method prescribed by Opinion No. 25 but requires additional disclosures, including pro forma calculations of earnings and net earnings per share as if the fair value method of accounting prescribed by FAS No. 123 had been applied. No stock based compensation costs are reflected in net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. As required by Statement of Financial Accounting Standards No. 148 (FAS No. 148), "Accounting for Stock Based Compensation - Transition and Disclosure", which amended FAS No. 123, the following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FAS No. 123 to a stock based employee compensation. The pro forma data presented below is not representative of the effects on reported amounts for future years (amounts are in thousands, except per share amounts).

	2003	2002	2001
Net income, as reported	$ 30,514	$ 21,886	$ 53,776
Stock-based employee compensation expense, net of tax	(2,671)	(3,262)	(2,582)
Pro forma net income	$ 27,843	$ 18,624	$ 51,194
Basic earnings per share:			
Earnings, as reported	$ 0.41	$ 0.30	$ 0.78
Stock-based employee compensation expense, net of tax	(0.04)	(0.04)	(0.03)
Pro forma earnings per share	$ 0.37	$ 0.26	$ 0.75
Diluted earnings per share:			
Earnings, as reported	$ 0.41	$ 0.30	$ 0.77
Stock-based employee compensation expense, net of tax	(0.04)	(0.05)	(0.03)
Pro forma earnings per share	$ 0.37	$ 0.25	$ 0.74
Black-Scholes option pricing model assumptions:			
Risk free interest rate	2.65%	2.94%	4.50%
Expected life (years)	3	3	3
Volatility	58.61%	85.48%	79.11%
Dividend yield	-	-	-

(2) Change in Accounting Principle

On January 1, 2001, the Company changed depreciation methods from the straight-line method to the units-of-production method on its liftboat fleet to more accurately reflect the wear and tear of normal use. Management believes that the units-of-production method is best suited to reflect the actual depreciation of the liftboat fleet. Depreciation expense calculated under the units-of-production method may be different than depreciation expense calculated under the straight-line method in any period. The annual depreciation based on utilization of each liftboat will not be less than 25% of annual straight-line depreciation, and the cumulative depreciation based on utilization of each liftboat will not be less than 50% of cumulative straight-line depreciation. The cumulative effect of this change in accounting principle on prior years resulted in an increase in net income for the year ended December 31, 2001 of $2.6 million, net of taxes of $1.7 million, or $0.04 per share.

(3) Supplemental Cash Flow Information (in thousands)

	2003	2002	2001
Cash paid for interest	$ 23,633	$ 22,006	$ 17,329
Cash paid (received) for income taxes	$ (4,125)	$ (15,224)	$ 20,304
Details of acquisitions:			
Fair value of assets	$ 90,612	$ 29,985	$ 141,946
Fair value of liabilities	(74,779)	(22,093)	(26,957)
Common stock issued	--	--	(6,218)
Cash paid	15,833	7,892	108,771
Less cash acquired	(1,535)	(239)	(3,772)
Net cash paid for acquisitions	$ 14,298	$ 7,653	$ 104,999
Non-cash investing activity:			
Additional consideration payable on acquisitions	$ 11,263	$ 660	$ 3,750

Note

receivable from asset disposition $ 938 $ -- $ --

(4) Other Income

As the result of a tropical storm, one of the Company's 200-foot class liftboats sank in the Gulf of Mexico on June 30, 2003. During the third quarter of 2003, the vessel was declared a total loss and the Company received $8 million of insurance proceeds for the vessel. As a result, the Company recorded a gain from the insurance proceeds of $2.8 million, which is included in other income in the year ended December 31, 2003.

(5) Acquisitions and Dispositions

On August 15, 2003, the Company acquired Premier Oilfield Services, Ltd. (Premier), an Aberdeen, Scotland-based provider of oilfield equipment rentals, in order to geographically expand the Company's operations and the rental tool segment. The Company paid $3.4 million in cash consideration, including transaction costs, and an additional $29.0 million to repay its existing debt, concurrently with the acquisition. The acquisition has been accounted for as a purchase and the acquired assets and liabilities have been valued at their fair values. The Company has recorded approximately $21.6 million in goodwill related to this transaction. The results of operations of Premier have been included from the acquisition date. The pro forma effect of operations of the acquisition when included as of the beginning of the periods presented was not material to the Consolidated Statements of Operations of the Company.

On August 28, 2003, the Company sold its construction-related assets that were included in the other oilfield services segment for $1.25 million. The Company received $312,500 in cash for the sale and a note receivable for the remaining $937,500. There was no gain or loss recorded on the sale. These assets generated approximately $19.0 million, $25.8 million and $24.9 million of the Company's revenues in the years ended December 31, 2003, 2002 and 2001, respectively.

In December 2003, the Company acquired oil and gas properties in order to provide additional opportunities for its well intervention and platform management businesses. Under the terms of the transaction, the Company acquired the properties and assumed the decommissioning liability. The Company received a commitment from the seller towards the abandonment of the properties and will invoice the seller at agreed upon prices as the decommissionings (abandonment and structure removal) are completed. The Company recorded notes receivable of $33.4 million and a decommissioning liability of $38.9 million. Oil and gas producing assets were recorded at their estimated fair value of $5.5 million, approximating the value of the decommissioning liabilities assumed less amounts receivable.

In the year ended December 31, 2002, the Company made two acquisitions. In January, the Company acquired an environmental services company by converting $18.6 million of notes and other receivables into ownership of the company. In December, the Company acquired a rental tool business for $5.6 million in cash consideration. The Company paid an additional $928,000 for this acquisition in the second quarter of 2003 in conjunction with the receipt of the title to a facility for this business. Both of these acquisitions have been accounted for as purchases and the results of operations have been included from the respective acquisition dates.

Most of the Company's business acquisitions have involved additional contingent consideration based upon a multiple of the acquired companies' respective average earnings before interest, income taxes, depreciation and amortization expense (EBITDA) over a three-year period from the respective date of acquisition. While the amounts of additional consideration payable depend upon the acquired company's operating performance and are difficult to predict accurately, the maximum additional consideration payable for the Company's remaining acquisitions will be approximately $16.1 million, which will be determined in the second quarter of 2004 and payable during the second half of 2004. These amounts are not classified as liabilities under generally accepted accounting principles and are not reflected in the Company's financial statements until the amounts are fixed and determinable. With the exception of the Company's guarantee of the Lamb Energy Services, L.L.C. (Lamb Energy) credit facility (see note 7 to the consolidated financial statements), the Company does not have any other financing arrangements that are not required under generally accepted accounting principles to be reflected in its financial statements. When amounts are determined, they are capitalized as part of the purchase price of the related acquisition. In the year ended December 31, 2003, the Company capitalized additional consideration of $22.7 million related to five of its acquisitions, of which $11.5 million was paid during 2003 and $11.2 million is expected to be paid in the first half of 2004.

(6) Property, Plant and Equipment

A summary of property, plant and equipment at December 31, 2003 and 2002 (in thousands) is as follows:

	2003	2002
Buildings and improvements	$ 49,964	$ 30,135
Marine vessels and equipment	188,056	191,848
Machinery and equipment	297,601	261,521
Oil and gas producing assets	5,468	-
Automobiles, trucks, tractors and trailers	10,482	11,808
Furniture and fixtures	9,948	7,461
Construction-in-progress	2,594	14,116
Land	6,148	4,778
	570,261	521,667
Accumulated depreciation	(142,901)	(103,620)
Property, plant and equipment, net	$ 427,360	$ 418,047

Amounts of property, plant and equipment leased to third parties at December 31, 2003 and 2002 were not material.

(7) Investments in Affiliates

In June 2002, the Company contributed a note receivable of $8.9 million and fixed assets with an approximate $2.6 million net book value to obtain a 54.3% equity ownership interest in Lamb Energy, a rental tool company. The Company is accounting for its investment under the equity method of accounting, as it does not have voting or operational control of Lamb Energy. Investments in affiliates also include a 50% ownership interest in a company that owns an airplane. The equity in income from these investments was approximately $985,000 for the year ended December 31, 2003 and a loss of approximately $80,000 for the year ended December 31, 2002. The summarized financial information of the aggregate of these entities is not material to the financial position or results of operations of the Company.

(8) Debt

Long-Term Debt

The Company's long-term debt as of December 31, 2003 and 2002 consisted of the following (in thousands):

	2003	2002
Senior Notes - interest payable semiannually at 8.875%, due May 2011	$ 200,000	$ 200,000
Term Loans - interest payable monthly at floating rate (3.51% at December 31, 2003), due in quarterly installments of $3.35 million through March 2005 then $1.75 million through June 2008 with $11.2 million due May 2005	50,700	40,800
Revolver - interest payable monthly at floating rate, due in August 2006	-	9,250
U.S. Government guaranteed long-term financing - interest payable semianually at 6.45%, due in semiannual installments through June 2027	19,026	19,836
Other installment notes payable	-	178
	269,726	270,064
Less current portion	14,210	13,730
Long-term debt	$ 255,516	$ 256,334

The Company has outstanding $200 million of 8 7/8% senior notes due 2011. The indenture governing the notes requires semi-annual interest payments, on every November 15th and May 15th through the maturity date of May 15, 2011. The indenture governing the senior notes contains certain covenants that, among other things, prevents the Company from incurring additional debt, paying dividends or making other distributions, unless its ratio of cash flow to interest expense is at least 2.25 to 1, except that the Company may incur debt in addition to the senior notes in an amount equal to 30% of its net tangible assets as defined, which was approximately $147 million at December 31, 2003. The indenture also contains covenants that restrict the Company's ability to create certain liens, sell assets, or enter into certain mergers or acquisitions.

The Company also has a bank credit facility. In August 2003, the Company amended the facility to, among other things, increase the amount of the term loans by $23 million to finance the acquisition of Premier and extend the maturity date of the facility. At December 31, 2003, the Company has term loans in an aggregate amount of $50.7 million outstanding and a revolving credit facility of $75 million, none of which was outstanding. The term loans require principal payments of $3.4 million each quarter through March 31, 2005 and $1.8 million each quarter from June 30, 2005 through June 30, 2008. A lump sum payment of $11.2 million is due on May 2, 2005 and any balance outstanding on the revolving credit facility is due on August 13, 2006. The credit facility bears interest at a LIBOR rate plus margins that depend on the Company's leverage ratio. Indebtedness under the credit facility is secured by substantially all of the Company's assets, including the pledge of the stock of the Company's principal subsidiaries. The credit facility contains customary events of default and requires that the Company satisfy various financial covenants. It also limits the Company's capital expenditures, its ability to pay dividends or make other distributions, make acquisitions, make changes to the Company's capital structure, create liens or incur additional indebtedness.

The Company has $19.0 million outstanding in U. S. Government guaranteed long-term financing under Title XI of the Merchant Marine Act of 1936, which is administered by the Maritime Administration (MARAD) for two 245-foot class liftboats. The debt bears an interest rate of 6.45% per annum and is payable in equal semi-annual installments of $405,000, which began December 3, 2002, and matures on June 3, 2027. The Company's obligations are secured by mortgages on the two liftboats. In accordance with the agreement, the Company is required to comply with certain covenants and restrictions, including the maintenance of minimum net worth and debt-to-equity requirements.

The Company owns a 54.3% interest in Lamb Energy, which has a credit facility with a syndicate of banks that matures in 2005 consisting of a term loan in the amount of $9 million outstanding at December 31, 2003, and a revolving credit facility of $3 million, $500,000 of which was outstanding at December 31, 2003. The Company fully guarantees amounts due under the credit facility. The Company does not expect to incur any losses as a result of the guarantee.

Annual maturities of long-term debt for each of the five fiscal years following December 31, 2003 are as follows (in thousands):

2004	$ 14,210
2005	20,610
2006	7,810
2007	7,810
2008	4,310
Thereafter	214,976
Total	$ 269,726

(9) Income Taxes

The components of income tax expense, before the income tax effect of the extraordinary loss and cumulative effect of change in accounting principle, for the years ended December 31, 2003, 2001 and 2000 are as follows (in thousands):

	2003	2002	2001
Current			
Federal	$ 515	$ (5,042)	$ 9,706
State	245	199	-
Foreign	2,365	875	-
	3,125	(3,968)	9,706
Deferred			
Federal	14,561	16,801	22,991
State	1,220	868	2,874
Foreign	(598)	-	-
	15,183	17,669	25,865
	$ 18,308	$ 13,701	$ 35,571

Income tax expense differs from the amounts computed by applying the U.S. Federal income tax rate of 35% to income before income taxes as follows (in thousands):

	2003	2002	2001
Computed expected tax expense	$ 17,088	$ 12,456	$ 30,366
Increase resulting from:			
Goodwill amortization	-	-	1,306
State and foreign income taxes	478	1,068	1,808
Other	742	177	2,091
Income tax expense	$ 18,308	$ 13,701	$ 35,571

The significant components of deferred income taxes at December 31, 2003 and 2002 are as follows (in thousands):

	2003	2002
Deferred tax assets:		
Allowance for doubtful accounts	$ 951	$ 1,069
Alternative minimum tax credit and net operating loss carryforward	15,481	7,696
Other	2,184	1,096
Net deferred tax assets	18,616	9,861
Deferred tax liabilities:		
Property, plant and equipment	93,218	69,322
Other	11,649	7,872
Deferred tax liabilities	104,867	77,194
Net deferred tax liability	$ 86,251	$ 67,333

There was no net change in the valuation allowance for the year ended December 31, 2003 and there was a decrease of $279,000 for the year ended December 31, 2002. The net deferred tax assets reflect management's estimate of the amount that will be realized from future profitability and the reversal of taxable temporary differences that can be predicted with reasonable certainty.

As of December 31, 2003, the Company had an estimated $17.2 million net operating loss to carryforward, which is available to reduce future Federal taxable income with expiration dates from 2008 through 2023, an estimated $2.8 million alternative minimum tax credit carryforward, and an estimated $1.9 million foreign tax credit carryforward with expiration dates from 2006 through 2008. The Company also had various state net operating loss carryforwards of an estimated $58 million with expiration dates through 2013.

(10) Stockholders' Equity

In March 2002, the Company sold 4.2 million shares of common stock. The offering generated net proceeds to the Company of approximately $38.8 million.

The Company maintains various stock incentive plans, including the 2002 Stock Incentive Plan (2002 Incentive Plan), the 1999 Stock Incentive Plan (1999 Incentive Plan) and the 1995 Stock Incentive Plan (1995 Incentive Plan), as amended. These plans provide long-term incentives to the Company's key employees, including officers and directors, consultants and advisers to the Company (Eligible Participants). Under the 2002 Incentive Plan, the 1999 Incentive Plan and the 1995 Incentive Plan, the Company may grant incentive stock options, non-qualified stock options, restricted stock, stock awards or any combination thereof to Eligible Participants for up to 1,400,000 shares, 5,929,327 shares and 1,900,000 shares, respectively, of the Company's common stock. The Compensation Committee of the Board of Directors establishes the term and the exercise price of any stock options granted under the 2002 Incentive Plan, provided the exercise price may not be less than the fair value of the common share on the date of grant. All of the Company's 1995 Stock Incentive Plan's options which have been granted are vested.

A summary of stock options granted under the incentive plans for the years ended December 31, 2003 and 2002 is as follows:

	2003		2002		2001	
	Number of Share	Weighted Average Price	Number of Share	Weighted Average Price	Number of Share	Weighted Average Price
Outstanding at beginning of year	5,518,516	$ 7.33	5,308,215	$ 7.05	4,334,363	$ 6.10
Granted	538,000	$ 8.94	655,841	$ 9.39	1,917,500	$ 8.48
Exercised	(271,913)	$ 6.72	(290,665)	$ 5.96	(690,648)	$ 5.38
Forfeited	(156,603)	$ 7.00	(154,875)	$ 8.89	(253,000)	$ 6.18
Outstanding at end of year	5,628,000	$ 7.53	5,518,516	$ 7.33	5,308,215	$ 7.05
Exercisable at end of year	4,248,244	$ 7.08	3,509,008	$ 6.61	2,968,689	$ 6.15
Available for future grants	1,401,101		1,782,498		883,464	
Average fair value of grants during the year		$ 3.59		$ 5.33		$ 4.44

A summary of information regarding stock options outstanding at December 31, 2003 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Remaining Contractual Life	Weighted Average Price	Shares	Weighted Average Price
$2.50 - $3.43	125,500	2-3 years	$ 2.91	125,500	$ 2.91
$4.75 - $5.75	1,827,517	0.5-5.5 years	$ 5.68	1,827,517	$ 5.68
$7.06 - $9.00	2,086,354	4-9.5 years	$ 7.91	1,371,803	$ 7.64
$9.25-$12.45	1,588,629	1.5-9.5 years	$ 9.51	923,424	$ 9.59

(11) Profit-Sharing Plan

The Company maintains a defined contribution profit-sharing plan for employees who have satisfied minimum service and age requirements. Employees may contribute up to 50% of their earnings to the plans. The Company provides a discretionary match, not to exceed 5% of an employee's salary. The Company made contributions of approximately $1.6 million, $1.7 million, and $1.1 million in 2003, 2002 and 2001, respectively.

(12) Financial Instruments

The Company adopted Statement of Financial Accounting Standards No. 133 (FAS No. 133), "Accounting for Derivative Instruments and Hedging Activities," effective January 1, 2001. The Company uses interest rate swap agreements to manage its interest rate exposure. Under interest rate swap agreements, the Company agrees with other parties to exchange at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount. As of December 31, 2001, the Company was party to an interest rate swap with an approximate notional amount of $1.8 million designed to convert a similar amount of variable-rate debt to fixed rates. The interest rate was 5.675%, and the swap matured in October 2002.

The Company's interest rate swap qualified for cash flow hedge accounting treatment under FAS No. 133, whereby changes in fair value have been recognized in accumulated other comprehensive income (a component of stockholders' equity) until settled, when the resulting gains and losses will be recorded in earnings. The effect on the Company's earnings and other comprehensive income vary from period to period and will be dependent upon

prevailing interest rates. During 2002 and 2001, losses of approximately $32,000 and $25,000, respectively, were transferred from accumulated other comprehensive income. At December 31, 2001, the Company recorded a payable of approximately $30,000 and a corresponding charge to accumulated other comprehensive loss of approximately $18,000, net of income tax. No such agreements were outstanding at December 31, 2003 or 2002.

(13) Commitments and Contingencies

The Company leases certain office, service and assembly facilities under operating leases. The leases expire at various dates over the next several years. Total rent expense was approximately $2.3 million in 2003, $3.0 million in 2002, and $2.2 million in 2001. Future minimum lease payments under non-cancelable leases for the five years ending December 31, 2004 through 2008 and thereafter are as follows: $4,275,000, $2,796,000, $1,879,000, $1,359,000, $641,000 and $12,423,000, respectively. Future minimum lease payments receivable under non-cancelable sub-leases for the five years ending December 31, 2004 through 2008 are as follows: $581,000, $576,000, $535,000, $472,000, and $39,000, respectively.

From time to time, the Company is involved in litigation arising out of operations in the normal course of business. In management's opinion, the Company is not involved in any litigation, the outcome of which would have a material effect on the financial position, results of operations or liquidity of the Company.

(14) Related Party Transactions

The Company provides field management and other services to an independent oil and gas exploration and production company, of which a member of the Company's Board of Directors is Chief Executive Officer. The Company billed this customer approximately $4 million in each of 2003, 2002 and 2001 on terms that the Company believes are customary in the industry. The Company expects to continue providing services to this customer.

The Company leased a plane acquired in November 2001 for business travel from a company in which the President and Chief Executive Officer then owned a 50% interest. The lease provided that the Company would make monthly lease payments of $14,250 and pay all of the plane's operating and maintenance costs. The Company expensed $16,625 for the use of the plane during the 2001 fiscal year, and $15,600 in operating and maintenance costs. Effective December 31, 2001, the Company bought the Chief Executive Officer's interest in the company that owns the plane for $900,000, the same price that he paid for his interest in November 2001.

(15) Segment Information

Business Segments

The Company's reportable segments are as follows: well intervention, marine, rental tools, and other oilfield services. Each segment offers products and services within the oilfield services industry. The well intervention segment provides plug and abandonment services, coiled tubing services, well pumping and stimulation services, data acquisition services, gas lift services, electric wireline services, hydraulic drilling and workover services, well control services and mechanical wireline services that perform a variety of ongoing maintenance and repairs to producing wells, as well as modifications to enhance the production capacity and life span of the well. The well intervention segment also includes sales of oil and gas. The marine segment operates liftboats for oil and gas production facility maintenance, construction operations and platform removals, as well as production service activities. The rental tools segment rents and sells specialized equipment for use with onshore and offshore oil and gas well drilling, completion, production and workover activities. The other oilfield services segment provides contract operations and maintenance services, interconnect piping services, sandblasting and painting maintenance services, transportation and logistics services, offshore oil and gas cleaning services, oilfield waste treatment services, dockside cleaning of items, including supply boats, cutting boxes, and process equipment, and manufactures and sells drilling instrumentation and oil spill containment equipment. All the segments operate primarily in the Gulf of Mexico.

The accounting policies of the reportable segments are the same as those described in Note 1 of the Notes to the Consolidated Financial Statements. The Company evaluates the performance of its operating segments based on operating profits or losses. Segment revenues reflect direct sales of products and services for that segment, and each

segment records direct expenses related to its employees and its operations. Identifiable assets are primarily those assets directly used in the operations of each segment.

Summarized financial information concerning the Company's segments as of December 31, 2003, 2002 and 2001 and for the years then ended is shown in the following tables (in thousands):

2003	Well Intervention	Marine	Rental Tools	Other Oilfield Services	Unallocated Amount	Consolidated Total
Identifiable assets	$ 265,337	$ 181,752	$ 314,122	$ 64,421	$ 7,231	$ 832,863
Capital expenditures	15,248	2,043	30,192	2,692	-	50,175
Revenues	$ 188,012	$ 70,370	$ 141,362	$ 100,881	$ -	$ 500,625
Costs of services	111,661	50,314	46,119	81,513	-	289,607
Depreciation and amortization	12,362	6,665	25,696	4,130	-	48,853
General and administrative	39,600	7,122	33,457	14,643	-	94,822
Operating income	24,389	6,269	36,090	595	-	67,343
Interest expense	-	-	-	-	(22,477)	(22,477)
Interest income	-	-	-	-	209	209
Other income	-	2,762	-	-		2,762
Equity in earnings of affiliates	-	-	985	-	-	985
Income (loss) before income taxes	$ 24,389	$ 9,031	$ 37,075	$ 595	$ (22,268)	$ 48,822

2002	Well Intervention	Marine	Rental Tools	Other Oilfield Services	Unallocated Amount	Consolidated Total
Identifiable assets	$ 199,084	$ 195,832	$ 261,341	$ 63,491	$ 7,872	$ 727,620
Capital expenditures	18,058	38,833	41,931	5,630	-	104,452
Revenues	$ 148,670	$ 67,884	$ 124,085	$ 102,508	$ -	$ 443,147
Costs of services	93,474	44,648	38,375	81,837	-	258,334
Depreciation and amortization	10,625	6,764	19,822	4,384	-	41,595
General and administrative	34,520	7,463	29,846	14,368	-	86,197
Operating income	10,051	9,009	36,042	1,919	-	57,021
Interest expense	-	-	-	-	(21,884)	(21,884)
Interest income					530	530
Equity in loss of affiliates	-	-	(80)	-	-	(80)
Income (loss) before income taxes	$ 10,051	$ 9,009	$ 35,962	$ 1,919	$(21,354)	$ 35,587

2001	Well Intervention	Marine	Rental Tools	Other Oilfield Services	Unallocated Amount	Consolidated Total
Identifiable assets	$ 200,512	$ 165,057	$ 233,733	$ 58,775	$ 7,443	$ 665,520
Capital expenditures	22,300	22,091	36,274	3,198	-	83,863
Revenues	$ 171,223	$ 71,406	$ 121,742	$ 84,671	$ -	$ 449,042
Costs of services	95,549	34,473	40,929	66,404	-	237,355
Depreciation and amortization	9,449	4,729	16,382	2,886	-	33,446
General and administrative	29,521	6,134	26,883	10,750	-	73,288
Operating income	36,704	26,070	37,548	4,631	-	104,953
Interest expense	-	-	-	-	(20,087)	(20,087)
Interest income	-	-	-	-	1,892	1,892
Income (loss) before income taxes and cumulative effect of change in accounting principle	$ 36,704	$ 26,070	$ 37,548	$ 4,631	$(18,195)	$ 86,758

Geographic Segments

The Company attributes revenue to various countries based on the location of the where services are performed or the destination of the sale of products. Long-lived assets consist primarily of property, plant, and equipment and are attributed to various countries based on the physical location of the asset at a given fiscal year-end. The Company's information by geographic area is as follows (amounts in thousands):

	Revenues			Long-Lived Assets	
	Years Ended December 31,			December 31,	
	2003	2002	2001	2003	2002
United States	$ 443,936	$ 404,295	$ 425,443	$ 400,600	$ 407,798
Other Countries	56,689	38,852	23,599	26,760	10,249
Total	$ 500,625	$ 443,147	$ 449,042	$ 427,360	$ 418,047

(16) Interim Financial Information (Unaudited)

The following is a summary of consolidated interim financial information for the years ended December 31, 2003 and 2002 (amounts in thousands, except per share data):

	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
2003				
Revenues	$ 123,195	$ 128,857	$ 128,316	$ 120,257
Gross profit	53,038	54,566	52,867	50,547
Net income	7,507	8,328	8,826	5,853
Earnings per share:				
Basic	$ 0.10	$ 0.11	$ 0.12	$ 0.08
Diluted	0.10	0.11	0.12	0.08

	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
2002				
Revenues	$ 104,826	$ 112,730	$ 107,213	$ 118,378
Gross profit	45,588	50,590	40,077	48,558
Net income	5,825	8,505	1,946	5,610
Earnings per share:				
Basic	$ 0.08	$ 0.12	$ 0.03	$ 0.08
Diluted	0.08	0.11	0.03	0.08

(17) Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities." FIN 46 clarifies the application of Accounting Research Bulletin Number 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. In December 2003, the Financial Accounting Standards Board issued modifications to FIN 46 (FIN 46R), resulting in multiple effective dates based on the nature as well as the creation date of a Variable Interest Entity. The Company does not expect the adoption of FIN 46 or FIN 46R to have a significant effect on its financial position or results of operations.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149 (FAS No. 149), "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." FAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under Statement of Financial Accounting Standards No. 133 (FAS No. 133), "Accounting for Derivative Instruments and Hedging Activities." FAS No. 149 is effective for contracts entered into or modified after September 30, 2003. The adoption of FAS No. 149 did not have a significant effect on the Company's financial position or results of operations.

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150 (FAS No. 150), "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." FAS No. 150 establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. FAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003. The adoption of FAS No. 150 did not have a significant effect on the Company's financial position or results of operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this annual report, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13(a)-15(e) of the Securities Exchange Act of 1934. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that, as of December 31, 2003, our disclosure controls and procedures are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There has been no change in our internal controls over financial reporting during the quarter ended December 31, 2003 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, such as this annual report, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The following financial statements are Included in Part II of this Report:

Independent Auditors' Report
Consolidated Balance Sheets - December 31, 2003 and 2002
Consolidated Statements of Operations for the years ended December 31, 2003, 2002 and 2001
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2003, 2002 and 2001
Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002 and 2001
Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

Schedule II - Valuation and Qualifying accounts for the years ended December 31, 2003, 2002 and 2001

(3) Exhibits

The exhibits filed as part of this Form 10-K are listed on the Index to Exhibits immediately preceding such exhibits, which index is incorporated herein by reference.

(b) Reports on Form 8-K

On November 4, 2003, the Company filed a current report on Form 8-K reporting, under Item 5, the results for the third quarter ended September 30, 2003.

On December 18, 2003, the Company filed a current report on Form 8-K reporting, under Item 5, that its subsidiary SPN Resources, LLC acquired oil and gas properties.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Terence E. Hall
Terence E. Hall
Chairman of the Board,
Chief Executive Officer and
President

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Terence E. Hall TERENCE E. HALL	Chairman of the Board, Chief Executive Officer and President (Principal Executive Officer)	March 12, 2004
/s/ Robert S. Taylor ROBERT S. TAYLOR	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 12, 2004
/s/ Richard A. Bachmann RICHARD A. BACHMANN	Director	March 12, 2004
/s/ Enoch L. Dawkins ENOCH L. DAWKINS	Director	March 12, 2004
/s/ Joseph R. Edwards JOSEPH R. EDWARDS	Director	March 12, 2004
/s/ Ben A. Guill BEN A. GUILL	Director	March 12, 2004
/s/ Richard A. Pattarozzi RICHARD A. PATTAROZZI	Director	March 12, 2004
/s/ Justin L. Sullivan JUSTIN L. SULLIVAN	Director	March 12, 2004

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Schedule II Valuation and Qualifying Accounts Years Ended
December 31, 2003, 2002 and 2001
(in thousands)

Description	Balance at the beginning of the year	Additions		Deductions	Balance at the end of the year
		Charged to costs and expenses	Balances from acquisitions		
Year ended December 31, 2003:					
Allowance for doubtful accounts	$ 4,617	$ 2,359	$ -	$ 696	$ 6,280
Year ended December 31, 2002:					
Allowance for doubtful accounts	$ 4,057	$ 2,073	$ 133	$ 1,646	$ 4,617
Year ended December 31, 2001:					
Allowance for doubtful accounts	$ 2,292	$ 2,854	$ 3	$ 1,092	$ 4,057

INDEX TO EXHIBITS

Exhibit No.	DESCRIPTION	Seq. No.
3.1	Certificate of Incorporation of the Company (incorporated herein by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996).	
3.2	Certificate of Amendment to the Company's Certificate of Incorporation (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
3.3	Amended and Restated Bylaws (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.1	Specimen Stock Certificate (incorporated herein by reference to Amendment No. 1 to the Company's Form S-4 on Form SB-2 (Registration Statement No. 33-94454)).	
4.2	Registration Rights Agreement dated as of July 15, 1999 by and among the Company, First Reserve Fund VII, Limited Partnership and First Reserve Fund VIII, Limited Partnership (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.3	Stockholders' Agreement dated as of July 15, 1999 by and among the Company, First Reserve Fund VII, Limited Partnership and First Reserve Fund VIII, Limited Partnership (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.4	Indenture dated May 2, 2001, by and among SESI, L.L.C., the Company, the Subsidiary Guarantors named therein and the Bank of New York as trustee (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001), as amended by First Supplemental Indenture, dated as of July 9, 2001, by and among SESI, L.L.C., Wild Well Control, Inc., Blowout Tools, Inc. and the Bank of New York, as trustee (incorporated herein by reference to the Company's Registration Statement on Form S-4 (Registration No. 333-64946)) as amended by Second Supplemental Indenture, dated as of September 1, 2001 by and among SESI, L.L.C., Workstrings, L.L.C., Technical Limit Drillstrings, Inc. and the Bank of New York, as trustee (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).	
10.1	Superior Energy Services, Inc. 1995 Stock Incentive Plan (incorporated herein by reference to Exhibit A to the Company's Definitive Proxy Statement dated June 25, 1997).	
10.2	Superior Energy Services, Inc. 1999 Stock Incentive Plan as amended (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999).	

Exhibit No.	DESCRIPTION	Seq. No.
10.3	Amended and Restated Credit Agreement dated as of August 13, 2003 among SESI, L.L.C., as borrower, Superior Energy Services, Inc., as parent, Bank One, NA as agent, Wells Fargo Bank Texas, N.A. as syndication agent, Whitney National Bank as documentation agent, and the lenders party thereto (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003).	
10.4	Employment Agreement between the Company and Terence Hall (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999).	
10.5	Amended and Restated Employment and Non-Competition Agreement between the Company and Robert Taylor dated July 15, 2001 (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).	
10.6	Amended and Restated Employment and Non-Competition Agreement between the Company and Kenneth Blanchard dated July 15, 2001 (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).	
10.7	Purchase Agreement, dated December 31, 2001 between SESI, L.L.C. and Terence E. Hall (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).	
10.8	Superior Energy Services, Inc. Directors' Stock Plan dated April 30, 2000 (incorporated herein by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).	
10.9*	Amended and Restated Superior Energy Services, Inc. 2002 Stock Incentive Plan.	
10.10	First Amendment to Stockholders' Agreement dated March 31, 2003 by and among Superior Energy Services, Inc., First Reserve Fund VII, Limited Partnership, and First Reserve Fund VIII, Limited Partnership (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).	
14.1	Code of business ethics and conduct.	
21.1*	Subsidiaries of the Company.	
23.1*	Consent of KPMG LLP.	
31.1*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
31.2*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
32.1*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	

Exhibit No.	DESCRIPTION	Seq. No.
32.2*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	

*Filed herein

EXHIBIT 10.9

AMENDED AND RESTATED SUPERIOR ENERGY SERVICES, INC. 2002 STOCK INCENTIVE PLAN

1. PURPOSE. The purpose of the 2002 Stock Incentive Plan (the "Plan") of Superior Energy Services, Inc. ("Superior") is to increase stockholder value and to advance the interests of Superior and its subsidiaries (collectively, the "Company") by furnishing stock-based economic incentives (the "Incentives") designed to attract, retain, reward and motivate key employees, officers, directors and consultants or advisors to the Company and to strengthen the mutuality of interests between such employees, officers and directors and Superior's stockholders. Incentives consist of opportunities to purchase or receive shares of common stock, $.001 par value per share, of Superior (the "Common Stock"), on terms determined under the Plan. As used in the Plan, the term "subsidiary" means any corporation, limited liability company or other entity, of which Superior owns (directly or indirectly) within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"), 50% or more of the total combined voting power of all classes of stock, membership interests or other equity interests issued thereby.

2. ADMINISTRATION.

2.1 COMPOSITION. The Plan shall be administered by the Compensation Committee of the Board of Directors of Superior (the "Board") or by a subcommittee thereof (the "Committee"). The Committee shall consist of not fewer than two members of the Board of Directors, each of whom shall (a) qualify as a "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934 (the "1934 Act") or any successor rule, and (b) qualify as an "outside director" under Section 162(m) of the Code ("Section 162(m)").

2.2 AUTHORITY. The Committee shall have plenary authority to award Incentives under the Plan, to interpret the Plan, to establish any rules or regulations relating to the Plan that it determines to be appropriate, to enter into agreements with or provide notices to participants as to the terms of the Incentives (the "Incentive Agreements") and to make any other determination that it believes necessary or advisable for the proper administration of the Plan. Its decisions in matters relating to the Plan shall be final and conclusive on the Company and participants. The Committee may delegate its authority hereunder to the extent provided in Section 3 hereof.

3. ELIGIBLE PARTICIPANTS. Key employees and officers of the Company and persons providing services as consultants or advisors to the Company shall become eligible to receive Incentives under the Plan when designated by the Committee. Employees may be designated individually or by groups or categories, as the Committee deems appropriate. With respect to participants not subject to Section 16 of the 1934 Act or Section 162(m) of the Code, the Committee may delegate to appropriate officers of the Company its authority to designate participants, to determine the size and type of Incentives to be received by those participants and to set and modify the terms of the Incentives; provided, however, that the per share exercise price of any options granted by an officer, rather than by the Committee, shall be equal to the Fair Market Value (as

defined in Section 11.11) of a share of Common Stock on the date of grant. Directors who are not also employees of the Company ("Outside Directors") may participate in the Plan only as specifically provided in Section 10 hereof.

4. TYPES OF INCENTIVES. Incentives may be granted under the Plan to eligible participants in the forms of (a) incentive stock options; (b) non-qualified stock options; (c) restricted stock and (d) Other Stock-Based Awards (as defined in Section 8 hereof).

5. SHARES SUBJECT TO THE PLAN.

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 11.5, the maximum number of shares of Common Stock that may be delivered to participants and their permitted transferrees under the Plan shall be 1,400,000 shares.

5.2 SHARE COUNTING. To the extent any shares of Common Stock covered by a stock option are not delivered to a participant or permitted transferee because the Option is forfeited or canceled, or shares of Common Stock are not delivered because an Incentive is paid or settled in cash or used to satisfy the applicable tax withholding obligation, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under this Plan. In the event that shares of Common Stock are issued as an Incentive and thereafter are forfeited or reacquired by the Company pursuant to rights reserved upon issuance thereof, such forfeited and reacquired Shares may again be issued under the Plan. If the exercise price of any stock option granted under the Plan or the applicable withholding tax obligation is satisfied by tendering shares of Common Stock to the Company (by either actual delivery or by attestation), only the number of shares of Common Stock issued net of the shares of Common Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan.

5.3 LIMITATIONS ON AWARDS. Subject to Section 11.5, the following additional limitations are imposed under the Plan:

A. The maximum number of shares of Common Stock that may be issued upon exercise of stock options intended to qualify as incentive stock options under Section 422 of the Code shall be 1,000,000 shares. Notwithstanding any other provision herein to the contrary, (i) all shares issuable under incentive stock options shall be counted against this limit and (ii) shares that are issued and are later forfeited, cancelled or reacquired by the Company, shares withheld to satisfy withholding tax obligations and shares delivered in payment of the option exercise price or withholding taxes shall have no effect on this limitation.

B. The maximum number of shares of Common Stock that may be covered by Incentives granted under the Plan to any one individual during any one calendar-year period shall be 1,000,000.

C. The maximum number of shares of Common Stock that may be issued as restricted stock and Other Stock-Based Awards (as defined in Section 8) shall be 250,000 shares.

5.4 TYPE OF COMMON STOCK. Common Stock issued under the Plan may be authorized and unissued shares or issued shares held as treasury shares.

6. STOCK OPTIONS. A stock option is a right to purchase shares of Common Stock from Superior. Stock options granted under the Plan may be incentive stock options (as such term is defined in Section 422 of the Code) or non-qualified stock options. Any option that is designated as a non-qualified stock option shall not be treated as an incentive stock option. Each stock option granted by the Committee under this Plan shall be subject to the following terms and conditions:

6.1 PRICE. The exercise price per share shall be determined by the Committee, subject to adjustment under Section 11.5; provided that in no event shall the exercise price be less than the Fair Market Value of a share of Common Stock on the date of grant, except in case of a stock option granted in assumption of or substitution for an outstanding award of a company acquired by the Company or with which the Company combines.

6.2 NUMBER. The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to Section 5 and subject to adjustment as provided in Section 11.5.

6.3 DURATION AND TIME FOR EXERCISE. The term of each stock option shall be determined by the Committee, but shall not exceed a maximum term of 10 years. Each stock option shall become exercisable at such time or times during its term as shall be determined by the Committee. Notwithstanding the foregoing, the Committee may accelerate the exercisability of any stock option at any time, in addition to the automatic acceleration of stock options under Section 11.10.

6.4 REPURCHASE. Upon approval of the Committee, the Company may repurchase a previously granted stock option from a participant by mutual agreement before such option has been exercised by payment to the participant of the amount per share by which: (i) the Fair Market Value (as defined in Section 11.11) of the Common Stock subject to the option on the business day immediately preceding the date of purchase exceeds (ii) the exercise price.

6.5 MANNER OF EXERCISE. A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by the full purchase price for such shares. The option price shall be payable in United States dollars and may be paid (a) in cash; (b) by check; (c) by delivery of shares of Common Stock which, unless otherwise determined by the Committee, shall have been held by the optionee for at least six months, and which shares shall be valued for this purpose at the Fair Market Value on the business day immediately preceding the date such option is

exercised; (d) by delivery of irrevocable written instructions to a broker approved by the Company (with a copy to the Company) to immediately sell a portion of the shares issuable under the option and to deliver promptly to the Company the amount of sale proceeds (or loan proceeds if the broker lends funds to the participant for delivery to the Company) to pay the exercise price; or (e) in such other manner as may be authorized from time to time by the Committee.

6.6 INCENTIVE STOCK OPTIONS. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options that are intended to qualify as incentive stock options (as such term is defined in Section 422 of the Code):

A. Any incentive stock option agreement authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to qualify the options as incentive stock options.

B. All incentive stock options must be granted within ten years from the date on which this Plan is adopted by the Board of Directors.

C. No incentive stock options shall be granted to any participant who, at the time such option is granted, would own (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

D. The aggregate Fair Market Value (determined with respect to each incentive stock option as of the time such incentive stock option is granted) of the Common Stock with respect to which incentive stock options are exercisable for the first time by a participant during any calendar year (under the Plan or any other plan of Superior or any of its subsidiaries) shall not exceed $100,000. To the extent that such limitation is exceeded, such options shall not be treated, for federal income tax purposes, as incentive stock options.

6.7 REPRICING. Except for adjustments pursuant to Section 11.5 or actions permitted to be taken by the Committee under Section 11.10C in the event of a Change of Control, unless approved by the stockholders of the Company, (a) the exercise price for any outstanding stock option granted under this Plan may not be decreased after the date of grant and (b) an outstanding stock option that has been granted under this Plan may not, as of any date that such option has a per share exercise price that is less than the then current Fair Market Value of a share of Common Stock, be surrendered to the Company as consideration for the grant of a new option with a lower exercise price, shares of restricted stock, an Other Stock-Based Award (as defined in Section 8.1), a cash payment or Common Stock.

7. RESTRICTED STOCK.

7.1 GRANT OF RESTRICTED STOCK. The Committee may award shares of restricted stock to such eligible participants as the Committee determines pursuant to the terms of Section 3. An award of restricted stock shall be subject to such restrictions on transfer and forfeitability provisions and such other terms and conditions, including the attainment of specified performance goals, as the Committee may determine, subject to the provisions of the Plan. To the extent restricted stock is intended to qualify as "performance-based compensation" under Section 162(m), it must be granted subject to the attainment of performance goals as described in Section 9 below and meet the additional requirements imposed by Section 162(m).

7.2 THE RESTRICTED PERIOD. At the time an award of restricted stock is made, the Committee shall establish a period of time during which the transfer of the shares of restricted stock shall be restricted and after which the shares of restricted stock shall be vested (the "Restricted Period"). Except for shares of restricted stock that vest based on the attainment of performance goals, the Restricted Period shall be a minimum of three years, with incremental vesting of portions of the award over the three-year period permitted. If the vesting of the shares of restricted stock is based upon the attainment of performance goals, a minimum Restricted Period of one year is allowed, with incremental vesting of portions of the award over the one-year period permitted. Each award of restricted stock may have a different Restricted Period. The expiration of the Restricted Period shall also occur as provided under Section 11.3 and under the conditions described in Section 11.10 hereof.

7.3 ESCROW. The participant receiving restricted stock shall enter into an Incentive Agreement with the Company setting forth the conditions of the grant. Certificates representing shares of restricted stock shall be registered in the name of the participant and deposited with the Company, together with a stock power endorsed in blank by the participant. Each such certificate shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the Superior Energy Services, Inc. 2002 Stock Incentive Plan (the "Plan"), and an agreement entered into between the registered owner and Superior Energy Services, Inc. thereunder. Copies of the Plan and the agreement are on file at the principal office of the Company.

7.4 DIVIDENDS ON RESTRICTED STOCK. Any and all cash and stock dividends paid with respect to the shares of restricted stock shall be subject to any restrictions on transfer, forfeitability provisions or reinvestment requirements as the Committee may, in its discretion, prescribe in the Incentive Agreement.

7.5 FORFEITURE. In the event of the forfeiture of any shares of restricted stock under the terms provided in the Incentive Agreement (including any additional shares of restricted stock that may result from the reinvestment of cash and stock

dividends, if so provided in the Incentive Agreement), such forfeited shares shall be surrendered and the certificates cancelled. The participants shall have the same rights and privileges, and be subject to the same forfeiture provisions, with respect to any additional shares received pursuant to Section 11.5 due to a recapitalization or other change in capitalization.

7.6 EXPIRATION OF RESTRICTED PERIOD. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the restricted stock shall lapse and a stock certificate for the number of shares of restricted stock with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions and legends, except any that may be imposed by law, to the participant or the participant's estate, as the case may be.

7.7 RIGHTS AS A STOCKHOLDER. Subject to the terms and conditions of the Plan and subject to any restrictions on the receipt of dividends that may be imposed in the Incentive Agreement, each participant receiving restricted stock shall have all the rights of a stockholder with respect to shares of stock during the Restricted Period, including without limitation, the right to vote any shares of Common Stock.

8. OTHER STOCK-BASED AWARDS.

8.1 GRANT OF OTHER STOCK-BASED AWARDS. Subject to the limitations described in Section 8.2 hereof, the Committee may grant to eligible participants "Other Stock-Based Awards," which shall consist of awards (other than options or restricted stock in Sections 6 and 7) the value of which is based in whole or in part on the value of shares of Common Stock. Other Stock-Based Awards may be awards of shares of Common Stock or may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of, or appreciation in the value of, Common Stock (including, without limitation, securities convertible or exchangeable into or exercisable for shares of Common Stock), as deemed by the Committee consistent with the purposes of this Plan. The Committee shall determine the terms and conditions of any Other Stock-Based Award (including which rights of a stockholder, if any, the recipient shall have with respect to Common Stock associated with any such award) and may provide that such award is payable in whole or in part in cash. An Other Stock-Based Award may be subject to the attainment of such specified performance goals or targets as the Committee may determine, subject to the provisions of this Plan. To the extent that an Other Stock-Based Award is intended to qualify as "performance-based compensation" under Section 162(m), it must be granted subject to the attainment of performance goals as described in Section 9 below and meet the additional requirements imposed by Section 162(m).

8.2 LIMITATIONS. Other Stock-Based Awards granted under this Section 8 shall be subject to a vesting period of at least three years, with incremental vesting of portions of the award over the three-year period permitted; provided, however, that if the vesting of the award is based upon the attainment of performance goals, a minimum vesting period of one year is allowed, with incremental vesting of portions of the award

over the one-year period permitted, and further provided that the Committee may make special awards under this Section 8 with respect to an aggregate of no more than 140,000 shares of Common Stock, as adjusted under Section 11.5, which special awards shall not be subject to any minimum vesting requirements.

9. PERFORMANCE GOALS FOR SECTION 162(m) AWARDS. To the extent that shares of restricted stock or Other Stock-Based Awards granted under the Plan are intended to qualify as "performance-based compensation" under Section 162(m), the vesting, grant or payment of such awards shall be conditioned on the achievement of one or more performance goals and must satisfy the other requirements of Section 162(m). The performance goals pursuant to which such awards shall vest, be granted or be paid out shall be any or a combination of the following performance measures applied to the Company, Superior, a division or a subsidiary: earnings per share, return on assets, an economic value added measure, stockholder return, earnings, stock price, return on equity, return on total capital, safety performance, reduction of expenses or increase in cash flow. For any performance period, such performance objectives may be measured on an absolute basis or relative to a group of peer companies selected by the Committee, relative to internal goals or relative to levels attained in prior years. The performance goals may be subject to such adjustments as are specified in advance by the Committee.

10. STOCK OPTIONS FOR OUTSIDE DIRECTORS.

10.1 GRANT OF OPTIONS. Beginning at such time as a sufficient number of shares of Common Stock no longer remain available for the grant of stock options to Outside Directors under the Superior Energy Services, Inc. 1999 Stock Incentive Plan and continuing for as long as the Plan remains in effect and shares of Common Stock remain available for issuance hereunder, the following grants shall be made to Outside Directors:

A. On the date a person first joins the Board of Directors as an Outside Director, such Outside Director shall be automatically granted non-qualified stock options to purchase up to 30,000 shares of Common Stock, the exact number of which shall be set by the Committee; and

B. On the day following the annual meeting of stockholders of Superior, each Outside Director shall be automatically granted non-qualified stock options to purchase up to 10,000 shares of Common Stock, the exact number of which shall be set by the Committee.

10.2 EXERCISABILITY OF STOCK OPTIONS. The stock options granted to Outside Directors under this Section 10 shall be exercisable immediately and, subject to Section 10.4 and 11.10 C, shall expire ten years following the date of grant.

10.3 EXERCISE PRICE. The exercise price of the stock options granted to Outside Directors shall be equal to the Fair Market Value, as defined in the Plan, of a share of Common Stock on the date of grant. The Exercise Price may be paid as provided in Section 6.5 hereof.

10.4 EXERCISE AFTER TERMINATION OF BOARD SERVICE. In the event an Outside Director ceases to serve on the Board, the stock options granted hereunder must be exercised within one year from termination of Board service; provided, however, that in the event of termination of Board service as a result of retirement (at age 65 or later or after having completed five or more years of service on the Board), the stock options may be exercised within five years from the date of termination of Board service. Notwithstanding the foregoing, no stock options may be exercised later than ten years after the date of grant.

11. GENERAL.

11.1 DURATION. Subject to Section 11.9, the Plan shall remain in effect until all Incentives granted under the Plan have either been satisfied by the issuance of shares of Common Stock or otherwise been terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed.

11.2 TRANSFERABILITY. No Incentives granted hereunder may be transferred, pledged, assigned or otherwise encumbered by a participant except: (a) by will; (b) by the laws of descent and distribution; (c) pursuant to a domestic relations order, as defined in the Code; or (d) as to options only, if permitted by the Committee and so provided in the Incentive Agreement or an amendment thereto, (i) to Immediate Family Members, (ii) to a partnership in which the participant and/or Immediate Family Members, or entities in which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the sole partners, (iii) to a limited liability company in which the participant and/or Immediate Family Members, or entities in which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the sole members, or (iv) to a trust for the sole benefit of the participant and/or Immediate Family Members. "Immediate Family Members" shall be defined as the spouse and natural or adopted children or grandchildren of the participant and their spouses. To the extent that an incentive stock option is permitted to be transferred during the lifetime of the participant, it shall be treated thereafter as a nonqualified stock option. Any attempted assignment, transfer, pledge, hypothecation or other disposition of Incentives, or levy of attachment or similar process upon Incentives not specifically permitted herein, shall be null and void and without effect.

11.3 EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH. Except as provided in Section 10.4 with respect to Outside Directors, in the event that a participant ceases to be an employee of the Company or to provide services to the Company for any reason, including death, disability, early retirement or normal retirement, any Incentives may be exercised, shall vest or shall expire at such times as may be determined by the Committee and provided in the Incentive Agreement.

11.4 ADDITIONAL CONDITIONS. Anything in this Plan to the contrary notwithstanding: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of

Common Stock pursuant to any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Common Stock issued pursuant thereto, to deliver to the Company a written representation of present intention to acquire the Incentive or the shares of Common Stock issued pursuant thereto for his own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

11.5 ADJUSTMENT. In the event of any recapitalization, stock dividend, stock split, combination of shares or other similar change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares subject to outstanding Incentives, and all limitations on the number of shares that may be issued hereunder shall be adjusted in proportion to the change in outstanding shares of Common Stock. In the event of any such adjustments, the purchase price of any option and the performance objectives of any Incentive, shall also be adjusted as and to the extent appropriate, in the reasonable discretion of the Committee, to provide participants with the same relative rights before and after such adjustment. No substitution or adjustment shall require the Company to issue a fractional share under the Plan and the substitution or adjustment shall be limited by deleting any fractional share.

11.6 WITHHOLDING.

A. The Company shall have the right to withhold from any payments made or stock issued under the Plan or to collect as a condition of payment, issuance or vesting, any taxes required by law to be withheld. At any time that a participant is required to pay to the Company an amount required to be withheld under applicable income tax laws in connection with the lapse of restrictions on Common Stock or the exercise of an option, the participant may, subject to disapproval by the Committee, satisfy this obligation in whole or in part by electing (the "Election") to deliver currently owned shares of Common Stock or to have the Company withhold shares of Common Stock, in each case having a value equal to the minimum statutory amount required to be withheld under federal, state and local law. The value of the shares to be delivered or withheld shall be based on the Fair Market Value of the Common Stock on the date that the amount of tax to be withheld shall be determined ("Tax Date").

B. Each Election must be made prior to the Tax Date. The Committee may disapprove of any Election, may suspend or terminate the right to

make Elections, or may provide with respect to any Incentive that the right to make Elections shall not apply to such Incentive. If a participant makes an election under Section 83(b) of the Code with respect to shares of restricted stock, an Election to have shares withheld to satisfy withholding taxes is not permitted to be made.

11.7 NO CONTINUED EMPLOYMENT. No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of the Company for any period of time or to any right to continue his or her present or any other rate of compensation.

11.8 DEFERRAL PERMITTED. Payment of an Incentive may be deferred at the option of the participant if permitted in the Incentive Agreement.

11.9 AMENDMENTS TO OR TERMINATION OF THE PLAN. The Board may amend or discontinue this Plan at any time; provided, however, that no such amendment may:

A. without the approval of the stockholders, (i) except for adjustments permitted herein, increase the maximum number of shares of Common Stock that may be issued through the Plan, (ii) materially increase the benefits accruing to participants under the Plan, (iii) materially expand the classes of persons eligible to participate in the Plan, or (iv) amend Section 6.7 to permit the repricing of stock options as prohibited therein, or

B. materially impair, without the consent of the recipient, an Incentive previously granted, except that the Company retains all of its rights under Section 11.10.

11.10 CHANGE OF CONTROL.

A. A Change of Control shall mean:

(i) the acquisition by any person of beneficial ownership of 50% or more of the outstanding shares of the Common Stock or 50% or more of the combined voting power of Superior's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control:

(a) any acquisition (other than a Business Combination (as defined below) which constitutes a Change of Control under Section 11.10(A)(iii) hereof) of Common Stock directly from the Company,

(b) any acquisition of Common Stock by the Company,

(c) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or

(d) any acquisition of Common Stock by any corporation or other entity pursuant to a Business Combination that does not constitute a Change of Control under Section 11.10(A)(iii) hereof; or

(ii) individuals who, as of January 1, 2002, constituted the Board of Directors of Superior (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by Superior's stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Incumbent Board; or

(iii) consummation of a reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of Superior) or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination:

(a) the individuals and entities who were the beneficial owners of Superior's outstanding Common Stock and Superior's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect beneficial ownership, respectively, of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the surviving or successor corporation, or, if applicable, the ultimate parent company thereof (the "Post-Transaction Corporation"), and

(b) except to the extent that such ownership existed prior to the Business Combination, no person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either Superior, the Post-Transaction Corporation or any subsidiary of either corporation) beneficially owns, directly or

indirectly, 25% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 25% or more of the combined voting power of the then outstanding voting securities of such corporation, and

(c) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination; or

(iv) approval by the stockholders of Superior of a complete liquidation or dissolution of Superior.

For purposes of this Section 11.10, the term "person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more persons act as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "person" shall not include an underwriter temporarily holding a security pursuant to an offering of the security.

B. Upon a Change of Control of the type described in clause (A)(i) or (A)(ii) of this Section 11.10 or immediately prior to any Change of Control of the type described in clause (A)(iii) or (A)(iv) of this Section 11.10, all outstanding Incentives granted pursuant to this Plan shall automatically become fully vested and exercisable, all restrictions or limitations on any Incentives shall automatically lapse and, unless otherwise provided in the applicable Incentive Agreement, all performance criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved or waived by Superior without the necessity of action by any person. As used in the immediately preceding sentence, 'immediately prior' to the Change of Control shall mean sufficiently in advance of the Change of Control to permit the grantee to take all steps reasonably necessary (i) if an optionee, to exercise any such option fully and (ii) to deal with the shares purchased or acquired under any such option or any Other Stock-Based Award and any formerly restricted shares on which restrictions have lapsed so that all types of shares may be treated in the same manner in connection with the Change of Control as the shares of Common Stock of other stockholders.

C. No later than 30 days after a Change of Control of the type described in subsections (A)(i) or (A)(ii) of this Section 11.10 and no later than 30 days after the approval by the Board of a Change of Control of the type described in subsections (A)(iii) or (A)(iv) of this Section 11.10, the Committee, acting in its sole discretion without the consent or approval of any participant (and notwithstanding any removal or attempted removal of some or all of the members thereof as directors or Committee members), may act to effect one or more of the alternatives listed below, which may vary among individual participants and which may vary among Incentives held by any individual participant:

(i) require that all outstanding options or Other Stock-Based Awards be exercised on or before a specified date (before or after such Change of Control) fixed by the Committee, after which specified date all unexercised options and Other Stock-Based Awards and all rights of participants thereunder shall terminate,

(ii) make such equitable adjustments to Incentives then outstanding as the Committee deems appropriate to reflect such Change of Control (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary),

(iii) provide for mandatory conversion of some or all of the outstanding options or Other Stock-Based Awards held by some or all participants as of a date, before or after such Change of Control, specified by the Committee, in which event such options and Other Stock-Based Awards shall be deemed automatically cancelled and the Company shall pay, or cause to be paid, to each such participant an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such option or Other Stock-Based Award, as defined and calculated below, over the exercise price of such options or the exercise or base price of such Other Stock-Based Awards or, in lieu of such cash payment, the issuance of Common Stock or securities of an acquiring entity having a Fair Market Value equal to such excess, or

(iv) provide that thereafter, upon any exercise of an option or Other Stock-Based Award that entitles the holder to receive Common Stock, the holder shall be entitled to purchase or receive under such option or Other Stock-Based Award, in lieu of the number of shares of Common Stock then covered by such option or Other Stock-Based Award, the number and class of shares of stock or other securities or property (including, without limitation, cash) to which the holder would have been entitled pursuant to the terms of the agreement providing for the reorganization, share exchange, merger, consolidation or asset sale, if, immediately prior to such Change of Control, the holder had been the record owner of the number of shares of Common Stock then covered by such option or Other Stock-Based Award.

D. For the purposes of paragraph (iii) of Section 11.10(C), the "Change of Control Value" shall equal the amount determined by whichever of the following items is applicable:

(i) the per share price to be paid to stockholders of Superior in any such merger, consolidation or other reorganization,

(ii) the price per share offered to stockholders of Superior in any tender offer or exchange offer whereby a Change of Control takes place,

(iii) in all other events, the fair market value per share of Common Stock into which such options being converted are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of conversion of such options, or

(iv) in the event that the consideration offered to stockholders of Superior in any transaction described in this Section 11.10 consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered that is other than cash.

11.11 DEFINITION OF FAIR MARKET VALUE. Whenever "Fair Market Value" of Common Stock shall be determined for purposes of this Plan, it shall be determined as follows: (i) if the Common Stock is listed on an established stock exchange or any automated quotation system that provides sale quotations, the closing sale price for a share of the Common Stock on such exchange or quotation system on the applicable date, or if no sale of the Common Stock shall have been made on that day, on the next preceding day on which there was a sale of the Common Stock; (ii) if the Common Stock is not listed on any exchange or quotation system, but bid and asked prices are quoted and published, the mean between the quoted bid and asked prices on the applicable date, and if bid and asked prices are not available on such day, on the next preceding day on which such prices were available; and (iii) if the Common Stock is not regularly quoted, the fair market value of a share of Common Stock on the applicable date as established by the Committee in good faith.

11.12 PROHIBITION OF LOANS. The Company shall not extend credit to a participant for the purpose of assisting the participant in acquiring shares of Common Stock pursuant to an Incentive granted under the Plan.

EXHIBIT 14.1

SUPERIOR ENERGY SERVICES, INC.

CODE OF BUSINESS ETHICS AND CONDUCT

INTRODUCTION

Honesty, fair dealing and ethical business practices are key elements to the success of Superior Energy Services, Inc. and its subsidiaries (collectively, the "Company"). In order to continue our traditions, and to make clear our commitment to the highest ethical standards, the Company has adopted this Code of Business Ethics and Conduct to serve as a guide to all of its employees, officers and directors.

The Company's reputation, as well as its future success, is in the hands of its employees, officers and directors. This Code is intended to assist all of us to continue to act ethically in all aspects of the Company's business.

The Company will operate in the best interests of its stockholders, customers and employees. All Company personnel are required to act ethically and with honesty and integrity in every aspect of our business.

Due to the high importance placed on this Code by the Company and the serious effects which could result from the violation of its standards, individuals who violate this Code will be subject to immediate discipline, which may include discharge. Accordingly, all Company personnel must be familiar with and abide by the standards set forth in the Code. It is the responsibility of each management-level employee to ensure compliance with the Code by those employees under his or her supervision. To this end, each management-level employee will be required to provide an annual certification of compliance with this Code by his or her business unit.

The Company's Chief Operating Officer has been delegated the responsibility for monitoring compliance by all of our personnel who are not also executive officers or directors. Any employee with questions about the policies contained in this Code or whether certain actions will violate any of these policies should consult with his or her supervisor or the Chief Operating Officer.

COMPLIANCE WITH LAWS AND BUSINESS ETHICS

All Company personnel must comply with all laws, rules and regulations of any governmental agencies and authorities applicable to the Company or the conduct of its business. It is the personal responsibility of each employee, officer and director to adhere to and comply with those laws, rules and regulations applicable to his or her duties. Any employee who does not adhere to all of these laws, rules and regulations is acting outside the scope of his or her employment.

Beyond compliance with laws, all Company personnel are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This requires the practice of honesty and integrity in every aspect of

dealing with other Company employees, the public, the business community, stockholders, customers, suppliers and governmental and regulatory authorities.

CONFLICTS OF INTEREST

Company personnel must avoid any interest that conflicts with, or even appears to conflict with, an interest of the Company. The Company prohibits all conflicts of interest unless specifically approved by the Company's Chief Operating Officer (unless the conflict involves an executive officer or director of the Company, in which case the Audit Committee of the Board of Directors must approve the conflict).

A complete definition of what constitutes a conflict of interest is difficult to put into words since it is impossible to predict all types of circumstances that may arise. In most instances, Company personnel will know when a conflict between his or her interest and the interest of the Company exists. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it more difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an employee, officer or director or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. In those situations, Company personnel should put the interests of the Company first. However, there are certain situations that will always constitute a conflict of interest and must be avoided. These situations occur when an employee, officer or director or any person having a personal relationship with them:

- obtains a financial or other beneficial interest in one of the Company's customers, suppliers or competitors;

- engages in a personal business transaction involving the Company for profit or gain;

- accepts money, gifts (excluding gifts of nominal value), excessive hospitality, loans (excluding loans from financial institutions at prevailing market rates) or other special treatment from any customer, supplier or competitor of the Company;

- participates in any sale, loan or gift of Company property; or

- learns of a business opportunity through association with the Company and discloses such opportunity to a third party or invests in such opportunity without first offering it to the Company.

When an employee is uncertain whether a situation constitutes a conflict of interest, he or she must reasonably assess whether that situation is in fact a conflict of interest. If the employee is unable to reasonably satisfy himself or herself that a conflict of interest does not exist, they should immediately check with their supervisor. The

Company's executive officers and directors must immediately report any circumstances involving a conflict of interest to the Chairman of the Audit Committee.

IRREGULAR ACTIVITIES

Consistent with the Company's pursuit of the highest ethical standards, misappropriation, fraud and other similar irregularities by employees are strictly prohibited. Examples of these types of activities include, but are not limited to:

- any dishonest or fraudulent act;
- embezzlement;
- forgery or alteration of checks or other negotiable instruments of the Company;
- receiving or paying any bribes or kickbacks;
- misappropriation of Company property, services or employees;
- personal use of cash, supplies or other property of the Company;
- disclosure of confidential or proprietary Company information;
- failing to accurately and completely maintain the Company's books and records; and
- falsification of Company records.

If an employee is uncertain whether his or her conduct may constitute fraud, or if an employee is directed to take any action that he or she reasonably believes will constitute fraud, they should immediately contact their supervisor (unless their supervisor is the person instructing them to take such action, in which case they may contact the Chief Operating Officer directly).

GIFTS, GRATUITIES AND ENTERTAINMENT

Company employees, and persons having a personal relationship with them, are prohibited from accepting or offering kickbacks or bribes (which constitute an irregular activity prohibited by "Irregular Activities" above) or gifts of substantial value (which shall be determined in accordance with the recipient's position with the Company and gifts that are customarily given to similarly situated persons in the Company's lines of business) from or to actual or potential customers or suppliers, and any of their employees, agents or consultants. The giving or receiving of cash in any amount to induce the purchase or sale of goods and services is strictly prohibited. Moreover, an employee should not offer anything if he or she knows that the intended recipient is

prohibited from accepting it by the intended recipient's own business code of conduct or similar policy.

Nothing in this Code is intended to prohibit employees from spending reasonable amounts for meals and other entertainment on customers and suppliers, which are ordinary and customary in the Company's line of business. However, employees must be aware that the purpose of entertainment and gifts must be to create goodwill and good working relationships.

IMPROPER PAYMENTS

Company employees, and persons or entities acting on behalf of the Company, are prohibited from making payments for the benefit of any individual (including any government official), company or organization and which is designed to secure, or is an award for gaining influence or any improper advantage that is prohibited under U.S. law. To this end, no employee shall make or offer, directly or indirectly, any payment or its equivalent to any government official, agent or employee anywhere in the world in consideration for such official's, agent's or employee's assistance or influence (including the failure by such individual to perform his or her official duty) or to secure an improper advantage in order to help the Company obtain or retain business. Employees of government owned or controlled industries and companies, such as national oil companies, are considered government employees. This policy applies regardless of whether the payment or use is lawful under the laws of a particular country.

It is the Company's policy that no payment, transfer, offer or promise of the Company's funds, assets or anything of value shall be made that is not properly authorized, properly accounted for and clearly identified on the Company's books. Furthermore, no payment or transfer of the Company's funds or assets shall be made or approved with the intention or understanding that any part of such payment or transfers is to be used except as specified in the supporting documents. Except as approved by authorized management, payments to third parties (other than petty cash) may not be made in cash, nor may they be paid to any account in a country otherwise unrelated to the payee's business, or to any person other than the authorized payee.

CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

The honesty, integrity and sound judgment of the Company's Chief Executive Officer, Chief Financial Officer, Controller and persons performing similar functions, is fundamental to the reputation and success of the Company. To the best of their knowledge and ability, the chief executive officer and those officers of the Company performing accounting, financial management or similar functions must:

- act with honesty and integrity, avoid actual or apparent conflicts of interest in personal and professional relationships, and disclose to the Audit Committee any material transaction or other relationship that reasonably could be expected to give rise to such a conflict;

- provide colleagues with information that is accurate, complete, objective, relevant, timely and understandable;

- provide full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and other public communications made by the Company;

- comply with applicable laws, rules and regulations of federal, state, and local governments (both foreign and domestic) and other appropriate private and public regulatory agencies;

- act in good faith, with due care, competence and diligence, without misrepresenting material facts;

- proactively promote ethical and honest behavior within the Company; and

- assure responsible use of and control of all assets, resources and information of the Company.

Any senior financial officer that the Audit Committee determines has failed to comply fully with the points listed above will be deemed to have willfully failed to perform his or her duties, and shall be subject to termination for cause or other disciplinary action.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company does not make contributions of any kind (including the use of Company property, equipment or other assets) or lend its name to political candidates or parties, except as may be permitted under applicable law and approved in accordance with procedures approved by the Chief Executive Officer.

The foregoing prohibition applies only to the Company, and is not intended to prevent or discourage employees from making political contributions or engaging in personal political activities on their own time.

CONFIDENTIALITY

All information about the Company's business and its plans that has not been disclosed to the public is a valuable asset that belongs to the Company. All Company personnel should maintain the confidentiality of information entrusted to them by the Company, its business partners, suppliers, customers or others related to the Company's business. Such information must not be disclosed to anyone, including friends and family members, except when disclosure is authorized by the Company or legally mandated.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Company personnel should protect the Company's property and assets and ensure their efficient and proper use. Theft, carelessness and waste can directly impact the Company's profitability, reputation and success. All Company property and assets should be used for legitimate business purposes, and personal use of such property and assets without permission is strictly prohibited.

REPORTING AND INVESTIGATION OF SUSPECTED VIOLATIONS

If an employee has a good faith reason to believe that any violation of the Code has occurred, he or she is required to report the alleged violation to the Chief Operating Officer of the Company (unless the alleged violator is an executive officer or director of the Company, in which case they may report the violation directly to the Chairman of the Audit Committee). All matters will be treated as strictly confidential, and may also be reported on an anonymous basis. It shall be a violation of the Code to intimidate or punish anyone as a result of any reporting of suspected violations.

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. If any employee has any concerns or complaints regarding any questionable accounting or auditing matters of the Company, then he or she should submit those concerns or complaints (anonymously, confidentially or otherwise) to the Chairman of the Audit Committee.

If the Company receives information regarding an alleged violation of the Code, the Chief Operating Officer (or, if the alleged violator is an executive officer or director of the Company, the Audit Committee will appoint someone else) will:

- evaluate such information as to gravity and credibility;
- initiate an informal inquiry or a formal investigation;
- prepare a report of such inquiry or investigation, including its disposition or recommendations as to its disposition if it involves an executive officer or director;
- make the results of its inquiry or investigation available to the Board of Directors for any appropriate Board action; and
- recommend changes in this Code necessary or desirable to prevent further similar violations.

DISCIPLINARY ACTIONS FOR VIOLATIONS

The Company shall consistently enforce its values and principles reflected in this Code through appropriate means of discipline. If the Chief Operating Officer determines that a violation of this Code has occurred, he shall determine the disciplinary measures to

be taken against the violating employee. If the violator is an executive officer or director of the Company, the matter will be presented to the Audit Committee of the Board of Directors which will determine and recommend to the Board of Directors the appropriate disciplinary measures to be taken.

The disciplinary measures, which may be invoked at the discretion of the Chief Operating Officer or Board of Directors, include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution.

Persons subject to disciplinary measures shall include, in addition to the violator, others involved in the wrongdoing such as (i) persons who fail to use reasonable care to detect a violation, (ii) persons who refuse to divulge information which may be material to the investigation of a violation and (iii) supervisors who approve or condone the violations or attempt to retaliate against employees or agents for reporting violations or violators.

QUESTIONS ABOUT THIS CODE

Employees who are uncertain whether particular conduct will violate any provision of this Code should immediately consult with their supervisor prior to committing such conduct. Employees who are executive officers of the Company should contact the Chairman of the Audit Committee of the Board of Directors.

ANNUAL CERTIFICATION

Each management-level employee will conduct an annual review of the operations and business affairs of his or her business unit and the employees under his or her supervision for compliance with this Code. Any violations found or suspected as a result of this review should be forwarded immediately to the Chief Operating Officer. If no violations are found or reasonably believed to exist, the manager shall sign and date a Certification form, and send to the Chief Operating Officer to be placed in his or her personnel file.

EXHIBIT 21.1

SUPERIOR ENERGY SERVICES, INC.
LIST OF SUBSIDIARIES*

NAME	STATE OF JURISDICTION OF INCORPORATION OR ORGANIZATION
1105 Peters Road, L.L.C.	Louisiana
Ace Rental Tools, L.L.C.	Louisiana
Blowout Tools, Inc.	Texas
Concentric Pipe and Tool Rentals, L.L.C.	Louisiana
Connection Technology, L.L.C.	Louisiana
Drilling Logistics, L.L.C.	Louisiana
Environmental Treatment Team, L.L.C.	Louisiana
F & F Wireline Services, L.L.C.	Louisiana
Fastorq, L.L.C.	Louisiana
H.B Rentals, L.C.	Louisiana
Imperial Snubbing Services, Ltd.	Trinidad/Tobago
International Snubbing Services, L.L.C.	Louisiana
Lamb Energy Services, L.L.C.	Delaware
Non-Magnetic Rental Tools, L.L.C.	Louisiana
Oil Stop, L.L.C.	Louisiana
Premier Oilfield Services Limited	Scotland
Production Management Industries, L.L.C.	Louisiana
SPN Resources, LLC	Louisiana
Southeast Australian Services Pty., Ltd.	Australia
Stabil Drill Specialties, L.L.C.	Louisiana
Stabil Drill (UK) Limited	Scotland
Sub-Surface Tools, L.L.C.	Louisiana
Superior Energy Services,	

L.L.C.
Louisiana

Tong Specialty, L.L.C.	Louisiana
Wild Well Control, Inc.	Texas
Workstrings, L.L.C.	Louisiana

----

* Names of particular subsidiaries have been omitted from the above list because, considered in the aggregate, they would not constitute, as of the end of the year covered by this report, a "significant subsidiary" as that term is defined in Rule 1.02(w) of Regulation S-X under the Securities Exchange Act of 1934.

EXHIBIT 23.1

The Board of Directors
Superior Energy Services, Inc.:

We consent to incorporation by reference in registration statements No. 333-22603, No. 333-35286 and No. 333-107749 on Form S-3 and No. 333-12175, No. 333-43421, No. 333-33758 and No. 333-101211 on Form S-8 of Superior Energy Services, Inc. of our report dated March 4, 2004, with respect to the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003, and the related financial statement schedule, which report appears in the December 31,2003, annual report on Form 10-K of Superior Energy Services, Inc.

Our report refers to a change in the method of accounting for depreciation on liftboats and the adoption of the provisions of Statement of Financial Accounting Standards (SFAS) No. 141 and certain provisions of SFAS No. 142 as of December 31, 2001.

/s/ KPMG LLP

New Orleans, Louisiana
March 12, 2004

EXHIBIT 31.1

OFFICER'S CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Terence E. Hall, certify that:

1. I have reviewed this annual report on Form 10-K of Superior Energy Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SUPERIOR ENERGY SERVICES, INC.

Date: March 12, 2004

By: /s/ Terence E. Hall

Terence E. Hall
Chairman of the Board,
Chief Executive Officer and President

EXHIBIT 31.2

OFFICER'S CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert S. Taylor, certify that:

1. I have reviewed this annual report on Form 10-K of Superior Energy Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SUPERIOR ENERGY SERVICES, INC.

Date: March 12, 2004

By: /s/ Robert S. Taylor

Robert S. Taylor
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Terence E. Hall, the Chairman of the Board, Chief Executive Officer and President of Superior Energy Services, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the Annual Report on Form 10-K for the annual period ended December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by such Report.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 12, 2003

By: /s/ Terence E. Hall

Terence E. Hall
Chairman of the Board,
Chief Executive Officer and President

EXHIBIT 32.2

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert S. Taylor, Chief Financial Officer, Principal Financial and Accounting Officer of Superior Energy Services, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the Annual Report on Form 10-K for the annual period ended December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by such Report.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 12, 2003

By: /s/ Robert S. Taylor

Robert S. Taylor
Chief Financial Officer
(Principal Financial and Accounting Officer)