UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2017

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. 001-34037

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.)*
1001 Louisiana Street, Suite 2900 Houston, TX	77002
Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (713) 654-2200

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(do not check if smaller reporting company)	Smaller reporting company	☐
			Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At June 30, 2017, the aggregate market value of the registrant's voting stock held by non-affiliates of the registrant was $1.61 billion. At February 16, 2018 there were 154,235,814 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Items 10, 11, 12, 13 and 14 of Part III is incorporated by reference from the registrant's definitive proxy statement to be filed pursuant to Regulation 14A.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Annual Report on Form 10-K for
the Fiscal Year Ended December 31, 2017
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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and other documents filed by us with the Securities and Exchange Commission (SEC) contain, and future oral or written statements or press releases by us and our management may contain, forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks” and “estimates,” variations of such words and similar expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact included in this Annual Report on Form 10-K or such other materials regarding our financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by our management in light of its experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to a number of risks and uncertainties that could cause our actual results to differ materially from such statements. Such uncertainties include, but are not limited to: the cyclicality and volatility of the oil and gas industry, including changes in prevailing oil and gas prices or expectations about future prices; operating hazards, including the significant possibility of accidents resulting in personal injury or death, property damage or environmental damage for which we may have limited or no insurance coverage or indemnification rights; the effect of regulatory programs (including regarding worker health and safety laws) and environmental matters on our operations or prospects, including the risk that future changes in the regulation of hydraulic fracturing could reduce or eliminate demand for our pressure pumping services, or that future changes in climate change legislation could result in increased operating costs or reduced commodity demand globally; counterparty risks associated with reliance on key suppliers; risks associated with the uncertainty of macroeconomic and business conditions worldwide; changes in competitive and technological factors affecting our operations; credit risk associated with our customer base; the potential inability to retain key employees and skilled workers; challenges with estimating our oil and natural gas reserves and potential liabilities related to our oil and natural gas property; risks associated with potential changes of Bureau of Ocean Energy Management (BOEM) security and bonding requirements for offshore platforms; risks inherent in acquiring businesses; risks associated with cyber-attacks; risks associated with business growth during an industry recovery outpacing the capabilities of our infrastructure and workforce; political, legal, economic and other risks and uncertainties associated with our international operations; potential changes in tax laws, adverse positions taken by tax authorities or tax audits impacting our operating results; risks associated with our outstanding debt obligations and the potential effect of limiting our future growth and operations our continued access to credit markets on favorable terms; and the impact that unfavorable or unusual weather conditions could have on our operations. These risks and other uncertainties related to our business are described in detail below in Part I, Item 1A of this Annual Report on Form 10-K. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Investors are cautioned that many of the assumptions on which our forward-looking statements are based are likely to change after such statements are made, including for example the market prices of oil and gas and regulations affecting oil and gas operations, which we cannot control or anticipate. Further, we may make changes to our business strategies and plans (including our capital spending and capital allocation plans) at any time and without notice, based on any changes in the above-listed factors, our assumptions or otherwise, any of which could or will affect our results. For all these reasons, actual events and results may differ materially from those anticipated, estimated, projected or implied by us in our forward-looking statements. We undertake no obligation to update any of our forward-looking statements for any reason and, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

PART I

Item 1. Business

General

We provide a wide variety of services and products to the energy industry. We serve major, national and independent oil and natural gas exploration and production companies around the world and we offer products and services with respect to the various phases of a well's economic life cycle. We report our operating results in four business segments: Drilling Products and Services; Onshore Completion and Workover Services; Production Services; and Technical Solutions. Given our long-term strategy of geographic expansion, we also provide supplemental segment revenue information in three geographic areas: U.S. land; Gulf of Mexico; and International.

For information about our operating segments and financial information by operating segment and geographic area, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Part II, Item 7 of this Annual Report on Form 10-K and note 8 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Products and Services

We offer a wide variety of specialized oilfield services and equipment generally categorized by their typical use during the economic life of a well. A description of the products and services offered by each of our four segments is as follows:

- Drilling Products and Services – Includes downhole drilling tools and surface rentals.
  - § Downhole drilling tools – Includes rentals of tubulars, such as primary drill pipe strings, landing strings, completion tubulars and associated accessories, and manufacturing and rentals of bottom hole tools, including stabilizers, non-magnetic drill collars and hole openers.
  - § Surface rentals – Includes rentals of temporary onshore and offshore accommodation modules and accessories.
- Onshore Completion and Workover Services – Includes pressure pumping, fluid handling and workover and maintenance services.
  - § Pressure pumping – Includes hydraulic fracturing and high pressure pumping services used to complete and stimulate production in new oil and gas wells.
  - § Fluid management – Includes services used to obtain, move, store and dispose of fluids that are involved in the exploration, development and production of oil and gas, including specialized trucks, fracturing tanks and other assets that transport, heat, pump and dispose of fluids.
  - § Workover services – Includes a variety of well completion, workover and maintenance services, including installations, completions, sidetracking of wells and support for perforating operations.
- Production Services – Includes intervention services.
  - § Intervention services – Includes services to enhance, maintain and extend oil and gas production during the life of the well, including coiled tubing, cased hole and mechanical wireline, hydraulic workover and snubbing, production testing and optimization, and remedial pumping services (cementing and stimulation services).
- Technical Solutions – Includes products and services that generally address customer-specific needs with their applications, which typically require specialized engineering, manufacturing or project planning expertise.   Most operations requiring our technical solutions are generally in offshore environments during the completion, production and decommissioning phase of an oil and gas well. These products and services primarily include well containment systems, completion tools and services and end-of-life services.
  - § Well containment systems – Resolves well control and pressure control problems through firefighting, engineering and well control training.

- § Completion tools and services – Provides products and services used during the completion phase of an offshore well to control sand and maximize oil and gas production, including sand control systems, well screens and filters, and surface-controlled sub surface safety valves.

- § End-of-life services – Provides offshore well decommissioning services, including plugging and abandoning wells at the end of their economic life and dismantling and removing associated infrastructure.

The Technical Solutions segment also includes revenues from oil and gas production related to our 51% ownership interest in the Bullwinkle platform and related assets.

Customers

Our customers are the major and independent oil and gas companies that are active in the geographic areas in which we operate. Anadarko Petroleum Corporation (Anadarko) accounted for approximately 13% and 11% of our revenues in 2017 and 2016, respectively, primarily within the Onshore Completion and Workover Services segment. There were no customers that exceeded 10% of our total revenues in 2015. 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 provide products and services worldwide in highly competitive markets, with competitors comprised of both small and large companies. Our revenues and earnings can be affected by several factors, including changes in competition, fluctuations in drilling and completion activity, perceptions of future prices of oil and gas, government regulation, disruptions caused by weather and general economic conditions. We believe that the principal competitive factors are price, performance, product and service quality, safety, response time and breadth of products and services.

Potential Liabilities and Insurance

Our operations involve a high degree of operational risk and expose us to significant liabilities. An accident involving our services or equipment, or the failure of a product sold by us, could result in personal injury, loss of life, and damage to property, equipment or the environment. Litigation arising from a catastrophic occurrence, such as fire, explosion, well blowout or vessel loss, may result in substantial claims for damages.

As is customary in our industry, our contracts generally provide that we will indemnify and hold harmless our customers from any claims arising from personal injury or death of our employees, damage to or loss of our equipment, and pollution emanating from our equipment and services. Similarly, our customers generally agree to indemnify and hold us harmless from any claims arising from personal injury or death of their employees, damage to or loss of their equipment or property, and pollution caused from their equipment or the well reservoir (including uncontained oil flow from a reservoir). Nonetheless, our indemnification arrangements may not protect us in every case.

We maintain a liability insurance program that covers against certain operating hazards, including product liability, property damage and personal injury claims, as well as certain limited environmental pollution claims for damage to a third party or its property arising out of contact with pollution for which we are liable, but well control costs are not covered by this program. These policies include primary and excess umbrella liability policies with limits of $350 million per occurrence, including sudden and accidental pollution incidents. All of the insurance policies purchased by us contain specific terms, conditions, limitations and exclusions and are subject to either deductibles or self-insured retention amounts for which we are responsible. There can be no assurance that the nature and amount of insurance we maintain will be sufficient to fully protect us against all liabilities related to our business.

Government Regulation

Our business is significantly affected by Federal, State and local laws and other regulations. These laws and regulations relate to, among other things:

- worker safety standards;
- the protection of the environment;
- the handling and transportation of hazardous materials; and
- the mobilization of our equipment to, and operations conducted at, our work sites.

Numerous permits are required for the conduct of our business and operation of our various facilities and equipment, including our underground injection wells, marine vessels, trucks and other heavy equipment. These permits can be revoked, modified or renewed by issuing authorities based on factors both within and outside our control.

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, including changes in regulatory oversight, increase of federal, state or local taxes, increase of inspection costs, or the effect such changes may have on us, our businesses or our financial condition.

Environmental Matters

Our operations, and those of our customers, are subject to extensive laws, regulations and treaties relating to air and water quality, generation, storage and handling of hazardous materials, and emission and discharge of materials into the environment. We believe we are in substantial compliance with all regulations affecting our business. Historically, our expenditures in furtherance of our compliance with these laws, regulations and treaties have not been material, and we do not expect the cost of compliance to be material in the future.

Raw Materials

We purchase various raw materials and component parts in connection with delivering our products and services. These materials are generally, but not always, available from multiple sources and may be subject to price volatility. While we generally do not experience significant long-term shortages of these materials, we have from time to time experienced temporary shortages of particular raw materials. We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials.

Seasonality

Seasonal weather and severe weather conditions can temporarily impair our operations and reduce demand for our products and services. Examples of seasonal events that negatively affect our operations include high seas associated with cold fronts during the winter months and hurricanes during the summer months in the Gulf of Mexico, and severe cold during winter months in the U.S. land market area.

Employees

At December 31, 2017, we had approximately 6,400 employees. Approximately 10% of our employees are subject to union contracts, all of which are in international locations. We believe that we have good relationships with our employees.

Facilities

Our principal executive offices are located at 1001 Louisiana Street, Suite 2900, Houston, Texas, 77002. We own or lease a large number of facilities in the various areas in which we operate throughout the world.

Intellectual Property

We seek patent and trademark protections throughout the world for our technology when we deem it prudent, and we aggressively pursue protection of these rights. We believe our patents and trademarks are adequate for the conduct of our business, and that no single patent or trademark is critical to our business. In addition, we rely to a great 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 1001 Louisiana Street, Suite 2900, Houston, Texas 77002. Our telephone number is (713) 654-2200. We also have a website 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 website free of charge soon after such reports are filed with or furnished to the SEC. The information posted on our website is not incorporated into this Annual Report on Form 10-K. Alternatively, you may access these reports at the SEC's website at http://www.sec.gov/.

We have a Code of Conduct (Our Shared Core Values at Work), which applies to all of our directors, officers and employees. This Code of Conduct is publicly available on the Corporate Governance page in the About Us section of our website at http://www.superiorenergy.com. Any waivers granted to directors or executive officers and any material amendment to our Code of Conduct will be posted promptly on our website and/or disclosed in a current report on Form 8-K.

Investors should be aware that while we do, at various times, communicate with securities analysts, it is against our policy to disclose to them selectively any material non-public information or other confidential information. Accordingly, investors should not assume that we agree with any statement or report issued by an analyst with respect to our past or projected performance. To the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Executive Officers of Registrant

The following table indicates the names and ages of the executive officers, including all offices and positions held by each in the past five years:

Name and Age	Offices Held and Term of Office
David D. Dunlap (Age 56)	President and Chief Executive Officer, since February 2011
Robert S. Taylor (Age 63)	Executive Vice President, Treasurer and Chief Financial Officer, since September 2004
A. Patrick Bernard (Age 60)	Executive Vice President, since April 2016 Senior Executive Vice President, from July 2006 to March 2016
Brian K. Moore (Age 61)	Executive Vice President of Corporate Services, since April 2016 Senior Executive Vice President of North America Services, from February 2012 to March 2016
Westervelt T. Ballard, Jr. (Age 46)	Executive Vice President, since April 2016 Executive Vice President of International Services, from February 2012 to March 2016
William B. Masters (Age 60)	Executive Vice President and General Counsel, since March 2008

Item 1A. Risk Factors

The following information should be read in conjunction with management's discussion and analysis of financial condition and results of operations contained in Part II, Item 7 and the consolidated financial statements and related notes contained in Part II, Item 8 of this Annual Report on Form 10-K, as well as in conjunction with the matters contained under the caption "Forward-Looking Statements" at the beginning of this Annual Report on Form 10-K.

The following discussion of "risk factors" identifies the most significant risks or uncertainties that could (i) materially and adversely affect our business, financial condition, results of operations, liquidity or prospects, as well as the market value of our securities, or (ii) cause our actual results to differ materially from our anticipated results or other expectations. These risks are not the only risks that we face. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally, as well as other risks that are not presently known to us or that we currently consider to be immaterial to our operations. These risks include:

Our business depends on conditions in the oil and gas industry, especially oil and natural gas prices and capital expenditures by oil and gas companies.

Our business depends on the level of oil and natural gas exploration, development and production activity by oil and gas companies worldwide. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and difficult to predict. Oil and natural gas prices are subject to large fluctuations in response to relatively minor changes in supply and demand, economic growth trends, market uncertainty and a variety of other factors beyond our control. Lower oil and natural gas prices generally lead to decreased spending by our customers. While higher oil and natural gas prices generally lead to increased spending by our customers, sustained high energy prices can also be an impediment to economic growth and can therefore negatively impact spending by our customers. Our customers may also take into account the volatility of energy prices and other risk factors by requiring higher returns for individual projects if there is higher perceived risk. Any of these factors could significantly affect the demand for oil and natural gas, which could affect the level of capital spending by our customers and in turn could have a material effect on our results of operations.

The availability of quality drilling prospects, exploration success, relative production costs, expectations about future oil and natural gas demand and prices, the stage of reservoir development, the availability of financing, and political and regulatory environments are also expected to affect levels of exploration, development, and production activity, which would impact the demand for our services. Any prolonged reduction of oil and natural gas prices, as well as anticipated declines, could also result in lower levels of exploration, development, and production activity.

The demand for our services may be affected by numerous factors, including the following:

- the cost of exploring for, producing and delivering oil and natural gas;
- demand for energy, which is affected by worldwide economic activity, population growth and market expectations regarding future trends;
- the ability of Organization of Petroleum Exporting Countries (OPEC) and other key oil-producing countries to set and maintain production levels for oil;
- the level of excess production capacity;
- the discovery rate of new oil and natural gas reserves;
- domestic and global political and economic uncertainty, socio-political unrest and instability, terrorism or hostilities;
- weather conditions and changes in weather patterns, including summer and winter temperatures that impact demand;
- the availability, proximity and capacity of transportation facilities;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency;
- the level and effect of trading in commodity future markets, including trading by commodity price speculators and others;
- demand for and availability of alternative, competing sources of energy;

- the extent to which taxes, tax credits, environmental regulations, auctions of mineral rights, drilling permits, drilling concessions, drilling moratoriums or other governmental regulations, actions or policies affect the production, cost of production, price or availability of petroleum products and alternative energy sources; and

- technological advances affecting energy exploration, production and consumption.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by significantly reduced demand for oilfield services and downward pressure on the prices we charge. Moreover, weakness in the oil and gas industry may adversely impact the financial position of our customers, which in turn could cause them to fail to pay amounts owed to us in a timely manner or at all. Any of these events could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have outstanding debt obligations that could limit our ability to fund future growth and operations and increase our exposure to risk during adverse economic conditions.

At December 31, 2017, we had $1.3 billion in outstanding debt obligations. Many factors, including factors beyond our control, may affect our ability to make payments on our outstanding indebtedness. These factors include those discussed elsewhere in these Risk Factors and those listed in the "Forward-Looking Statements" section included in this Annual Report on Form 10-K.

Our existing debt and associated commitments could have important adverse consequences. For example, these commitments could:

- make it more difficult for us to satisfy our contractual obligations;

- increase our vulnerability to general adverse economic and industry conditions;

- limit our ability to fund future working capital, capital expenditures, acquisitions or other corporate requirements;

- limit our flexibility in planning for, or reacting to, changes in our business and our industry;

- place us at a disadvantage compared to our competitors that have less debt or less restrictive covenants in such debt; and

- limit our ability to refinance our debt in the future or borrow additional funds.

There are operating hazards inherent in the oil and gas industry that could expose us to substantial liabilities.

Our operations are subject to hazards inherent in the oil and gas industry that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside of our control. Typically, we provide products and services at a well site where our personnel and equipment are located together with personnel and equipment of our customer and other service providers. From time to time, personnel are injured or equipment or property is damaged or destroyed as a result of accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures or other dangers inherent in oil and natural gas exploration, development and production. Any of these events can be the result of human error or purely accidental, and it may be difficult or impossible to definitively determine the ultimate cause of the event or whose personnel or equipment contributed thereto. All of these risks expose us to a wide range of significant health, safety and environmental risks and potentially substantial litigation claims for damages. With increasing frequency, our products and services are deployed in more challenging exploration, development and production locations. From time to time, customers and third parties may seek to hold us accountable for damages and costs incurred as a result of an accident, including pollution, even under circumstances where we believe we did not cause or contribute to the accident. Our insurance policies are subject to exclusions, limitations and other conditions, and may not protect us against liability for some types of events, including events involving a well blowout, or against losses from business interruption. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate or on terms that we deem commercially reasonable. Any damages or losses that are not covered by insurance, or are in excess of policy limits or subject to substantial deductibles or retentions, could adversely affect our financial condition, results of operations and cash flows.

We may not be fully indemnified against losses incurred due to catastrophic events.

As is customary in our industry, our contracts generally provide that we will indemnify and hold harmless our customers from any claims arising from personal injury or death of our employees, damage to or loss of our equipment, and pollution emanating from our equipment and services. Similarly, our customers generally agree to indemnify and hold us harmless from any claims arising from personal injury or death of their employees, damage to or loss of their equipment or property, and pollution caused from their equipment or the well reservoir (including uncontained oil flow from a reservoir). Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us. In addition, our indemnification rights may not fully protect us if we cannot prove that we are entitled to be indemnified or if the customer is bankrupt or insolvent, does not maintain adequate insurance or otherwise does not possess sufficient resources to indemnify us. In addition, our indemnification rights may be held unenforceable in some jurisdictions.

Our customers' changing views on risk allocation could cause us to accept greater risk to win new business or could result in us losing business if we are not prepared to take such risks. To the extent that we accept such additional risk, and insure against it, our insurance premiums could rise.

From time to time, we are subject to various claims, litigation and other proceedings that could ultimately be resolved against us, requiring material future cash payments or charges, which could impair our financial condition or results of operations.

The size, nature and complexity of our business make us susceptible to various claims, both in litigation and binding arbitration proceedings. We may in the future become subject to various claims, which, if not resolved within amounts we have accrued, could have a material adverse effect on our financial position, results of operations or cash flows. Similarly, any claims, even if fully indemnified or insured, could negatively impact our reputation among our customers and the public, and make it more difficult for us to compete effectively or obtain adequate insurance in the future.

The credit risks of our customer base could result in losses.

Many of our customers are oil and gas companies that are facing liquidity constraints in light of the current commodity price environment. These customers impact our overall exposure to credit risk as they are also affected by prolonged changes in economic and industry conditions. If a significant number of our customers experience a prolonged business decline or disruptions, we may incur increased exposure to credit risk and bad debts.

Increased regulation of or limiting or banning hydraulic fracturing and wastewater disposal could reduce or eliminate demand for our pressure pumping and fluid management services.

Our customers rely on hydraulic fracturing in conducting exploration and production operations. Hydraulic fracturing is typically regulated by state oil and gas commissions and similar agencies. However, the practice of hydraulically fracturing formations to stimulate the production of natural gas and oil remains under increased scrutiny from federal, state and local governmental authorities. Various federal legislative and regulatory initiatives have been undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. Federal agencies, including the Environmental Protection Agency (EPA) and Bureau of Land Management (BLM), have asserted regulatory authority over certain aspects of hydraulic fracturing within their specific jurisdiction. For example, the EPA has issued an Advance Notice of Proposed Rulemaking to collect data on chemicals used in hydraulic fracturing operations under Section 8 of the Toxic Substances Control Act, and has enacted, and recently proposed additional New Source Performance Standards for certain aspects of the hydraulic fracturing process. From time to time, Congress has considered legislative measures to regulate hydraulic fracturing, including the imposition of chemical disclosure and permitting requirements.

At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. Local governments may also seek to adopt ordinances within their jurisdictions regulating the time, place and manner of, or prohibiting the performance of, drilling activities in general or hydraulic fracturing activities in particular.

In addition, in recent years there have been various legislative and regulatory initiatives intended to address seismic activity associated with disposal wells. Developing research suggests that the link between seismic activity and wastewater disposal may vary by region, and that only a very small fraction of the tens of thousands of injection wells have been suspected to be, or have been, the likely cause of induced seismicity. The United States Geological Survey identified certain states with the most significant hazards from induced seismicity, including states where we operate, such as Oklahoma, Texas and Colorado. In response to concerns regarding induced seismicity, regulators in some states have imposed, or are considering imposing, additional requirements in the permitting of produced water disposal wells in proximity to faults. For example, Oklahoma implemented plans restricting or suspending disposal well operations of certain wells where seismic incidents have occurred. In particular, hydraulic fracturing operations in the Oklahoma SCOOP and STACK, where we conduct operations may be suspended following earthquakes of certain magnitudes in the vicinity. In addition, the Oklahoma Corporation Commission's Oil and Gas Conservation Division issued an order limiting future increases in the volume of oil and natural gas wastewater injected into the ground in an effort to reduce the number of earthquakes in the state. The Texas Railroad Commission adopted similar rules in 2014. Furthermore, ongoing lawsuits allege that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells. Increased regulation and attention given to induced seismicity could lead to greater opposition to oil and gas activities utilizing injection wells for waste disposal.

The adoption of additional legislation or regulation could impose further requirements or limitations, such as restrictions on the use of certain chemicals or prohibitions on hydraulic fracturing and disposal of wastewater in certain areas, which could impact our and our customers operations, and demand for our services.

Adverse and unusual weather conditions may affect our operations.

Our operations may be materially affected by severe weather conditions in areas where we operate. Severe weather, such as hurricanes, high winds and seas, blizzards and extreme temperatures may cause evacuation of personnel, curtailment of services and suspension of operations, inability to deliver materials to jobsites in accordance with contract schedules, loss of or damage to equipment and facilities and reduced productivity. In addition, variations from normal weather patterns can have a significant impact on demand for oil and natural gas, thereby reducing demand for our services and equipment.

Necessary capital financing may not be available at economic rates or at all.

Turmoil in the credit and financial markets could adversely affect financial institutions, inhibit lending and limit our access to funding through borrowings under our credit facility or newly created facilities in the public or private capital markets on terms we believe to be reasonable. Prevailing market conditions could be adversely affected by the ongoing disruptions in domestic or overseas sovereign or corporate debt markets, low commodity prices or other factors impacting our business, contractions or limited growth in the economy or other similar adverse economic developments in the U.S. or abroad. Instability in the global financial markets has from time to time resulted in periodic volatility in the capital markets. This volatility could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to us, or at all. Any such failure to obtain additional financing could jeopardize our ability to repay, refinance or reduce our debt obligations, or to meet our other financial commitments.

Our inability to retain key employees and skilled workers could adversely affect our operations.

Our performance could be adversely affected if we are unable to retain certain key employees and skilled technical personnel. Our ability to continue to expand the scope of our services and products depends in part on our ability to increase the size of our skilled labor force. The loss of the services of one or more of our key employees or the inability to employ or retain skilled technical personnel could adversely affect our operating results. In the past, the demand for skilled personnel has been high and the supply limited. We have experienced increases in labor costs in recent years and may continue to do so in the future.

Our international operations and revenue are affected by political, economic and other uncertainties worldwide.

In 2017, we conducted business in more than 50 countries, and we intend to expand our international operations.

Our international operations are subject to varying degrees of regulation in each of the foreign jurisdictions in which we provide services. Local laws and regulations, and their interpretation and enforcement, differ significantly among those jurisdictions, and can change significantly over time. Future regulatory, judicial and legislative changes or interpretations may have a material adverse effect on our ability to deliver services within various foreign jurisdictions.

In addition to these international regulatory risks, our international operations are subject to a number of other risks inherent in any business operating in foreign countries, including, but not limited to, the following:

- political, social and economic instability;
- potential expropriation, seizure or nationalization of assets;
- inflation;
- deprivation of contract rights;
- increased operating costs;

- inability to collect receivables and longer receipt of payment cycles;
- civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- import-export quotas or restrictions, including tariffs and the risk of fines or penalties assessed for violations;
- confiscatory taxation or other adverse tax policies;
- currency exchange controls;
- currency exchange rate fluctuations, devaluations and conversion restrictions;
- potential submission of disputes to the jurisdiction of a foreign court or arbitration panel;
- pandemics or epidemics that disrupt our ability to transport personnel or equipment;
- embargoes or other restrictive governmental actions that could limit our ability to operate in foreign countries;
- additional U.S. and other regulation of non-domestic operations, including regulation under the Foreign Corrupt Practices Act (the FCPA) as well as other anti-corruption laws;
- restrictions on the repatriation of funds;
- limitations in the availability, amount or terms of insurance coverage;
- the risk that our international customers may have reduced access to credit because of higher interest rates, reduced bank lending or a deterioration in our customers' or their lenders' financial condition;
- the burden of complying with multiple and potentially conflicting laws and regulations;
- the imposition of unanticipated or increased environmental and safety regulations or other forms of public or governmental regulation that increase our operating expenses;
- complications associated with installing, operating and repairing equipment in remote locations;
- the geographic, time zone, language and cultural differences among personnel in different areas of the world; and
- challenges in staffing and managing international operations.

These and the other risks outlined above could cause us to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets and generate greater political and economic instability in some of the geographic areas in which we operate. International areas where we operate that have significant risk include the Middle East, Angola, Colombia, Indonesia and Nigeria.

Laws, regulations or practices in foreign countries could materially restrict our operations or expose us to additional risks.

In many countries around the world where we do business, all or a significant portion of the decision making regarding procuring our services and products is controlled by state-owned oil companies. State-owned oil companies or prevailing laws may (i) require us to meet local content or hiring requirements or other local standards, (ii) restrict with whom we can contract or (iii) otherwise limit the scope of operations that we can legally or practically conduct. Our inability or failure to meet these requirements, standards or restrictions may adversely impact our operations in those countries. In addition, our ability to work with state-owned oil companies is subject to our ability to negotiate and agree upon acceptable contract terms, and to enforce those terms. In addition, many state-owned oil companies may require integrated contracts or turnkey contracts that could require us to provide services outside our core businesses. Providing services on an integrated or turnkey basis generally requires us to assume additional risks.

Moreover, in order to effectively compete in certain foreign jurisdictions, it is frequently necessary or required to establish joint ventures or strategic alliances with local contractors, partners or agents. In certain instances, these local contractors, partners or agents may have interests that are not always aligned with ours. Reliance on local contractors, partners or agents could expose us to the risk of being unable to control the scope or quality of our overseas services or products, or being held liable under the FCPA, or other anti-corruption laws for actions taken by our strategic or local contractors, partners or agents even though these contractors, partners or agents may not themselves be subject to the FCPA or other applicable anti-corruption laws. Any determination that we have violated the FCPA or other anti-corruption laws could have a material adverse effect on our business, results of operations, reputation or prospects.

Changes in tax laws or tax rates, adverse positions taken by taxing authorities and tax audits could impact our operating results.

We are subject to the jurisdiction of a significant number of domestic and foreign taxing authorities. Changes in tax laws or tax rates, the resolution of tax assessments or audits by various tax authorities could impact our operating results. In addition, we may periodically restructure our legal entity organization. If taxing authorities were to disagree with our tax positions in connection with any such restructurings, our effective income tax rate could be impacted. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each taxing jurisdiction, as well as the significant use of estimates and assumptions regarding future operations and results and the timing of income and expenses. We may be audited and receive tax assessments from taxing authorities that may result in assessment of additional taxes that are ultimately resolved with the authorities or through the courts. We believe these assessments may occasionally be based on erroneous and even arbitrary interpretations of local tax law. Resolution of any tax matter involves uncertainties and there are no assurances that the outcomes will be favorable. The U.S. recently enacted significant tax reform, and certain provisions of the new law may adversely affect us. If U.S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operating may be adversely impacted.

We are subject to environmental, worker health and safety laws and regulations, which could reduce our business opportunities and revenue, and increase our costs and liabilities.

Our business is significantly affected by a wide range of environmental and worker health and safety laws and regulations in the areas in which we operate, including increasingly rigorous environmental laws and regulations governing air emissions, water discharges and waste management. Generally, these laws and regulations have become more stringent and have sought to impose greater liability on a larger number of potentially responsible parties. The Macondo well explosion in 2010 resulted in additional regulation of our offshore operations, and similar onshore or offshore accidents in the future could result in additional increases in regulation. Failure to comply with these laws and regulations may result in a variety of administrative, civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions as to future compliance.

Environmental laws and regulations may provide for “strict liability” for remediation costs, damages to natural resources or threats to public health and safety as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior owners or operators or other third parties. Strict liability can render a party liable for damages without regard to negligence or fault on the part of the party. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances. For example, our well service and fluids businesses routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport and use radioactive and explosive materials in certain of our operations. In addition, many of our current and former facilities are, or have been, used for industrial purposes. Accordingly, we could become subject to material liabilities relating to the containment and disposal of hazardous substances, oilfield waste and other waste materials, the use of radioactive materials, the use of underground injection wells, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new domestic or foreign laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis of new or increased liabilities that could reduce our earnings and our cash available for operations.

In addition, we and our customers may need to apply for or amend facility permits or licenses from time to time with respect to storm water or wastewater discharges, waste handling, or air emissions relating to manufacturing activities or equipment operations, which subjects us and our customers to new or revised permitting conditions that may be onerous or costly to comply with.

Climate change legislation or regulations restricting emissions of greenhouse gases (GHGs) could result in increased operating costs and reduced demand for the oil and natural gas our customers produce.

Increasing concerns that emissions of carbon dioxide, methane and other greenhouse gases (GHGs) may endanger public health and produce climate changes with significant physical effects, such as increased frequency and severity of storms, floods, droughts and other climatic events, have drawn significant attention from government agencies and environmental advocacy groups. In response, additional costly requirements and restrictions have been imposed on the oil and gas industry to regulate and reduce the emission of GHG’s.

Specifically, the EPA has adopted regulations under existing provisions of the federal Clean Air Act (CAA) which increase operational costs by requiring the monitoring and annual reporting of GHG emissions from oil and gas production, processing, transmission and storage facilities in the United States. Although, the U.S. Congress has considered legislation to reduce emissions of GHGs, significant legislation has not yet been adopted to reduce GHG emissions at the federal level. In the absence of such federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions through the completion of

GHG emissions inventories and through cap and trade programs that typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting GHGs. Given the long-term trend towards increasing regulation, future federal GHG regulations of the oil and gas industry remain a possibility.   Additionally, in December 2015, the United States joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France that proposed an agreement requiring member countries to review and “represent a progression” in their intended nationally determined contributions, which set GHG emission reduction goals every five years beginning in 2020. This agreement was signed by the United States in April 2016 and entered into force in November 2016. The United States is one of over 120 nations having ratified or otherwise consented to the agreement; however this agreement does not create any binding obligations for nations to limit their GHG emissions, but rather includes pledges to voluntarily limit or reduce future emissions. In June 2017, President Trump announced that the United States intends to withdraw from the Paris Agreement and to seek negotiations either to reenter the Paris Agreement on different terms or a separate agreement. In August 2017, the U.S. Department of State officially informed the United Nations of the intent of the United States to withdraw from the Paris Agreement. The Paris Agreement provides for a four-year exit process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States’ adherence to the exit process and/or the terms on which the United States may re-enter the Paris Agreement or a separately negotiated agreement are unclear at this time.

In addition to governmental regulations, our customers are also requiring additional equipment upgrades to address the growing concerns of GHG emission and climate change which result in higher operational costs for service providers such as us. Despite taking additional measures to reduce GHG emissions, there is the possibility that the demand for fossil fuels may nevertheless decrease due to such concerns.

At this stage, we cannot predict the impact of these or other initiatives on our or our customers operations, nor can we predict whether, or which of, other currently pending greenhouse gas emission proposals will be adopted, or what other actions may be taken by domestic or international regulatory bodies. The potential passage of climate change regulation may curtail production and demand for fossil fuels such as oil and gas in areas of the world where our customers operate and thus adversely affect future demand for our products and services, which may in turn adversely affect future results of operations.

If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and results of operations could be materially and adversely affected.

The market for oilfield services in which we operate is highly competitive and includes numerous small companies capable of competing effectively in our markets on a local basis, as well as several large companies that possess substantially greater financial resources than we do. Contracts are traditionally awarded on the basis of competitive bids or direct negotiations with customers.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations could be materially and adversely affected. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and results of operations could be materially and adversely affected. In addition, we may be disadvantaged competitively and financially by a significant movement of exploration and production operations to areas of the world in which we are not currently active.

We are affected by global economic factors and political events.

Our financial results depend on demand for our services and products in the U.S. and the international markets in which we operate. Declining economic conditions, or negative perceptions about economic conditions, could result in a substantial decrease in demand for our services and products. World political events could also result in further U.S. military actions, terrorist attacks and related unrest. Military action by the U.S. or other nations could escalate and further acts of terrorism may occur in the U.S. or elsewhere. Such acts of terrorism could lead to, among other things, a loss of our investment in the country, impairment of the safety of our employees, extortion or kidnapping, and impairment of our ability to conduct our operations. Such developments have caused instability in the world’s financial and insurance markets in the past, and many experts believe that a confluence of worldwide factors could result in a prolonged period of economic uncertainty and slow growth in the future. In addition, any of these developments could lead to increased volatility in prices for oil and gas and could affect the markets for our products and services. Insurance premiums could also increase and coverages may be unavailable.

Uncertain economic conditions and instability make it particularly difficult for us to forecast demand trends. The timing and extent of any changes to currently prevailing market conditions is uncertain and may affect demand for many of our services and products. Consequently, we may not be able to accurately predict future economic conditions or the effect of such conditions on demand for our services and products and our results of operations or financial condition.

We may not realize the anticipated benefits of acquisitions or divestitures.

We continually seek opportunities to increase efficiency and value through various transactions, including purchases or sales of assets or businesses. These transactions are intended to result in the offering of new services or products, the entry into new markets, the generation of income or cash, the creation of efficiencies or the reduction of risk. Whether we realize the anticipated benefits from an acquisition or any other transactions depends, in part, upon our ability to timely and efficiently integrate the operations of the acquired business, the performance of the underlying product and service portfolio, and the management team and other personnel of the acquired operations. Accordingly, our financial results could be adversely affected from unanticipated performance issues, legacy liabilities, transaction-related charges, amortization of expenses related to intangibles, charges for impairment of long-term assets, credit guarantees, partner performance and indemnifications. In addition, the financing of any future acquisition completed by us could adversely impact our capital structure or increase our leverage. While we believe that we have established appropriate and adequate procedures and processes to mitigate these risks, there is no assurance that these transactions will be successful. We also may make strategic divestitures from time to time. These transactions may result in continued financial involvement in the divested businesses, such as guarantees or other financial arrangements, following the transaction. Nonperformance by those divested businesses could affect our future financial results through additional payment obligations, higher costs or asset write-downs. Except as required by law or applicable securities exchange listing standards, we do not expect to ask our shareholders to vote on any proposed acquisition or divestiture. Moreover, we generally do not announce our acquisitions or divestitures until we have entered into a preliminary or definitive agreement.

Our operations may be subject to cyber-attacks that could have an adverse effect on our business operations.

Like most companies, we rely heavily on information technology networks and systems, including the Internet, to process, transmit and store electronic information, to manage or support a variety of our business operations, and to maintain various records, which may include information regarding our customers, employees or other third parties, and the integrity of these systems are essential for us to conduct our business and operations. We make significant efforts to maintain the security and integrity of these types of information and systems (and maintain contingency plans in the event of security breaches or system disruptions), however, we cannot provide assurance that our security efforts and measures will prevent security threats from materializing, unauthorized access to our systems, loss or destruction of data, account takeovers, or other forms of cyber-attacks or similar events, whether caused by mechanical failures, human error, fraud, malice, sabotage or otherwise. Cyber-attacks include, but are not limited to, malicious software, attempts to gain unauthorized access to data, unauthorized release of confidential or otherwise protected information and corruption of data. The frequency, scope and sophistication of cyber-attacks continue to grow, which increases the possibility that our security measures will be unable to prevent our systems' improper functioning or the improper disclosure of proprietary information. Any failure of our information or communication systems, whether caused by attacks, mechanical failures, natural disasters or otherwise, could interrupt our operations, damage our reputation, or subject us to claims, any of which could materially adversely affect us.

We depend on particular suppliers and are vulnerable to product shortages and price increases.

Some of the materials that we use are obtained from a limited group of suppliers. Our reliance on these suppliers involves several risks, including price increases, inferior quality and a potential inability to obtain an adequate supply in a timely manner. We do not have long-term contracts with most of these sources, and the partial or complete loss of certain of these sources could have a negative impact on our results of operations and could damage our customer relationships. Further, a significant increase in the price of one or more of these materials could have a negative impact on our results of operations.

Estimates of our oil and natural gas reserves and potential liabilities relating to our oil and natural gas property may be incorrect.

Actual future production, cash flows, development expenditures, operating and abandonment expenses and quantities of recoverable oil and natural gas reserves may vary substantially from those estimated by us and any significant variance in these assumptions could materially affect the estimated quantity and value of our proved reserves. Therefore, the risk exists we may overestimate the value of economically recoverable reserves or underestimate the cost of plugging wells and abandoning production facilities. If costs of abandonment are materially greater or actual reserves are materially lower than our estimates, this could have an adverse effect on our financial condition, results of operations and cash flows.

Potential changes of Bureau of Ocean Energy Management security and bonding requirements for offshore platforms could impact our operating cash flows and results of operations.

Federal oil and natural gas leases contain standard terms and require compliance with detailed Bureau of Safety and Environmental Enforcement (BSEE) and BOEM regulations and orders issued pursuant to various federal laws, including the Outer Continental Shelf Lands Act. In 2016 BOEM undertook a review of its historical policies and procedures for determining a lessee's ability to decommission platforms on the Outer Continental Shelf and whether lessees should furnish additional security, and in July 2016, BOEM issued a new Notice to Lessees requiring additional security for decommissioning activities. In January 2017, BOEM extended the implementation timeline for properties with co-lessees by an additional six months, and in June 2017 announced that the Notice to lessees would be stayed while BOEM continued to review its implementation issues and continued industry engagement to gather additional information on the financial assurance program. We cannot predict whether these laws and regulations may change in the future, particularly in connection with the transition of presidential administrations.

During the second half of 2016, BSEE increased its estimates of many offshore operator's decommissioning costs, including the decommissioning costs at our sole federal offshore oil and gas property, Bullwinkle. Our subsidiary owns a 51% non-operating interest in Bullwinkle. In October 2016, BOEM sent an initial proposal letter to the operator of Bullwinkle, proposing an increase in the supplemental bonding requirement for the property's sole fixed platform that was eight to ten times higher than the revised supplemental bonding requirement requested for any other deep-water fixed platform in the U.S. Gulf of Mexico. Both the operator and our subsidiary submitted formal dispute notices, asserting that the estimates in the October 2016 proposal letter may be based on erroneous or arbitrary estimates of the potential decommissioning costs, and requesting in-person meetings to discuss the estimate. We asked that BSEE and BOEM reduce the estimate to an amount that more closely approximates actual decommissioning costs, consistent with estimates identified by BSEE and BOEM for similar deep-water platforms. BSEE and BOEM have not yet responded to our dispute notice. If BOEM ultimately issues a formal order and we are unable to obtain the additional required bonds or assurances, BOEM may suspend or cancel operations at the Bullwinkle Platform or otherwise impose monetary penalties. Any of these actions could have a material effect on our financial condition, operating cash flows and liquidity.

Business growth could outpace the capabilities of our infrastructure and workforce.

We cannot be certain that our infrastructure and workforce will be adequate to support our operations as we expand in the future. Future growth also could impose significant additional demands on our resources, resulting in additional responsibilities of our senior management, including the need to recruit and integrate new senior level managers, executives and operating personnel. We cannot be certain that we will be able to recruit and retain such additional personnel. Moreover, we may need to expend significant time and money in the future to integrate and unify our systems and infrastructure. To the extent that we are unable to manage our growth effectively, or are unable to attract and retain additional qualified personnel, we may not be able to expand our operations or execute our business plan.

The price of our common stock may be volatile.

Some of the factors that could affect the price of our common stock are quarterly increases or decreases in revenue or earnings, changes in revenue or earnings estimates by the investment community and speculation in the press or investment community about our financial condition or results of operations. General market conditions and U.S. or international economic factors and political events unrelated to our performance may also affect our stock price. For these reasons, investors should not rely on recent trends in the price of our common stock to predict the future price of our common stock or our financial results.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Information on properties is contained in Part I, Item 1 of this Annual Report on Form 10-K.

Item 3. Legal Proceedings

From time to time, we are involved in various legal actions incidental to our business. The outcome of these proceedings is not predictable. However, based on current circumstances, we do not believe that the ultimate resolution of these proceedings, after considering available defenses and any insurance coverage or indemnification rights, will have a material adverse effect on our financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock and Dividend Information

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.

	Common Stock Prices		Dividends Declared Per Common Share
	High	Low	
2016			
First Quarter	$ 14.09	$ 8.25	$ 0.08
Second Quarter	19.83	12.34	-
Third Quarter	19.16	13.78	-
Fourth Quarter	19.39	13.67	-
2017			
First Quarter	$ 19.08	$ 12.79	$ -
Second Quarter	15.25	8.99	-
Third Quarter	12.03	7.91	-
Fourth Quarter	10.81	7.66	-

At February 16, 2018, there were 154,235,814 shares of our common stock outstanding, which were held by 115 record holders.

Dividend Information

On March 31, 2016, our Board of Directors announced that, following a recommendation of the Company's management team, it approved the elimination of the Company's quarterly dividend. In addition, our credit agreement restricts the payment of dividends.

Equity Compensation Plan Information

Information required by this item with respect to compensation plans under which our equity securities are authorized for issuance is incorporated by reference from Part III, Item 12 of this Annual Report Form 10-K, which will be contained in our definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

Issuer Purchases of Equity Securities

There were no repurchases of our equity securities during the quarter ended December 31, 2017.

Performance Graph

The following performance graph and related information shall not be deemed "soliciting material" or "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the Securities Act) or the Securities Exchange Act of 1934, as amended (the Securities Exchange Act) except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares the yearly percentage change in cumulative total stockholder return on our common stock for five years ended December 31, 2017 with the cumulative total return on the Standard & Poor' 500 Index (S&P 500 Index) and our Self-Determined Peer Group, as described below, for the same period. The information in the graph is based on the assumption of a $100 investment on January 1, 2013 at closing prices on December 31, 2012.

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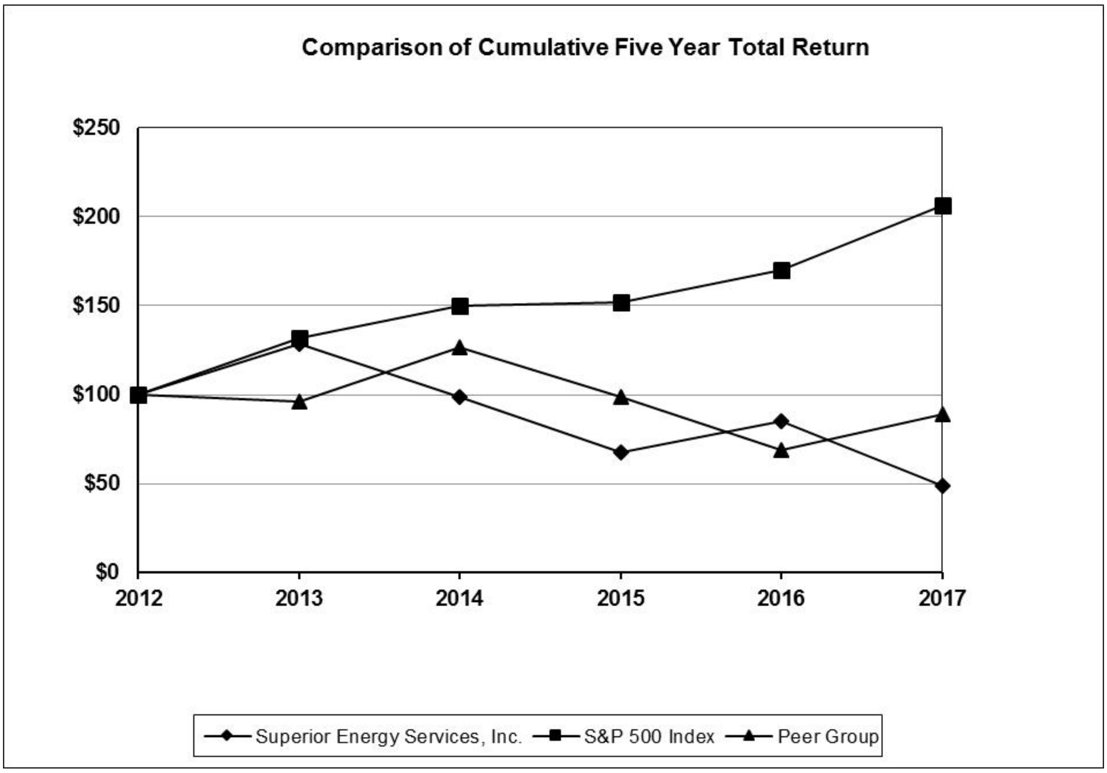
The comparisons in the graph are required by the SEC and are not intended to be a forecast or indicative of possible future performance of our common stock.



	2013	2014	2015	2016	2017
Superior Energy Services, Inc.	$ 128	$ 99	$ 68	$ 85	$ 49
S&P 500 Index	$ 132	$ 150	$ 152	$ 170	$ 206
Peer Group	$ 96	$ 127	$ 99	$ 69	$ 89

NOTES:

- The lines represent monthly index levels derived from compounded daily returns that reflect the reinvestment of all dividends.
- The indexes are reweighted daily, using the market capitalization on the previous trading day.
- If the monthly interval, based on the fiscal year-end, is not a trading day, the preceding trading day is used.
- The index level for all securities was set to $100.00 on December 31, 2012.

Our Self-Determined Peer Group consists of 13 companies whose average stockholder return levels comprise part of the performance criteria established by the Compensation Committee of our Board of Directors under our long-term incentive compensation program: Basic Energy Services, Inc., Halliburton Company, Helix Energy Solutions Group, Inc., Helmerich & Payne Inc., Key Energy Services, Inc., Nabors Industries Ltd., National Oilwell Varco, Inc., Oceaneering International, Inc., Oil States International, Inc., Patterson-UTI Energy Inc., RPC, Inc., Schlumberger N.V. and Weatherford International plc.

Item 6. Selected Financial Data

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto, which are in this Annual Report on Form 10-K.

	2017	2016	2015	2014	2013
	(in thousands, except per share data)				
Revenues	$ 1,874,076	$ 1,450,047	$ 2,774,565	$ 4,556,622	$ 4,350,057
Income (loss) from operations	(272,997)	(1,030,209)	(1,952,989)	546,604	214,170
Net income (loss) from continuing operations	(187,011)	(833,340)	(1,807,763)	280,790	45,485
Loss from discontinued operations, net of tax	(18,910)	(53,559)	(46,955)	(22,973)	(156,903)
Net income (loss)	(205,921)	(886,899)	(1,854,718)	257,817	(111,418)
Net income (loss) from continuing operations per share:					
Basic	(1.22)	(5.50)	(12.02)	1.81	0.29
Diluted	(1.22)	(5.50)	(12.02)	1.79	0.28
Net loss from discontinued operations per share:					
Basic	(0.13)	(0.35)	(0.31)	(0.15)	(0.99)
Diluted	(0.13)	(0.35)	(0.31)	(0.14)	(0.97)
Net income (loss) per share:					
Basic	(1.35)	(5.85)	(12.33)	1.66	(0.70)
Diluted	(1.35)	(5.85)	(12.33)	1.65	(0.69)
Cash dividends declared per share	-	0.08	0.32	0.24	0.08
Total assets	3,110,225	3,470,255	4,914,244	7,317,782	7,366,943
Long-term debt, net	1,279,771	1,284,600	1,588,263	1,600,373	1,610,956
Decommissioning liabilities, less current portion	103,136	101,513	98,890	88,000	56,197
Stockholders' equity	1,132,429	1,303,920	2,210,812	4,079,738	4,131,444

- For 2017, 2016 and 2015, net loss from continuing operations included $14.2 million, $500.4 million and $1,738.9 million, respectively of reduction in value of assets.

- For 2013, net income from continuing operations included $300.1 million of reduction in value of assets.

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 and applicable notes to our consolidated financial statements and other information included elsewhere in this Annual Report on Form 10-K, including risk factors disclosed in Part I, Item 1A. 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 "Forward-Looking Statements" at the beginning of this Annual Report on Form 10-K.

Executive Summary

General

We provide a wide variety of services and products to the energy industry. We serve major, national and independent oil and natural gas exploration and production companies around the world and we offer products and services with respect to the various phases of a well's economic life cycle. We report our operating results in four business segments: Drilling Products and Services; Onshore Completion and Workover Services; Production Services; and Technical Solutions. Given our long-term strategy of geographic expansion, we also provide supplemental segment revenue information in three geographic areas: U.S. land; Gulf of Mexico; and International.

Financial Results

During 2017, our business began strengthening as commodity prices and the North America rig count improved substantially from the first half of 2016. Average crude oil price increased by 17% during 2017 and U.S. land rig count increased by 76% when compared to 2016. In North America, increased commodity prices and rig counts resulted in a rapidly recovering market during 2017. During the industry downturn, which began in the fourth quarter of 2014, the international markets were more resilient than North America. However, during 2017, our international business experienced activity reductions and pricing pressure. Our Gulf of Mexico business was also negatively impacted by a decrease in offshore rig count and reduced deepwater drilling activity.

During 2017, we generated $1,874.1 million of revenue which represents a 29% increase from $1,450.0 million of revenue generated during 2016. The increase in revenue is largely attributable to our U.S. land market area, in which revenue grew by 73% during 2017. The substantial increase in U.S. land market revenue was driven by increases from the majority of our rental and service lines. Most notably, pressure pumping revenue increased 128% during 2017 and accounted for 30% of our consolidated revenue for the year ended December 31, 2017. The increase in the U.S. land revenue was offset by a 17% decrease in revenue from our international market areas and by a 10% decrease in revenue from the Gulf of Mexico market area. These decreases were primarily driven by the declines in both offshore and international activity.

For the year ended December 31, 2017, we incurred a net loss of $205.9 million, which represented a $681.0 million or 77% reduction in net loss as compared to 2016. Our general and administrative expenses decreased $51.1 million or 15% during 2017 as compared to 2016. During 2017, we continued to benefit from the steps taken to reduce our cost structure, integrate product and service lines and reorganize certain businesses.

During 2017, we made $164.9 million of capital expenditures, an increase of 105% from 2016. Our increased capital expenditures were primarily driven by the significant improvement in the U.S. land market area with the majority of the capital spending used to rebuild our pressure pumping fleet. During 2018, we plan to continue adjusting capital spending to align with market conditions and customer demand.

Throughout the downturn and during 2017, our focus has remained on improving working capital and managing our balance sheet to maximize our financial flexibility. During 2017, we issued $500 million of 7 3/4% senior unsecured notes due 2024 and redeemed $500 million of 6 3/8% senior unsecured notes due 2019. We begin 2018 with no debt maturities until 2021. In addition, during 2017, we amended and restated our revolving credit facility to, among other things, extend its maturity to 2022. During 2018, we will focus on generating free cash flow and reducing our outstanding debt.

Industry Trends

The oil and gas industry is both cyclical and seasonal. The level of spending by oil and gas companies is highly influenced by current and expected demand as well as future prices of oil and natural gas. Changes in spending result in an increased or decreased demand for our services and products. Rig count is an indicator of the level of spending by oil and gas companies. Our financial performance is significantly affected by the rig count in the U.S. land and offshore market areas as well as oil and natural gas prices and worldwide rig count, which are summarized in the table below.

	2017	2016	2017 to 2016 Change	2015	2016 to 2015 Change
Worldwide Rig Count [1]					
U.S.:					
Land	856	486	76%	943	-48%
Offshore	20	23	-13%	35	-34%
Total	876	509	72%	978	-48%
International [2]	948	955	-1%	1,167	-18%
Worldwide Total	1,824	1,464	25%	2,145	-32%
Commodity Prices (average)					
Crude Oil (West Texas Intermediate)	$ 50.80	$ 43.29	17%	$ 48.66	-11%
Natural Gas (Henry Hub)	$ 2.99	$ 2.52	19%	$ 2.62	-4%

[1] Estimate of drilling activity as measured by average active drilling rigs based on Baker Hughes, a GE company, rig count information.

[2] Excludes Canadian rig count.

Overview of our business segments

We attribute revenue to major geographic regions based on the location where services are performed or the destination of the rental or sale of products. The following table compares our revenues generated from major geographic regions (in thousands).

	Revenue				
	2017	%	2016	%	Change
U.S. Land	$ 1,238,954	66%	$ 717,748	49%	$ 521,206
Gulf of Mexico	327,306	17%	362,765	25%	(35,459)
International	307,816	16%	369,534	25%	(61,718)
Total	$ 1,874,076	100%	$ 1,450,047	100%	$ 424,029

The Drilling Products and Services segment is capital intensive with higher operating margins relative to our other segments as a result of relatively low operating expenses. The largest fixed cost is depreciation as there is little labor associated with our drilling products and services businesses. In 2017, 40% of segment revenue was derived from U.S. land market area (up from 22% in 2016), while 31% of segment revenue was from the Gulf of Mexico market area (down from 41% in 2016) and 29% of segment revenue was from international market areas (down from 37% in 2016). Premium drill pipe accounted for more than 55% of this segment's revenue in 2017, while bottom hole assemblies and accommodations each accounted for approximately 20% of this segment's revenue in 2017.

The Onshore Completion and Workover Services segment consists primarily of services used in the completion and workover of oil and gas wells on land. These services include pressure pumping, well service rigs and fluid management services. All of this segment's revenue is derived in the U.S. land market areas. Demand for these services in the U.S. land market can change quickly and is highly dependent on the number of oil and natural gas wells drilled and completed. Given the cyclical nature of these drilling and completion activities in the U.S. land market, coupled with the high labor intensity of these services, operating margins can fluctuate widely depending on supply and demand at a given point in the cycle. Pressure pumping is the largest service offering in this segment, representing more than 60% of this segment's revenue in 2017. Fluid management and well service rigs each accounted for approximately 20% of this segment's revenue in 2017.

The Production Services segment consists of intervention services primarily used to maintain and extend oil and gas production during the life of a producing well. These services are labor intensive and margins fluctuate based on how much capital our customers allocate towards enhancing existing oil and gas production from mature wells. In 2017, 41% of segment revenue was derived from the U.S. land market area (up from 25% in 2016), while 20% of segment revenue was from the Gulf of Mexico market area (down from 24% in 2016) and 39% of this segment's revenue was from international market areas (down from 51% in 2016). Coiled tubing is the largest service offering in this segment, accounting for approximately 26% of this segment's revenue in 2017. Hydraulic workover and snubbing represented approximately 19% of this segment's revenue in 2017, while pressure control and electric wireline each accounted for approximately 14% of this segment's revenue in 2017.

The Technical Solutions segment consists of products and services that address customer-specific needs and include offerings such as completion tools and services, end-of-life services, and the production and sale of oil and gas. Given the project-specific nature associated with several of the service offerings in this segment and the seasonality associated with Gulf of Mexico activity, revenue and operating margins in this segment can have significant variations from quarter to quarter. In 2017, revenue derived from the U.S. land market area was 13% of segment revenue (down from 15% in 2016), while 59% of segment revenue was from the Gulf of Mexico market area (up from 55% in 2016) and 28% of segment revenue was from international market areas (down from 30% in 2016). Completion tools and products accounted for approximately 40% of this segment's revenue in 2017, while well control services represented more than 30% of this segment's revenue in 2017.

Comparison of the Results of Operations for the Years Ended December 31, 2017 and 2016

For 2017, our revenue was $1,874.1 million, an increase of $424.1 million or 29%, as compared to 2016. The increase is largely attributable to the significant increase in land-based activity, particularly in the U.S. land market, where the average rig count increased 76% as compared to 2016. The net loss from continuing operations was $187.0 million, or a $1.22 loss per share. Net loss was $205.9 million, or a $1.35 loss per share. Included in the results for 2017 were pre-tax charges of $14.2 million related to the reduction in value of assets. For 2016, our revenue was $1,450.0 million, resulting in a loss from continuing operations of $833.3 million, or $5.50 loss per share. Net loss was $886.9 million, or $5.85 loss per share. Included in the results for 2016 were pre-tax charges of $500.4 million related to the reduction in value of assets, $20.8 million for inventory write-down and $39.2 million, primarily, for severance and facility closures.

The following table compares our operating results for 2017 and 2016 (in thousands). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2017	2016	Change	%	2017	%	2016	%	Change
Drilling Products and Services	$ 293,690	$ 293,543	$ 147	0%	$ 128,381	44%	$ 136,719	47%	$ (8,338)
Onshore Completion and Workover Services	935,183	523,965	411,218	78%	791,581	85%	515,784	98%	275,797
Production Services	372,781	348,363	24,418	7%	303,256	81%	276,223	79%	27,033
Technical Solutions	272,422	284,176	(11,754)	-4%	175,477	64%	194,548	68%	(19,071)
Total	$ 1,874,076	$ 1,450,047	$ 424,029	29%	$ 1,398,695	75%	$ 1,123,274	77%	$ 275,421

Operating Segments:

Drilling Products and Services Segment

Revenue for our Drilling Products and Services segment remained flat at $293.7 million for 2017, as compared to $293.5 million for 2016. Cost of services and rentals as a percentage of revenue decreased to 44% of segment revenue in 2017, as compared to 47% in 2016. Revenue from the Gulf of Mexico market area decreased 24% and revenue from the international market areas decreased 23%. The decline in revenue in these market areas is primarily attributable to decreases in revenues from rentals of premium drill pipe, bottom hole assemblies and accommodation units, primarily driven by a decrease in offshore and international rig counts. The revenue in the U.S. land market area increased primarily as a result of increases in revenues from rentals of premium drill pipe, bottom hole assemblies and accommodation units, as demand for these rental products increased along with the increase in U.S. land rig count. During 2017, we recorded $1.4 million in reduction in value of assets as compared to $48.9 million recorded during 2016.

Onshore Completion and Workover Services Segment

Revenue for our Onshore Completion and Workover Services segment increased 78% to $935.2 million for 2017, as compared to $523.9 million in 2016. All of this segment's revenue is derived from the U.S. land market area, in which rig count was up 76%. Cost of services and rentals as a percentage of revenue decreased to 85% of segment revenue in 2017, as compared to 98% in 2016, primarily due to improved pricing and efficiencies due to higher activity levels. The increase in revenue is primarily attributable to an increase in activity in our pressure pumping business. During 2017, we recorded $4.7 million in reduction in value of assets as compared to $190.8 million recorded during 2016.

Production Services Segment

Revenue for our Production Services segment increased 7% to $372.8 million for 2017, as compared to $348.4 million in 2016. Cost of services and rentals as a percentage of revenue increased to 81% of segment revenue in 2017, as compared to 79% in 2016. Revenue derived from the Gulf of Mexico market area decreased 13% primarily due to a decrease in demand for specialty rentals. Revenue from the U.S. land market area increased 73%, primarily due to increased activity in coiled tubing and pressure control services. Revenue from international market areas decreased 17% primarily due to decreased activity from hydraulic workover and snubbing. During 2016, we recorded $235.1 million in reduction in value of assets.

Technical Solutions Segment

Revenue for our Technical Solutions segment decreased 4% to $272.4 million for 2017 as compared to $284.2 million in 2016. Cost of services and rentals as percentage of revenue decreased to 64% in 2017, as compared to 68% in 2016. Revenue derived from the Gulf of Mexico market area increased 3%, primarily due to an increase in demand for completion tools and products and plug and abandonment services, offset by a decrease in subsea intervention activities. Revenue from the U.S. land market area decreased 19% and revenue from international market areas decreased 10% primarily due to a decrease in demand for completion tools and products. During 2017, we recorded $8.1 million in reduction in value of assets as compared to the $25.6 million in reduction in value of assets and $19.1 million inventory write-down charge we recorded during 2016.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $438.7 million during 2017 from $510.0 million in 2016. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $28.6 million, or 18%; for our Onshore Completion and Workover Services segment by $13.9 million, or 7%; for our Production Services segment by $14.9 million, or 16%; for our Technical Solutions segment by $12.9 million, or 30%; and for Corporate and Other by $1.0 million, or 15%. The decrease in depreciation, depletion, amortization and accretion is primarily due to assets becoming fully depreciated and reduced levels of capital expenditures.

Other Operating Items:

General and Administrative Expenses

General and administrative expenses decreased 15% to $295.5 million during 2017 from $346.6 million in 2016. The decrease is primarily attributable to significant cost reduction initiatives implemented during 2016. These cost reduction initiatives resulted in significantly lower expenses for salaries and wages, other employee-related expenses and infrastructure-related expenses.

Reduction in Value of Assets

The reduction in value of assets recorded in 2017 was $14.2 million as compared to $500.4 million in 2016. The reduction in value of assets was comprised of $8.1 million related to property, plant and equipment in the Technical Solutions segment and $6.1 million related to property, plant and equipment primarily in the Onshore Completion and Workover Services segment. Reduction in value of assets in 2016 included $190.5 million related to the Production Services segment goodwill impairment and $140.0 million related to the Onshore Completion and Workover Services segment goodwill impairment. In addition, the reduction in value of assets expense included $169.9 million related to reduction in value and retirements of long-lived assets across all of our operating segments.

Nonoperating Items:

Other Income/Expense

Other expense for 2017 was $3.3 million as compared to $22.6 million of income for 2016. The decrease in other income is primarily attributable to foreign currency fluctuations.

Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (U.S. Tax Reform) was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017 and the transition of U.S. international taxation from a worldwide tax system to a modified territorial system. As a result, we recorded a provisional income tax benefit of $76.5 million during the fourth quarter of 2017. The provisional amount related primarily to the remeasurement of certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future. See note 7 to our consolidated financial statements.

Discontinued Operations

Loss from discontinued operations, net of tax, was $18.9 million for 2017 as compared to $53.6 million for 2016. Loss from discontinued operations for 2017 and 2016 included $10.9 million and $33.0 million reduction in value of marine vessels and equipment, respectively.

Comparison of the Results of Operations for the Years Ended December 31, 2016 and 2015

For 2016, our revenue was $1,450.0 million, a decrease of $1,324.6 million or 48%, as compared to 2015. Our performance in 2016 was severely impacted by the significant decrease in land-based activity, particularly in the U.S. land market, where the average rig count decreased 48% as compared to 2015. Supply overcapacity in the U.S. land market remained high for most of 2016, resulting in pricing pressure across all of our services. Net loss from continuing operations was $833.3 million, or a $5.50 loss per share. Net loss was $886.9 million, or a $5.85 loss per share. Included in the results for 2016 were pre-tax charges of $500.4 million related to the reduction in value of assets, $20.8 million for inventory write-down and $39.2 million, primarily, for severance and facility closures. For 2015, our revenue was $2,774.6 million, resulting in a loss from continuing operations of $1,807.8 million, or $12.02 loss per share. Net loss was $1,854.7 million, or $12.33 loss per share. Included in the results for 2015 were pre-tax charges of $1,738.9 million related to the reduction in value of assets and $46.8 million expense for severance and facility closures.

The following table compares our operating results for 2016 and 2015 (in thousands). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2016	2015	Change	%	2016	%	2015	%	Change
Drilling Products and Services	$ 293,543	$ 547,530	$ (253,987)	-46%	$ 136,719	47%	$ 178,629	33%	$ (41,910)
Onshore Completion and Workover Services	523,965	934,274	(410,309)	-44%	515,784	98%	773,119	83%	(257,335)
Production Services	348,363	795,215	(446,852)	-56%	276,223	79%	612,578	77%	(336,355)
Technical Solutions	284,176	497,546	(213,370)	-43%	194,548	68%	301,486	61%	(106,938)
Total	$ 1,450,047	$ 2,774,565	$ (1,324,518)	-48%	$ 1,123,274	77%	$ 1,865,812	67%	$ (742,538)

Operating Segments:

Drilling Products and Services Segment

Revenue for our Drilling Products and Services segment decreased 46% to $293.5 million for 2016, as compared to $547.5 million for 2015. Cost of services and rentals as a percentage of revenue increased to 47% of segment revenue in 2016, as compared to 33% in 2015, primarily due to a decrease in revenue. Revenue from our Gulf of Mexico market area decreased 45%, revenue generated in our U.S. land market area decreased 60% and revenue from our international market areas decreased 35%. The decrease in revenue in these market areas was primarily attributable to decreases in revenues from rentals of premium drill pipe, bottom hole assemblies and accommodation units, as demand for these rental products decreased along with the worldwide rig count. During 2016, we recorded $48.9 million in reduction in value of assets as compared to $40.2 million recorded during 2015.

Onshore Completion and Workover Services Segment

Revenue for our Onshore Completion and Workover Services segment decreased 44% to $523.9 million for 2016, as compared to $934.3 million in 2015. All of this segment's revenue is derived from the U.S. land market area, in which rig count was down 48%. Cost of services and rentals as a percentage of revenue increased to 98% of segment revenue in 2016, as compared to 83% in 2015, primarily due to a decrease in revenue. The decrease in revenue was primarily due to a decline in activity and pricing pressure for our services, primarily in our pressure pumping and fluid management businesses. These services were impacted negatively by reduced customer spending and activity as well as continued pricing pressure in North America during 2016. During 2016, we recorded $190.8 million in reduction in value of assets as compared to $780.2 million recorded during 2015.

Production Services Segment

Revenue for our Production Services segment decreased 56% to $348.4 million for 2016, as compared to $795.2 million in 2015. Cost of services and rentals as a percentage of revenue increased to 79% of segment revenue in 2016, as compared to 77% in 2015. Revenue derived from the Gulf of Mexico market area decreased 41% primarily due to a decrease in electric line activity. Revenue from the U.S. land market area decreased 77%, primarily due to decreased activity in coiled tubing, electric line and slickline services. Revenue from international market areas decreased 43% primarily due to decreased activity from hydraulic workover and snubbing, electric line and coiled tubing services. During 2016, we recorded $235.1 million in reduction in value of assets as compared to $790.5 million recorded during 2015.

Technical Solutions Segment

Revenue for our Technical Solutions segment decreased 43% to $284.2 million for 2016 as compared to $497.6 million in 2015 Cost of services and rentals as percentage of revenue increased to 68% in 2016, as compared to 61% in 2015. Revenue derived from the Gulf of Mexico market area decreased 51%, primarily due to a decrease in demand for well control services and completion tools and products. In addition, the decrease in revenue was also attributable to the discontinuation of our marine technical services business due to the termination of the contract with its customer. Revenue from the U.S. land market area decreased 31% and revenue from international market areas decreased 26% primarily due to a decline in demand for completion tools and products. During 2016, we recorded $25.6 million in reduction in value of assets and $19.1 million inventory write-down charge as compared to $124.9 million reduction in value of long-lived assets recorded during 2015.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $510.0 million during 2016 from $612.1 million in 2015. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $26.1 million, or 14%; for our Onshore Completion and Workover Services segment by $16.6 million, or 7%; for our Production Services segment by $41.4 million, or 31%; and for our Technical Solutions segment by $18.6 million, or 30%. Depreciation expense increased for Corporate and Other by $0.6 million, or 9%. The decrease in depreciation, depletion, amortization and accretion is primarily due to lower asset values as a result of the impairments recorded during 2016 and 2015, certain assets being fully depreciated and significantly reduced capital expenditures.

Other Operating Items:

General and Administrative Expenses

General and administrative expenses decreased to $346.6 million during 2016 from $510.7 million in 2015. The decrease was primarily attributable to significant cost reduction initiatives implemented during 2016. These cost reduction initiatives resulted in significantly lower expenses for salaries and wages and other employee-related expenses and insurance and infrastructure-related expenses.

Reduction in Value of Assets

Reduction in value of assets in 2016 was $500.4 million as compared to $1,738.9 million in 2015. The reduction in value of assets recorded during 2016 included $190.5 million related to the Production Services segment goodwill impairment and $140.0 million related to the Onshore Completion and Workover Services segment goodwill impairment. In addition, the reduction in value of assets expense included $169.9 million related to reduction in value and retirements of long-lived assets across all of our operating segments. The reduction in value of assets recorded during 2015 included $740.0 million related to the Onshore Completion and Workover Services segment goodwill impairment, $586.7 million related to the Production Services segment goodwill impairment and $412.2 million related to reduction in value and retirements of long-lived assets across all of our operating segments. See note 3 to our consolidated financial statements for further discussion of the reduction in value of assets.

Nonoperating Items:

Other Income/Expense

Other income for 2016 was $22.6 million as compared to $9.5 million of expense for 2015. The increase in other income was primarily attributable to foreign currency fluctuations.

Income Taxes

Our effective income tax rate for 2016 was a 24.3% tax benefit compared to a 12.2% tax benefit for 2015. The change in the effective income tax rate was primarily due to the reduction in value of goodwill which is non-deductible for income tax purposes. See note 7 to our consolidated financial statements.

Discontinued Operations

Loss from discontinued operations, net of tax, was $53.6 million for 2016 as compared to $47.0 million for 2015. Loss from discontinued operations for 2016 and 2015 included $33.0 million and $34.6 reduction in value of marine vessels and equipment, respectively.

Liquidity and Capital Resources

During 2017, we generated net cash from operating activities of $103.8 million as compared to $61.3 million in 2016. Our primary liquidity needs during the next twelve months are for working capital and capital expenditures. Our primary sources of liquidity are cash flows from operations and available borrowings under our credit facility. We had cash and cash equivalents of $172.0 million at December 31, 2017 as compared to $187.6 million at December 31, 2016.

We made $164.9 million of capital expenditures during 2017. Approximately $27.2 million was used to expand and maintain our Drilling Products and Services segment's equipment inventory. Approximately $115.4 million was spent on our Onshore Completion and Workover Services segment, primarily to rebuild our pressure pumping fleet. $7.9 million and $13.3 million was spent in our Production Services and Technical Solutions segments, respectively and $1.1 million was spent in Corporate and Other.

In October 2017, the Company amended and restated its revolving credit facility to, among other things, extend its maturity to October 2022. The borrowing base under the credit facility is calculated based on a formula referencing the borrower's and the subsidiary guarantors' eligible accounts receivable, eligible inventory and eligible premium rental drill pipe, less reserves. Availability under the credit facility is the lesser of (i) the commitments, (ii) the borrowing base and (iii) the highest principal amount permitted to be secured under the indenture governing the 7 1/8% senior unsecured notes due 2021. At December 31, 2017, the borrowing base was $273.3 million and we had $35.3 million of letters of credit outstanding under our revolving credit facility. The borrowing base may increase or decrease as a result of, among other things, changes to the Company's consolidated tangible assets. The credit agreement contains various covenants, including, but not limited to, limitations on the incurrence of indebtedness, permitted investments, liens on assets, making distributions, transactions with affiliates, merger, consolidations, dispositions of assets and other provisions customary in similar types of agreements. At December 31, 2017, we were in compliance with all such covenants.

In August 2017, the Company issued $500 million of 7 3/4% senior unsecured notes due September 2024 in a private placement conducted pursuant to Rule 144A and Regulation S under the Securities Act. Costs associated with the issuance of these notes were $8.9 million which will be amortized over the term of the notes. The Company used the net proceeds of the notes offering and cash on hand to redeem all of the outstanding $500 million 6 3/8% senior unsecured notes due 2019. In connection with the redemption of the senior unsecured notes due May 2019, the Company recorded $2.6 million for the write-off of unamortized debt issuance costs. The indenture governing the 7 3/4% senior unsecured notes due 2024 requires semi-annual interest payments on March 15th and September 15th of each year, beginning on March 15, 2018, through the maturity date of September 15, 2024. The indenture contains customary events of default and requires that we satisfy various covenants. At December 31, 2017, we were in compliance with all such covenants.

We also have outstanding $800 million of 7 1/8% senior unsecured notes due 2021. The indenture governing the 7 1/8% senior unsecured notes due 2021 requires semi-annual interest payments on June 15th and December 15th of each year through the maturity date of December 15, 2021. The indenture contains customary events of default and requires that we satisfy various covenants. At December 31, 2017, we were in compliance with all such covenants.

The following table summarizes our contractual cash obligations and commercial commitments at December 31, 2017 (in thousands):

Contractual Obligations	Total	< 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years
Long-term debt, including estimated interest payments	$ 1,799,250	$ 95,750	$ 191,500	$ 934,500	$ 577,500
Decommissioning liabilities, undiscounted	203,221	28,092	12,979	4,439	157,711
Operating leases	80,742	24,616	30,306	16,856	8,964
Other long-term liabilities	154,676	-	75,988	22,856	55,832
Total	$ 2,237,889	$ 148,458	$ 310,773	$ 978,651	$ 800,007

The table above reflects only contractual obligations at December 31, 2017 and excludes, among other things, (i) commitments made thereafter, (ii) options to purchase assets, (iii) contingent liabilities, (iv) capital expenditures that we plan, but are not committed, to make and (v) open purchase orders.

Critical Accounting Policies and Estimates

The accounting policies described below are considered critical in obtaining an understanding of our consolidated financial statements because their application requires significant estimates and judgments by management in preparing our consolidated financial statements. Management's estimates and judgments are inherently uncertain and may differ significantly from actual results achieved. Management considers an accounting estimate to be critical if the following conditions apply:

- the estimate requires significant assumptions; and
- changes in estimate could have a material effect on our consolidated results of operations or financial condition; or
- if different estimates that could have been selected had been used, there could be a material effect on our consolidated results of operations or financial condition.

It is management's view that the current assumptions and other considerations used to estimate amounts reflected in our consolidated financial statements are appropriate. However, actual results can differ significantly from those estimates under different assumptions and conditions. The sections below contain information about our most critical accounting estimates.

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 used in operations when the fair value of those assets is less than their respective carrying amount. Fair value is measured, in part, by the estimated cash flows to be generated by those assets. Our cash flow estimates are based upon, among other things, historical results adjusted to reflect our best estimate of future market rates, utilization levels and operating performance. 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. Assets are generally grouped by subsidiary or division for the impairment testing, which represent the lowest level of identifiable cash flows. Assets to be disposed of are reported at the lower of the carrying amount or fair value less estimated costs to sell. 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 a significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment charges.

Goodwill. In assessing the recoverability of goodwill, we make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. We test goodwill for impairment in accordance with authoritative guidance related to goodwill and other intangibles, which requires that goodwill, as well as other intangible assets with indefinite lives, not be amortized but instead be tested annually for impairment or when changes in circumstances indicate that the carrying value may not be recoverable. Our annual testing of goodwill is based on carrying value and our estimate of fair value as of October 1. We estimate the fair value of each of our reporting units (which are consistent with our business segments) using various cash flow and earnings projections discounted at a rate estimated to approximate the reporting units' weighted average cost of capital. We then compare these fair value estimates to the carrying value of our reporting units. If the fair value of the reporting unit exceeds the carrying amount, no impairment loss is recognized. If the estimated fair value of the reporting unit is below the carrying value, then an impairment is recorded which represents the amount by which a reporting unit's carrying value exceeds its fair value. We use all available information to estimate fair values of the reporting units, including discounted cash flows. 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.

Based on the most recent goodwill impairment test at October 1, 2017, the fair values of the Drilling Products and Services, Onshore Completion and Workover Services and Production Services segments were substantially in excess of their carrying values. Therefore, no goodwill impairment was recorded.

Income Taxes. We use the asset and liability method of accounting for income taxes. This method 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 the rate is enacted.

On December 22, 2017, U.S. Tax Reform was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017 and the transition of U.S. international taxation from a worldwide tax system to a modified territorial system. As a result, we recorded a provisional income tax benefit of $76.5 million during the fourth quarter of 2017. The provisional amount related primarily to the remeasurement of certain deferred tax assets and liabilities and was based on the rates at which they are expected to reverse in the future. Our deferred tax assets and liabilities may change with further analysis. Any subsequent adjustments to the provisional amount will be reported as component of income tax expense (benefit) in the reporting period in which any such adjustments are determined. See note 7 to our consolidated financial statements.

Revenue Recognition. Our products and services are generally sold based upon purchase orders or contracts with customers that include fixed or determinable prices. We recognize revenue when services or equipment are provided and collectability is reasonably assured.

We contract for a majority of our services on a day rate basis. We rent products on a day rate basis, and revenue from the sale of equipment is recognized when the title to the equipment has transferred to the customer.

Off-Balance Sheet Arrangements and Hedging Activities

At December 31, 2017, we had no off-balance sheet arrangements and no hedging contracts.

Recently Adopted and Issued Accounting Guidance

See Part II, Item 8, "Financial Statements and Supplementary Data – Note 1 – Summary of Significant Accounting Policies – New Accounting Pronouncements."

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 Rate Risk

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 our international operations, other than certain operations in the United Kingdom and Europe, is the U.S. dollar, but a portion of the revenues from our international operations is paid in foreign currencies. The effects of foreign currency fluctuations are partly mitigated because local expenses of such international operations are also generally denominated in the same currency. We continually monitor the currency exchange risks associated with all contracts not denominated in the U.S. dollar.

Assets and liabilities of certain subsidiaries in the United Kingdom and Europe are translated at end of period 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 loss in stockholders' equity.

We do not hold derivatives for trading purposes or use derivatives with complex features. When we believe prudent, we enter into forward foreign exchange contracts to hedge the impact of foreign currency fluctuations. We do not enter into forward foreign exchange contracts for trading purposes. At December 31, 2017, we had no outstanding foreign currency forward contracts.

Interest Rate Risk

At December 31, 2017, we had no variable rate debt outstanding.

Commodity Price Risk

Our revenues, profitability and future rate of growth significantly depend upon the market prices of oil and natural gas. Lower prices may also reduce the amount of oil and gas that can economically be produced. For additional information on the impact of changes in commodities prices on our business and prospects, see Item 1A to this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries ("the Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, the related notes and financial statement schedule as listed in the accompanying index (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 1996.

Houston, Texas
February 22, 2018

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2017 and 2016
(in thousands, except share data)

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 172,000	$ 187,591
Accounts receivable, net of allowance for doubtful accounts of $29,037 and $29,740 at December 31, 2017 and 2016, respectively	398,056	297,164
Income taxes receivable	959	101,578
Prepaid expenses	42,128	37,288
Inventory and other current assets	134,032	130,772
Assets held for sale	13,644	27,158
Total current assets	760,819	781,551
Property, plant and equipment, net of accumulated depreciation and depletion	1,316,944	1,605,365
Goodwill	807,860	803,917
Notes receivable	60,149	56,650
Intangible and other long-term assets, net of accumulated amortization	164,453	222,772
Total assets	$ 3,110,225	$ 3,470,255
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 119,716	$ 94,831
Accrued expenses	221,757	218,192
Income taxes payable	-	694
Current portion of decommissioning liabilities	27,261	22,164
Liabilities held for sale	6,463	8,653
Total current liabilities	375,197	344,534
Deferred income taxes	61,058	243,611
Decommissioning liabilities	103,136	101,513
Long-term debt, net	1,279,771	1,284,600
Other long-term liabilities	158,634	192,077
Stockholders' equity:		
Preferred stock of $0.01 par value. Authorized - 5,000,000 shares; none issued	-	-
Common stock of $0.001 par value		
Authorized-250,000,000, Issued and Outstanding - 153,263,097 at December 31, 2017 Authorized-250,000,000, Issued and Outstanding - 151,861,661 at December 31, 2016	153	152
Additional paid in capital	2,713,161	2,691,553
Accumulated other comprehensive loss, net	(67,427)	(80,248)
Retained deficit	(1,513,458)	(1,307,537)
Total stockholders' equity	1,132,429	1,303,920
Total liabilities and stockholders' equity	$ 3,110,225	$ 3,470,255

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years Ended December 31, 2017, 2016 and 2015
(in thousands, except per share data)

	2017	2016	2015
Revenues:			
Services	$ 1,594,140	$ 1,162,244	$ 2,104,942
Rentals	279,936	287,803	669,623
Total revenues	1,874,076	1,450,047	2,774,565
Costs and expenses:			
Cost of services (exclusive of depreciation, depletion, amortization and accretion)	1,284,567	975,941	1,575,653
Cost of rentals (exclusive of depreciation, depletion, amortization and accretion)	114,128	147,333	290,159
Depreciation, depletion, amortization and accretion - services	372,787	408,752	465,232
Depreciation, depletion, amortization and accretion - rentals	65,929	101,219	146,915
General and administrative expenses	295,507	346,606	510,708
Reduction in value of assets	14,155	500,405	1,738,887
Loss from operations	(272,997)	(1,030,209)	(1,952,989)
Other income (expense):			
Interest expense, net	(101,455)	(92,753)	(97,318)
Other income (expense)	(3,299)	22,621	(9,476)
Loss from continuing operations before income taxes	(377,751)	(1,100,341)	(2,059,783)
Income taxes	(190,740)	(267,001)	(252,020)
Net loss from continuing operations	(187,011)	(833,340)	(1,807,763)
Loss from discontinued operations, net of income tax	(18,910)	(53,559)	(46,955)
Net loss	$ (205,921)	$ (886,899)	$ (1,854,718)
Loss per share information:			
Basic and diluted:			
Net loss from continuing operations	$ (1.22)	$ (5.50)	$ (12.02)
Loss from discontinued operations	(0.13)	(0.35)	(0.31)
Net loss	$ (1.35)	$ (5.85)	$ (12.33)
Cash dividends declared per share	$ -	$ 0.08	$ 0.32
Weighted average common shares used in computing loss per share:			
Basic and diluted	152,933	151,558	150,461

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2017, 2016 and 2015
(in thousands)

	2017	2016	2015
Net loss	$ (205,921)	$ (886,899)	$ (1,854,718)
Change in cumulative translation adjustment, net of tax	12,821	(34,554)	(9,414)
Comprehensive loss	$ (193,100)	$ (921,453)	$ (1,864,132)

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2017, 2016 and 2015
(in thousands, except share data)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained earnings (deficit)	Total
Balances, December 31, 2014	149,648,826	$ 150	$ 2,620,328	$ (36,280)	$ 1,495,540	$ 4,079,738
Net loss	-	-	-	-	(1,854,718)	(1,854,718)
Foreign currency translation adjustment	-	-	-	(9,414)	-	(9,414)
Cash dividends declared ($0.32 per share)	-	-	-	-	(48,984)	(48,984)
Stock-based compensation expense, net of forfeitures	-	-	32,661	-	-	32,661
Restricted stock forfeited	(48,374)	-	-	-	-	-
Exercise of stock options	506,029	1	8,819	-	-	8,820
Restricted stock units vested	460,400	-	-	-	-	-
Shares withheld and retired	(323,537)	-	(5,696)	-	-	(5,696)
Tax benefit from stock-based compensation	-	-	(2,174)	-	-	(2,174)
Shares issued under Employee Stock Purchase Plan	332,534	-	5,568	-	-	5,568
Shares issued to pay performance share units	224,303	-	5,011	-	-	5,011
Vesting of restricted stock assumed with acquisition of Complete	61,319	-	-	-	-	-
Balances, December 31, 2015	150,861,500	$ 151	$ 2,664,517	$ (45,694)	$ (408,162)	$ 2,210,812
Net loss	-	-	-	-	(886,899)	(886,899)
Foreign currency translation adjustment	-	-	-	(34,554)	-	(34,554)
Cash dividends declared ($0.08 per share)	-	-	-	-	(12,476)	(12,476)
Stock-based compensation expense, net of forfeitures	-	-	30,122	-	-	30,122
Restricted stock forfeited	(1,495)	-	-	-	-	-
Exercise of stock options	40,723	-	524	-	-	524
Restricted stock units vested	1,034,068	1	(1)	-	-	-
Shares withheld and retired	(364,122)	-	(3,669)	-	-	(3,669)
Tax effect	-	-	(5,112)	-	-	(5,112)
Shares issued under Employee Stock Purchase Plan	290,987	-	5,172	-	-	5,172
Balances, December 31, 2016	151,861,661	$ 152	$ 2,691,553	$ (80,248)	$ (1,307,537)	$ 1,303,920

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity (continued)

Years Ended December 31, 2017, 2016 and 2015

(in thousands, except share data)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained earnings (deficit)	Total
Balances, December 31, 2016	151,861,661	$ 152	$ 2,691,553	$ (80,248)	$ (1,307,537)	$ 1,303,920
Net loss	-	-	-	-	(205,921)	(205,921)
Foreign currency translation adjustment	-	-	-	12,821	-	12,821
Stock-based compensation expense, net of forfeitures	-	-	26,221	-	-	26,221
Exercise of stock options	5,998	-	99	-	-	99
Restricted stock units vested	1,500,605	2	(2)	-	-	-
Shares withheld and retired	(465,632)	(1)	(8,325)	-	-	(8,326)
Shares issued under Employee Stock Purchase Plan	360,465	-	3,615	-	-	3,615
Balances, December 31, 2017	153,263,097	$ 153	$ 2,713,161	$ (67,427)	$ (1,513,458)	$ 1,132,429

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended December 31, 2017, 2016 and 2015

(in thousands)

	2017	2016	2015
Cash flows from operating activities:			
Net loss	$ (205,921)	$ (886,899)	$ (1,854,718)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, depletion, amortization and accretion	438,716	509,971	612,147
Deferred income taxes	(182,553)	(142,520)	(288,671)
Reduction in value of assets	14,155	500,405	1,738,887
Stock based compensation expense	36,503	41,779	46,485
Other reconciling items, net	10,586	62,056	41,882
Changes in operating assets and liabilities:			
Accounts receivable	(93,309)	128,086	501,269
Inventory and other current assets	(2,455)	(7,646)	33,282
Accounts payable	23,648	3,667	(105,801)
Accrued expenses	(8,458)	(73,902)	(116,573)
Income taxes	99,089	(107,643)	(30,891)
Other, net	(26,157)	33,898	55,314
Net cash provided by operating activities	103,844	61,252	632,612
Cash flows from investing activities:			
Payments for capital expenditures	(164,933)	(80,548)	(358,226)
Decrease in cash held in escrow	30,600	-	-
Proceeds from sales of assets	28,269	7,515	19,260
Purchase of leased vessels	-	-	(46,442)
Other	-	(1,206)	(2,860)
Net cash used in investing activities	(106,064)	(74,239)	(388,268)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	500,000	-	14,733
Principal payments on long-term debt	(500,000)	(337,576)	(21,038)
Payment of debt issuance costs	(11,967)	(2,711)	-
Proceeds from revolving line of credit	-	325,123	7,475
Payments on revolving line of credit	-	(325,123)	(7,475)
Payment to extinguish capital lease obligation	-	-	(20,933)
Cash dividends	-	(12,111)	(48,139)
Other	(5,058)	(3,082)	6,518
Net cash used in financing activities	(17,025)	(355,480)	(68,859)
Effect of exchange rate changes on cash	3,654	(7,959)	(4,514)
Net decrease in cash and cash equivalents	(15,591)	(376,426)	170,971
Cash and cash equivalents at beginning of period	187,591	564,017	393,046
Cash and cash equivalents at end of period	$ 172,000	$ 187,591	$ 564,017

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Superior Energy Services, Inc. and subsidiaries (the Company). All significant intercompany accounts and transactions are eliminated in consolidation. Certain previously reported amounts have been reclassified to conform to the 2017 presentation.

Business

The Company provides a wide variety of services and products to the energy industry. The Company serves major, national and independent oil and natural gas companies around the world and offers products and services with respect to the various phases of a well's economic life cycle. The Company reports its operating results in four business segments: Drilling Products and Services; Onshore Completion and Workover Services; Production Services; and Technical Solutions. Given the Company's long-term strategy of expanding geographically, the Company also provides supplemental segment revenue information in three geographic areas: U.S. land; Gulf of Mexico; and International.

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 significant 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.

Major Customers and Concentration of Credit Risk

The majority of the Company's business is conducted with major and independent oil and gas companies. The Company evaluates the financial strength of its customers and provides allowances for probable credit losses when deemed necessary.

The market for the Company's services and products is the oil and gas industry in the U.S. land and Gulf of Mexico areas and select international market areas. Oil and gas companies make capital expenditures on exploration, development and production operations. The level of these expenditures historically has been characterized by significant volatility.

The Company derives a large amount of revenue from a small number of major and independent oil and gas companies. Anadarko accounted for approximately 13% and 11% of the Company's revenues in 2017 and 2016, respectively, primarily within the Onshore Completion and Workover Services segment. There were no customers that exceeded 10% of our total revenues in 2015.

The Company's assets that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and trade receivables. The financial institutions in which the Company transacts business are large, investment grade financial institutions which are "well capitalized" under applicable regulatory capital adequacy guidelines, thereby minimizing its exposure to credit risks for deposits in excess of federally insured amounts and for failure to perform as the counterparty on interest rate swap agreements. The Company periodically evaluates the creditworthiness of financial institutions that may serve as a counterparty to its derivative instruments.

Cash Equivalents

The Company considers all short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Accounts Receivable and Allowances

Trade accounts receivable are recorded at the invoiced amount or the earned amount but not yet invoiced and do not bear interest. The Company maintains allowances for estimated uncollectible receivables, including bad debts and other items. The allowance for doubtful accounts is based on the Company's best estimate of probable uncollectible amounts in existing accounts receivable. The Company determines the allowance based on historical write-off experience and specific identification.

Inventory

Inventories are stated at the lower of cost or net realizable value. The Company applies net realizable value and obsolescence to the gross value of the inventory. Cost is determined using the first-in, first-out or weighted-average cost methods for finished goods and work-in-process. Supplies and consumables consist principally of products used in the Company's services provided to its customers. The components of inventory balances are as follows (in thousands):

	December 31, 2017	December 31, 2016
Finished goods	$ 61,764	$ 49,888
Raw materials	13,727	17,948
Work-in-process	6,174	5,214
Supplies and consumables	24,923	30,029
Total	$ 106,588	$ 103,079

Property, Plant and Equipment

Property, plant and equipment are stated at cost, except for assets for which reduction in value is recorded during the period and assets acquired using purchase accounting, which are recorded at fair value as of the date of acquisition. With the exception of certain marine assets and oil and natural gas property, depreciation is computed using the straight line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	5	to	40	years
Marine vessels and equipment	5	to	25	years
Machinery and equipment	2	to	25	years
Automobiles, trucks, tractors and trailers	3	to	10	years
Furniture and fixtures	2	to	10	years

The Company follows the successful efforts method of accounting for its investment in oil and natural gas property. Under the successful efforts method, the costs of successful exploratory wells and leases containing productive reserves are capitalized. Costs incurred to drill and equip developmental wells, including unsuccessful wells, are capitalized. Other costs such as geological and geophysical costs and the drilling costs of unsuccessful exploratory wells are expensed. Leasehold and well costs are depleted on a units-of-production basis based on the estimated remaining equivalent oil and gas reserves.

Reduction in Value of Long-Lived Assets

Long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is assessed by a comparison of the carrying amount of such assets to their fair value calculated, in part, by the estimated undiscounted future cash flows expected to be generated by the assets. Cash flow estimates are based upon, among other things, historical results adjusted to reflect the best estimate of future market rates, utilization levels, and operating performance. 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. The Company's assets are grouped by subsidiary or division for the impairment testing, which represent the lowest level of identifiable cash flows. If the asset grouping's fair value is less than the carrying amount of those items, impairment losses are recorded in the amount by which the carrying amount of such assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less estimated costs to sell. The net carrying value of assets not fully recoverable is reduced to fair value. The estimate of fair value represents the Company's best estimate based on industry trends and reference to market transactions and is subject to variability. The oil and gas industry is cyclical and estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows, can have a significant impact on the carrying values of these assets and, in periods of prolonged down cycles, may result in impairment charges. See note 3 for a discussion of the reduction in value of long-lived assets recorded during 2017, 2016 and 2015.

Goodwill

The following table summarizes the activity for the Company's goodwill (in thousands):

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Total
Balance, December 31, 2015	$ 141,282	$ 723,550	$ 275,269	$ 1,140,101
Reduction in value of assets	-	(140,000)	(190,500)	(330,500)
Foreign currency translation adjustment	(5,321)	-	(363)	(5,684)
Balance, December 31, 2016	135,961	583,550	84,406	803,917
Foreign currency translation adjustment	2,532	-	1,411	3,943
Balance, December 31, 2017	$ 138,493	$ 583,550	$ 85,817	$ 807,860

During the first quarter of 2017, the Company adopted the Financial Accounting Standards Board (FASB) update (ASU) 2017-04, *Intangibles- Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* The amendments in the ASU eliminate Step 2 from the goodwill impairment test. The annual or interim goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value.

The Company performs the goodwill impairment test on an annual basis as of October 1st or on an interim basis if events or circumstances indicate that the fair value of the asset has decreased below its carrying value. In order to estimate the fair value of the reporting units (which is consistent with the reported business segments), the Company used a weighting of the discounted cash flow method and the public company guideline method of determining fair value of each reporting unit. The Company weighted the discounted cash flow method 80% and the public company guideline method 20% due to differences between the Company's reporting units and the peer companies' size, profitability and diversity of operations. These fair value estimates were then compared to the carrying value of the reporting units. If the fair value of the reporting unit exceeds the carrying amount, no impairment loss is recognized. If the estimated fair value of the reporting unit is below the carrying value, then an impairment is recorded, which represents the amount by which a reporting unit's carrying value exceeds its fair value. The Company uses all available information to estimate fair value of the reporting units, including discounted cash flows. A significant amount of judgment was involved in performing these evaluations since the results are based on estimated future events. See note 3 for a discussion of the reduction in value of goodwill recorded during 2016 and 2015. At December 31, 2017 and 2016, the Company's accumulated reduction in value of goodwill was $1,748.2 million.

Notes Receivable

The Company's wholly owned subsidiary, Wild Well, has decommissioning obligations related to its ownership of the Bullwinkle platform. Notes receivable consist of a commitment from the seller of the platform towards its eventual abandonment. Pursuant to an agreement with the seller, the Company will invoice the seller an agreed upon amount at the completion of certain decommissioning activities. The gross amount of this obligation totaled $115.0 million and is recorded at present value using an effective interest rate of 6.58%. The related discount is amortized to interest income based on the expected timing of the platform's removal. The Company recorded interest income related to notes receivable of $3.6 million, $3.6 million and $1.7 million during 2017, 2016 and 2015, respectively.

Intangible and Other Long-Term Assets

Intangible assets consist of the following (in thousands):

		December 31,					
		2017			2016		
	Estimated Useful Lives	Gross Amount	Accumulated Amortization	Net Balance	Gross Amount	Accumulated Amortization	Net Balance
Customer relationships	17 years	$ 165,036	$ (62,930)	$ 102,106	$ 164,603	$ (52,747)	$ 111,856
Tradenames	10 years	30,732	(17,188)	13,544	30,519	(14,123)	16,396
Non-compete agreements	3 years	4,299	(3,241)	1,058	2,790	(2,718)	72
Total		$ 200,067	$ (83,359)	$ 116,708	$ 197,912	$ (69,588)	$ 128,324

Amortization expense was $12.7 million, $16.2 million and $23.0 million during 2017, 2016 and 2015, respectively. Based on the carrying values of intangible assets at December 31, 2017, amortization expense for the next five years (2018 through 2022) is estimated to be $12.6 million per year.

Intangible and other long-term assets, net included $20.5 million and $58.5 million of escrowed cash at December 31, 2017 and 2016, respectively, primarily related to the future decommissioning obligations of the Bullwinkle platform. During 2017, $30.6 million was released from the escrow account.

Decommissioning Liabilities

The Company's decommissioning liabilities associated with the Bullwinkle platform and its related assets consist of costs related to the plugging of wells, the removal of the related platform and equipment, and site restoration. The Company reviews the adequacy of its decommissioning liabilities whenever indicators suggest that the estimated cash flows needed to satisfy the liability have changed materially.

The following table summarizes the activity for the Company's decommissioning liabilities (in thousands):

	December 31,	
	2017	2016
Decommissioning liabilities, December 31, 2016 and 2015, respectively	$ 123,677	$ 117,942
Revisions in estimated timing and cash flows	-	(2,132)
Accretion	6,837	6,959
Liability acquisitions and dispositions	(117)	908
Total decommissioning liabilities, December 31, 2017 and 2016, respectively	$ 130,397	$ 123,677

Revenue Recognition

Products and services are generally sold based upon purchase orders or contracts with customers that include fixed or determinable prices. Revenue is recognized when services or equipment are provided and collectability is reasonably assured. The Company's drilling products and services are billed on a day rate basis, and revenue from the sale of equipment is recognized when the title to the equipment has been transferred. Reimbursements from customers for the cost of drilling products and services 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 sold. Taxes collected from customers and remitted to governmental authorities are reported on a net basis in the Company's financial statements.

Income Taxes

The Company accounts for income taxes and the related accounts under the asset and liability method. Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and rates that are in effect when the temporary differences are expected to reverse. The effect of a change in tax rates on the deferred income taxes is recognized in income in the period in which the change occurs. A valuation allowance is recorded when management believes it is more likely than not that at least some portion of any deferred tax asset will not be realized. It is the Company's policy to recognize interest and applicable penalties related to uncertain tax positions in income tax expense.

Earnings per Share

Basic earnings per share is computed by dividing income available to common stockholders by the weighted average number of shares of common stock 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 shares of common stock that could have been outstanding assuming the exercise of stock options and conversion of restricted stock units.

During 2017, 2016 and 2015, the Company incurred losses from continuing operations; therefore the impact of any incremental shares would be anti-dilutive.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs used in determining fair value are characterized according to a hierarchy that prioritizes those inputs based on the degree to which they are observable. The three input levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets or model-derived valuations or other inputs that can be corroborated by observable market data; and

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

Financial Instruments

The fair value of the Company's financial instruments of cash equivalents, accounts receivable, accounts payable, accrued expenses and borrowings under its credit facility approximates their carrying amounts due to their short maturity or market interest rates. The fair value of the Company's debt was $1,347.0 million and $1,307.6 million at December 31, 2017 and 2016, respectively, and was categorized as Level 1 in the fair value hierarchy. The fair value of these debt instruments is determined by reference to the market value of the instrument as quoted in an over-the-counter market.

Foreign Currency

Results of operations for foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, and the resulting translation adjustments are reported as accumulated other comprehensive loss in the Company's stockholders' equity.

For international subsidiaries where the functional currency is the U.S. dollar, financial statements are remeasured into U.S. dollars using the historical exchange rate for most of the long-term assets and liabilities and the balance sheet date exchange rate for most of the current assets and liabilities. An average exchange rate is used for each period for revenues and expenses. These transaction gains and losses, as well as any other transactions in a currency other than the functional currency, are included in other income (expense) in the consolidated statements of operations in the period in which the currency exchange rates change. During 2017, 2016 and 2015, the Company recorded foreign currency gains/(losses) of $(2.2) million, $23.5 million and $(9.6) million, respectively.

Stock-Based Compensation

The Company records compensation costs relating to share-based payment transactions and includes such costs in general and administrative expenses in the consolidated statements of operations. The cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity award).

Derivative Instruments and Hedging Activities

The Company recognizes all derivative instruments as either assets or liabilities in the balance sheet at their respective fair values. Interest rate swap agreements that are effective at hedging the fair value of fixed-rate debt agreements are designated and accounted for as fair value hedges. The Company also assesses, both at inception of the hedging relationship and on an ongoing basis, whether the derivatives used in hedging relationships are highly effective in offsetting changes in fair value.

Self-Insurance Reserves

The Company is self-insured, through deductibles and retentions, up to certain levels for losses under its insurance programs. The Company accrues for these liabilities based on estimates of the ultimate cost of claims incurred as of the balance sheet date. The Company regularly reviews the estimates of reported and unreported claims and provides for losses through reserves. The Company obtains actuarial reviews to evaluate the reasonableness of internal estimates for losses related to workers' compensation, auto liability and group medical on an annual basis.

New Accounting Pronouncements

Standards adopted

In January 2017, the Financial Accounting Standards Board (FASB) issued accounting standards update (ASU) 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* The amendments eliminate Step 2 from the goodwill impairment test. The annual or interim goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value. The amendments should be applied on a prospective basis. The new standard is effective for the Company on January 1, 2020. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company adopted the accounting guidance as of January 1, 2017. The newly adopted accounting principle is preferable because it reduces the cost and complexity of evaluating goodwill for impairment. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting,* which relates to the accounting for employee share-based payments. The guidance in this update addresses several aspects of the accounting for share-based payments, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The Company adopted the accounting guidance as of January 1, 2017. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330) – Simplifying the Measurement of Inventory*, which applies to inventory measured using first-in, first-out or average cost. The guidance in this update states that inventory within its scope shall be measured at the lower of cost or net realizable value, and when the net realizable value of inventory is lower than its cost, the difference shall be recognized as a loss in earnings. The Company adopted the accounting guidance as of January 1, 2017. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

Standards not yet adopted

In May 2017, the FASB issued ASU 2017-09, *Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting.* The guidance in this ASU applies to all entities that change the terms or conditions of a share-based payment award. The amendments provide clarity and reduces diversity in practice as well as cost and complexity when applying the guidance in Topic 718, *Compensation – Stock Compensation*, to the modification of the terms and conditions of a share-based payment award. The amendments in ASU 2017-09 include guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting under Topic 718. The new standard is effective for the Company beginning on January 1, 2018 and should be applied prospectively to awards modified on or after the adoption date. The Company has concluded that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business.* The amendments affect all companies and other reporting organizations that must determine whether they have acquired or sold a business. The amendments are intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments provide a more robust framework to use in determining when a set of assets and activities is a business. The new standard is effective for the Company beginning on January 1, 2018. The Company has concluded that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statements of Cash Flows (Topic 230): Restricted Cash.* The guidance in this ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new standard is effective for the Company beginning on January 1, 2018 and should be applied on a retrospective basis. The Company has concluded that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory.* The guidance in this ASU requires entities to recognize at the transaction date the income tax consequences of intercompany asset transfers other than inventory. The new standard is effective for the Company beginning on January 1, 2018. The Company has concluded that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires lessees to recognize the assets and liabilities arising from leases on the balance sheet. This new ASU will require the lessee to recognize a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 month or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and recognize the lease expense for such leases generally on a straight-line basis over the lease term. Under the new guidance, the Company will revise its leasing policies to require most of the leases, where the Company is the lessee, to be recognized on the balance sheet as a lease and lease liability. Further, the Company will separate leases from other contracts where the Company is either the lessor or lessee when the rights conveyed under the contracts indicate there is a lease. The Company is evaluating the effect ASU 2016-02 will have on its consolidated financial statements. The Company anticipates that its assets and liabilities will increase by a significant amount. The new standard is effective for the Company beginning on January 1, 2019.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will replace most existing revenue recognition guidance in GAAP. The guidance in this ASU requires an entity to recognize the amount of revenue that it expects to be entitled for the transfer of promised goods or services to customers. The Company's services and rental contracts are primarily short-term in nature, and therefore, the Company has concluded that the adoption of this ASU will not have a material impact on the consolidated financial statements, other than the additional disclosure requirements. The new standard is effective for the Company beginning on January 1, 2018.

Subsequent Events

In accordance with authoritative guidance, the Company has evaluated and disclosed all material subsequent events that occurred after the balance sheet date, but before financial statements were issued.

(2) Supplemental Cash Flow Information

The following table includes the Company's supplemental cash flow information (in thousands):

	Years ended December 31,		
	2017	2016	2015
Cash paid for interest	$ 88,125	$ 93,353	$ 93,946
Cash paid for income taxes, net of refunds	$ (117,376)	$ (28,933)	$ 40,074
Non-cash investing activity:			
Capital expenditures included in accounts payable and accrued expenses	$ 11,522	$ 4,905	$ 28,704

(3) Reduction in Value of Assets

During 2017, 2016 and 2015, the Company recorded $14.2 million, $500.4 million and $1,738.9 million in expense related to reduction in value of assets, respectively. The components of reduction in value of assets are as follows (in thousands):

	Years ended December 31,		
	2017	2016	2015
Reduction in value of goodwill	$ -	$ 330,500	$ 1,326,701
Reduction in value of long-lived assets	14,155	143,803	330,194
Retirements of long-lived assets	-	26,102	42,545
Reduction in value of assets related to sale of a business	-	-	39,447
Total reduction in value of assets	$ 14,155	$ 500,405	$ 1,738,887

Reduction in Value of Goodwill

During 2016, the Company recorded $330.5 million reduction in value of goodwill relating to its Onshore Completion and Workover Services and Production Services segments. The Company determined that the implied fair value of its goodwill for the Onshore Completion and Workover Services segment was less than its carrying value and recorded a $140.0 million impairment of the Onshore Completion and Workover Services segment's goodwill. In addition, the Company determined that the implied fair value of its goodwill for the Production Services segment was less than its carrying value and recorded a $190.5 million impairment of the Production Services segment's goodwill.

During 2015, the Company recorded $1,326.7 million reduction in value of goodwill relating to its Onshore Completion and Workover Services and Production Services segments. The Company determined that the implied fair value of its goodwill for the Onshore Completion and Workover Services segment was less than its carrying value and recorded a $740.0 million impairment of the Onshore Completion and Workover Services segment's goodwill. In addition, the Company determined that the implied fair value of its goodwill for the Production Services segment was less than its carrying value and recorded a $586.7 million impairment of the Production Services segment's goodwill.

Reduction in Value of Long-Lived Assets

During 2017, the Company recorded $14.2 million in connection with the reduction in value of its long-lived assets. The reduction in value of assets was comprised of $8.1 million related to property, plant and equipment in the Technical Solutions segment and $6.1 million related to property, plant and equipment primarily in the Onshore Completion and Workover Services segment.

During 2016, the Company recorded $143.8 million in connection with the reduction in value of its long-lived assets. The reduction in value of assets was comprised of $4.9 million related to equipment and $45.9 million related to intangibles in the fluid management business in the Onshore Completion and Workover Services segment and $21.4 million related to equipment and $21.0 million related to intangibles, primarily relating to the cementing business in the Production Services segment. Also, the Company recorded $25.0 million related to the reduction in carrying values of certain accommodation units included in the Drilling Products and Services segment. In addition, the Company recorded $25.6 million related to the reduction in carrying values of the marine vessels and equipment in the conventional decommissioning division in its Technical Solutions segment. The reduction in value of assets recorded during 2016 was primarily driven by the decline in demand for these services.

During 2015, the Company recorded $330.2 million in connection with the reduction in value of its long-lived assets. The reduction in value of assets was comprised of $89.7 million related to equipment and $59.5 million related to intangibles in the coiled tubing business and pressure control tools businesses within the Production Services segment. The reduction in value of assets also included $68.9 million related to the reduction in carrying values of the marine vessels and equipment and $56.0 million related to impairment of the Gulf of Mexico oil and gas property which is included in the Technical Solutions segment. In addition, the reduction in value of assets included a $40.2 million charge, primarily related to reduction in carrying values of certain domestic and international accommodation units and premium drill pipe included in the Drilling Products and Services segment and a $15.9 million charge related to mechanical drilling rigs included in the Onshore Completion and Workover Services segment. The reduction in value of assets recorded during 2015 was primarily driven by the decline in demand for these services.

Retirements of Long-Lived Assets

During 2016, the Company recorded $26.1 million, primarily in the Drilling Products and Services segment for retirement and abandonment of excess and inoperable and/or functionally obsolete long-lived assets that would require a significant cost to refurbish.

During 2015, the Company recorded $42.5 million for retirement and abandonment of inoperable and/or functionally obsolete long-lived assets that would require a significant cost to refurbish. The total amount recorded includes $27.3 million for the Onshore Completion and Workover Services segment and $15.2 million for the Production Services segment.

Reduction in Value of Assets Related to Sale of Coiled Tubing Business in Mexico

During 2015, the Company sold its Mexico based coiled tubing business and related assets. The Company received proceeds in the form of cash and a note receivable. The Company recorded a full valuation allowance on the note receivable in the amount of $16.8 million because its collectability was not reasonably assured. In connection with the sale, the Company recorded a $39.4 million reduction in value of assets, primarily related to property, plant and equipment and intangible assets.

(4) Property, Plant and Equipment

A summary of property, plant and equipment is as follows (in thousands):

	December 31, 2017	December 31, 2016
Machinery and equipment	$ 3,505,171	$ 3,513,907
Buildings, improvements and leasehold improvements	293,133	307,658
Automobiles, trucks, tractors and trailers	32,185	37,103
Furniture and fixtures	62,632	66,045
Construction-in-progress	37,236	11,048
Land	58,363	59,774
Oil and gas producing assets	64,844	64,169
Total	4,053,564	4,059,704
Accumulated depreciation and depletion	(2,736,620)	(2,454,339)
Property, plant and equipment, net	$ 1,316,944	$ 1,605,365

The Company had $73.6 million and $82.5 million of leasehold improvements at December 31, 2017 and 2016, respectively. These leasehold improvements are depreciated over the shorter of the life of the asset or the term of the lease using the straight line method. Depreciation expense (excluding depletion, amortization and accretion) was $419.2 million, $486.9 million and $584.1 million during 2017, 2016 and 2015, respectively.

(5) Debt

The Company's outstanding debt is as follows (in thousands):

	December 31, 2017	December 31, 2016
	Long-term	Long-term
Senior unsecured notes due September 2024	$ 500,000	$ -
Senior unsecured notes due December 2021	800,000	800,000
Senior unsecured notes due May 2019	-	500,000
Total debt, gross	1,300,000	1,300,000
Unamortized debt issuance costs	(20,229)	(15,400)
Total debt, net	$ 1,279,771	$ 1,284,600

Debt maturities presented as of December 31, 2017 are as follows (in thousands):

2018	$ -
2019	-
2020	-
2021	800,000
2022	-
Thereafter	500,000
Total	$ 1,300,000

Credit Facility

At December 31, 2016, the Company had a $400.0 million credit facility which was due in February 2019. In February 2017, the Company amended its credit facility to, among other things, reduce the size of the credit facility from $400.0 million to $300.0 million (with a $100.0 million accordion feature) and amend the financial covenants, in part to suspend the interest coverage ratio until the third quarter of 2017. In October 2017, the Company amended and restated its revolving credit facility to, among other things, extend its maturity to October 2022. The borrowing base under the credit facility is calculated based on a formula referencing the borrower's and the subsidiary guarantors' eligible accounts receivable, eligible inventory and eligible premium rental drill pipe less reserves. Availability under the credit facility is the lesser of (i) the commitments, (ii) the borrowing base and (iii) the highest principal amount permitted to be secured under the indenture governing the 7 1/8% senior unsecured notes due 2021. At December 31, 2017, the borrowing base was $273.2 million and the Company had $35.3 million of letters of credit outstanding under the revolving credit facility. The borrowing base may increase or decrease as a result of, among other things, changes to the Company's consolidated tangible assets. The credit agreement contains various covenants, including, but not limited to, limitations on the incurrence of indebtedness, permitted investments, liens on assets, making distributions, transactions with affiliates, merger, consolidations, dispositions of assets and other provisions customary in similar types of agreements.

Senior Unsecured Notes

In August 2017, the Company issued $500 million of 7 3/4% senior unsecured notes due September 2024 in a private placement conducted pursuant to Rule 144A and Regulation S under the Securities Act. Costs associated with the issuance of these notes were $8.9 million which will be amortized over the term of the notes. The Company used the net proceeds of the notes offering and cash on hand to redeem all of the outstanding $500 million 6 3/8% senior unsecured notes due 2019. In connection with the redemption of the senior unsecured notes due 2019, the Company recorded $2.6 million for the write-off of unamortized debt issuance costs included in interest expense in the consolidated statement of operations. The indenture governing the 7 3/4% senior unsecured notes due 2024 requires semi-annual interest payments on March 15th and September 15th of each year, beginning on March 15, 2018, through the maturity date of September 15, 2024.

The Company also has outstanding $800 million of 7 1/8% senior unsecured notes due 2021. The indenture governing the 7 1/8% senior unsecured notes due 2021 requires semi-annual interest payments on June 15th and December 15th of each year through the maturity date of December 15, 2021.

(6) Stock-Based and Long-Term Compensation

The Company is authorized to grant restricted stock units, stock options, performance share units, and other cash and stock awards under the Long-Term Incentive Program (LTIP). The Compensation Committee determines the recipients of the equity awards, the type of awards made, the required performance measures, and the timing and duration of each grant. At December 31, 2017, 7,350,000 shares of the Company's common stock were available for future grants under the plan.

Total stock-based compensation expense and the associated tax benefits are as follows (in thousands):

Compensation Expense	Years ended December 31,		
	2017	2016	2015
Stock options	$ 4,289	$ 4,870	$ 3,663
Restricted stock	-	382	9,219
Restricted stock units	21,899	24,762	19,699
Performance share units	9,740	10,167	12,991
Total	$ 35,928	$ 40,181	$ 45,572

Tax Benefit	Years ended December 31,		
	2017	2016	2015
Stock options	$ 995	$ 1,802	$ 1,355
Restricted stock	-	141	3,411
Restricted stock units	5,081	9,162	7,289
Total	$ 6,076	$ 11,105	$ 12,055

Total stock-based compensation expense is reflected in general and administrative expenses in the consolidated statements of operations.

Stock Options

Stock options are granted with an exercise price equal to the market price of our ordinary shares at the date of grant. The stock options generally vest in equal installments over three years and expire in ten years from the grant date. Non-vested stock options are generally forfeited upon termination of employment.

The Company recognizes compensation expense for stock option grants based on the fair value at the date of grant using the Black-Scholes-Merton option pricing model. The Company uses historical data, among other factors, to estimate the expected volatility and the expected life of the stock options. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected life of the stock option. The dividend yield is based on our historical and projected dividend payouts.

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The weighted average fair values of stock options granted and the assumptions used in estimating those fair values are as follows:

	Years ended December 31,		
	2017	2016	2015
Weighted average fair value of stock options granted	$ 8.36	$ 3.61	$ 6.25
Black-Scholes-Merton Assumptions:			
Risk free interest rate	1.96 %	1.46 %	1.33 %
Expected life (years)	6	5	5
Volatility	48.22 %	55.72 %	47.07 %
Dividend yield	-	3.28	1.30

The following table summarizes stock option activity for 2017:

	Number of Options	Weighted Average Option Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2016	6,010,834	$ 19.23	6.0	$ 14,145
Granted	351,551	$ 18.03		
Exercised	(5,998)	$ 16.56		
Expired	(217,734)	$ 30.79		
Outstanding as of December 31, 2017	6,138,653	$ 18.75	5.4	$ -
Exercisable as of December 31, 2017	4,389,720	$ 21.37	4.3	$ -
Options expected to vest as of December 31, 2017	1,748,933	$ 12.18	8.1	$ -

The total intrinsic value of stock options exercised during 2017, 2016 and 2015 was $0, $0.3 million and $2.3 million, respectively. The Company received $0.1 million, $0.5 million and $8.8 million during 2017, 2016 and 2015, respectively, from employee stock option exercises. The Company has reported tax benefits of $0, $0.1 million and $0.9 million from the exercise of stock options for 2017, 2016 and 2015, respectively.

The following table summarizes non-vested stock option activity for 2017:

	Number of Options	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2016	2,339,593	$ 11.97
Granted	351,551	$ 18.03
Vested	(942,211)	$ 13.85
Non-vested as of December 31, 2017	1,748,933	$ 12.18

At December 31, 2017, the unrecognized compensation expense related to non-vested stock options was $4.3 million. The Company expects to recognize $3.2 million and $1.1 million of compensation expense associated with these options during 2018 and 2019, respectively.

Restricted Stock Units

Restricted stock unit awards (RSUs) vest in equal annual installments over three years. On the vesting date, each RSU is converted to one share of the Company's common stock having an aggregate value determined by the Company's closing stock price on the vesting date. Holders of RSUs are not entitled to any rights of a stockholder, such as the right to vote shares.

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Each non-employee director is issued annually a number of RSUs having an aggregate dollar value determined by the Company's Board of Directors. The exact number of RSUs granted is determined by dividing the aggregate dollar value determined by the Company's Board of Directors by the fair market value of the Company's common stock on the day of the annual stockholders' meeting. If the director's election occurs at a time other than at the annual meeting, the director will receive a pro-rata number of RSUs based on the number of months between his or her election date and the anniversary of the last annual stockholder meeting. Each RSU granted prior to 2013 represents the right to receive from the Company, within 30 days of the date the director ceases to serve on the Board, one share of the Company's common stock. The RSUs granted will vest and pay out in shares of the Company's common stock in the year following the grant date on the date of Company's annual meeting.

The following table summarizes RSU activity for 2017:

	Number of RSUs	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2016	3,686,292	$ 14.10
Granted	1,352,799	$ 17.37
Vested	(1,501,342)	$ 15.51
Forfeited	(345,749)	$ 13.67
Non-vested as of December 31, 2017	3,192,000	$ 14.87

At December 31, 2017, there was $21.2 million of unrecognized compensation expense related to unvested RSUs. The Company expects to recognize $13.8 million, $7.1 million, and $0.3 million associated with unvested RSUs for 2018, 2019, and 2020, respectively.

Performance Share Units

The Company has issued performance share units (PSUs) to its employees as part of the Company's long-term incentive program. There is a three-year performance period associated with each PSU grant. The two performance measures applicable to all participants are the Company's return on invested capital and total stockholder return relative to those of the Company's pre-defined "peer group." If the participant has met specified continued service requirements, the PSUs will settle in cash or a combination of cash and up to 50% of equivalent value in the Company's common stock, at the discretion of the Compensation Committee of the Board of Directors. At December 31, 2017, there were 344,177 PSUs outstanding (129,606, 116,324 and 98,247 related to performance periods ending December 31, 2017, 2018 and 2019, respectively). The Company has recorded both current and long-term liabilities for this liability-based compensation award.

Employee Stock Purchase Plan (ESPP)

Eligible employees are allowed to purchase shares of the Company's common stock at a discount during six-month offering periods beginning on January 1st and July 1st of each year and ending on June 30 and December 31 of each year, respectively.

The following table summarizes ESPP activity (in thousands except shares):

	Years ended December 31,		
	2017	2016	2015
Cash received for shares issued	$ 3,074	$ 3,681	$ 4,803
Compensation expense	$ 542	$ 1,492	$ 835
Shares issued	360,465	290,987	332,467

401(k)/Profit Sharing Plan

The Company maintains a defined contribution profit sharing plan for employees who have satisfied minimum service requirements. Employees may contribute up to 75% of their eligible earnings to the plan subject to the contribution limitations imposed by the Internal Revenue Service. The Company provides a nondiscretionary match of 100% of an employee's contributions to the plan, up to 4% of the employee's salary. The Company made contributions of $8.4 million, $8.7 million and $13.9 million 2017, 2016 and 2015, respectively.

Non-Qualified Deferred Compensation Plans

The Company has a non-qualified deferred compensation plan which allows senior management to defer up to 75% of their base salary, up to 100% of their bonus, up to 100% of the cash portion of their PSU compensation and up to 100% of the vested RSUs to the plan. The Company also has a non-qualified deferred compensation plan for its non-employee directors which allows each director to defer up to 100% of their cash compensation paid by the Company and up to 100% of the vested RSUs to the plan. Payments are made to participants based on their annual enrollment elections and plan balances.

The following table summarizes deferred compensation balances (in thousands):

	Balance sheet location	December 31, 2017	December 31, 2016
Deferred compensation assets	Intangible and other long-term assets, net	$ 14,187	$ 12,360
Deferred compensation liabilities, short-term	Accounts payable	$ 1,253	$ 1,115
Deferred compensation liabilities, long-term	Other long-term liabilities	$ 21,085	$ 18,489

Supplemental Executive Retirement Plan

The Company has a supplemental executive retirement plan (SERP). The SERP provides retirement benefits to the Company's executive officers and certain other designated key employees. The SERP is an unfunded, non-qualified defined contribution retirement plan, and all contributions under the plan are unfunded credits to a notional account maintained for each participant. Under the SERP, the Company will generally make annual contributions to a retirement account based on age and years of service. The participants in the plan receive contributions ranging from 5% to 35% of salary and annual cash bonus, which totaled $0.9 million, $2.2 million and $1.2 million during 2017, 2016 and 2015, respectively. During 2017, 2016 and 2015, the Company paid $0, $1.4 million and $3.7 million, respectively, to eligible participants in the SERP.

(7) Income Taxes

The components of loss from continuing operations before income taxes are as follows (in thousands):

	Years ended December 31, 2017	2016	2015
Domestic	$ (336,095)	$ (1,097,109)	$ (2,069,019)
Foreign	(41,656)	(3,232)	9,236
	$ (377,751)	$ (1,100,341)	$ (2,059,783)

The components of income tax benefit (provision) are as follows (in thousands):

	Years ended December 31, 2017	2016	2015
Current:			
Federal	$ -	$ (101,578)	$ (952)
State	(750)	(159)	2,818
Foreign	9,137	19,156	19,227
	8,387	(82,581)	21,093
Deferred:			
Federal	(201,768)	(179,721)	(249,193)
State	6,109	(9,348)	(10,034)
Foreign	(3,468)	4,649	(13,886)
	(199,127)	(184,420)	(273,113)
	$ (190,740)	$ (267,001)	$ (252,020)

A reconciliation of the U.S. statutory federal tax rate of 35% to the consolidated effective tax rate is as follows (in thousands):

	Years ended December 31,		
	2017	2016	2015
Computed expected tax benefit	$ (132,213)	$ (385,119)	$ (720,923)
Increase (decrease) resulting from			
State and foreign income taxes	16,437	(8,038)	(6,353)
Reduction in value of assets	-	115,725	464,395
U.S. Tax Reform	(76,529)	-	-
Other	1,565	10,431	10,861
Income tax benefit	$ (190,740)	$ (267,001)	$ (252,020)

On December 22, 2017, U.S. Tax Reform was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017 and the transition of U.S. international taxation from a worldwide tax system to a modified territorial system. As a result, we recorded a provisional income tax benefit of $76.5 million during the fourth quarter of 2017. The provisional amount related primarily to the remeasurement of certain deferred tax assets and liabilities, based on the rates at which they are expected to reverse in the future. Additional work is necessary for a more detailed analysis of our deferred tax assets and liabilities. Any subsequent adjustments to the provisional amount will be reported as component of income tax expense (benefit) in the reporting period in which any such adjustments are determined.

The tax effects of temporary differences that give rise to significant components of deferred income tax assets and liabilities are as follows (in thousands):

	December 31,	
	2017	2016
Deferred tax assets:		
Allowance for doubtful accounts	$ 5,717	$ 9,172
Operating loss and tax credit carryforwards	118,687	85,383
Compensation and employee benefits	38,261	59,351
Decommissioning liabilities	26,875	40,994
Other	28,807	51,069
	218,347	245,969
Valuation allowance	(8,722)	(6,722)
Net deferred tax assets	209,625	239,247
Deferred tax liabilities:		
Property, plant and equipment	177,231	352,683
Notes receivable	12,977	14,796
Goodwill and other intangible assets	64,746	98,868
Other	15,729	16,511
Deferred tax liabilities	270,683	482,858
Net deferred tax liability	$ 61,058	$ 243,611

At December 31, 2017, the Company had $135.5 million in U.S. net operating loss carryforwards, which are available to reduce future taxable income. The expiration date for utilization of the U.S. loss carryforwards is 2037. At December 31, 2017, the Company also had various state net operating loss carryforwards with expiration dates from 2018 to 2037. A net deferred tax asset of $24.5 million reflects the expected future tax benefit for the state loss carryforwards. At December 31, 2017, the Company also had a U.S. foreign tax credit carryforward of $55.9 million with expiration dates from 2021 to 2027.

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. A valuation allowance has been recognized on a portion of the state net operating loss carryforward deferred tax asset. After considering all available evidence at December 31, 2017, the Company determined that it was more likely than not that a portion of the carryforward would not be realized. Accordingly, the Company increased deferred income tax expense by an additional $2.0 million of the valuation allowance.

The Company has not provided income tax expense on earnings of its foreign subsidiaries, since the Company has reinvested or expects to reinvest undistributed earnings outside the U.S. indefinitely. At December 31, 2017, the Company's foreign subsidiaries had an overall accumulated deficit in earnings. The Company does not intend to repatriate the earnings of its profitable foreign subsidiaries. The Company has not provided U.S. income taxes for such earnings, except to the extent that such earnings were previously subject to U.S. income taxes. These earnings could become subject to U.S. income tax if repatriated. It is not practicable to estimate the amount of taxes that might be payable on such undistributed earnings.

The U.S. Tax Reform imposes a tax on post-1986 earnings of non-U.S. affiliates that have not been repatriated for purposes of US federal income tax, with those earnings taxed at rates of 15.5% for earnings reflected by cash and cash equivalent items and 8% for other assets. The cash tax effects of this deemed repatriation can be remitted in installments over an eight-year period. We estimate the impact of this tax will not be material to our financial position.

The Company files income tax returns in the U.S., including federal and various state filings, and certain foreign jurisdictions. The number of years that are open under the statute of limitations and subject to audit varies depending on the tax jurisdiction. The Company remains subject to U.S. federal tax examinations for years after 2012.

The Company had unrecognized tax benefits of $30.7 million, $29.9 million and $29.7 million as of December 31, 2017, 2016 and 2015, respectively, all of which would impact the Company's effective tax rate if recognized.

The activity in unrecognized tax benefits is as follows (in thousands):

	Years ended December 31,		
	2017	2016	2015
Unrecognized tax benefits, December 31, 2016, 2015 and 2014, respectively	$ 29,956	$ 29,715	$ 30,344
Additions based on tax positions related to prior years	5,576	6,874	6,752
Reductions based on tax positions related to prior years	(4,671)	(3,582)	-
Reductions as a result of a lapse of the applicable statute of limitations	(205)	(3,051)	-
Reductions relating to settlements with taxing authorities	-	-	(7,381)
Unrecognized tax benefits, December 31, 2017, 2016 and 2015, respectively	$ 30,656	$ 29,956	$ 29,715

The Company recorded $2.2 million, $2.5 million and $1.0 million of interest and penalties for 2017, 2016 and 2015, respectively, classified as a component of income tax expense in the consolidated statements of operations. The amounts in the table above include cumulative accrued interest and penalties of $9.7 million, $7.4 million and $4.6 million at December 31, 2017, 2016 and 2015, respectively, which are included in other non-current liabilities on the consolidated balance sheets.

(8) Segment Information

Business Segments

The Drilling Products and Services segment rents and sells bottom hole assemblies, premium drill pipe, tubulars and specialized equipment for use with onshore and offshore oil and gas well drilling, completion, production and workover activities. It also provides on-site accommodations and machining services. The Onshore Completion and Workover Services segment provides pressure pumping services used to complete and stimulate production in new oil and gas wells, fluid handling services and well servicing rigs that provide a variety of well completion, workover and maintenance services. The Production Services segment provides intervention services such as coiled tubing, cased hole and mechanical wireline, hydraulic workover and snubbing, production testing and optimization, and remedial pumping services. The Technical Solutions segment provides services typically requiring specialized engineering, manufacturing or project planning, including well containment systems, stimulation and sand control services and well plug and abandonment services. It also includes production handling arrangements and the production and sale of oil and gas.

Effective as of the fourth quarter of 2017, the Company's management changed the measurement used to evaluate the performance of its reportable segments from income or loss from operations including allocated corporate expenses to income or loss from operations excluding allocated corporate expenses. The segment measure is calculated as follows: segment revenues less segment operating expenses, depreciation, depletion, amortization and accretion expense and reduction in value of assets. The Company uses this segment measure to evaluate its reportable segments because it is the measure that is most consistent with how the Company organizes and manages its business operations. Corporate and other costs primarily include expenses related to support functions, salaries and benefits for corporate employees and stock-based compensation expense.

Summarized financial information for the Company's segments is as follows (in thousands):

2017

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 293,690	$ 935,183	$ 372,781	$ 272,422	$ -	$ 1,874,076
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	128,381	791,581	303,256	175,477	-	1,398,695
Depreciation, depletion, amortization and accretion	131,394	193,098	78,999	29,506	5,719	438,716
General and administrative expenses	51,265	44,766	48,655	51,679	99,142	295,507
Reduction in value of assets	1,356	4,684	-	8,115	-	14,155
Income/(loss) from operations	(18,706)	(98,946)	(58,129)	7,645	(104,861)	(272,997)
Interest income (expense), net	-	-	-	3,567	(105,022)	(101,455)
Other expense	-	-	-	-	(3,299)	(3,299)
Income/(loss) from continuing operations before income taxes	$ (18,706)	$ (98,946)	$ (58,129)	$ 11,212	$ (213,182)	$ (377,751)

2016

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 293,543	$ 523,965	$ 348,363	$ 284,176	$ -	$ 1,450,047
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	136,719	515,784	276,223	194,548	-	1,123,274
Depreciation, depletion, amortization and accretion	159,937	207,038	93,878	42,393	6,725	509,971
General and administrative expenses	64,182	48,837	49,687	65,299	118,601	346,606
Reduction in value of assets	48,903	190,835	235,067	25,600	-	500,405
Loss from operations	(116,198)	(438,529)	(306,492)	(43,664)	(125,326)	(1,030,209)
Interest income (expense), net	-	-	(1,343)	3,553	(94,963)	(92,753)
Other income	-	-	-	-	22,621	22,621
Loss from continuing operations before income taxes	$ (116,198)	$ (438,529)	$ (307,835)	$ (40,111)	$ (197,668)	$ (1,100,341)

2015

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 547,530	$ 934,274	$ 795,215	$ 497,546	$ -	$ 2,774,565
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	178,629	773,119	612,578	301,486	-	1,865,812
Depreciation, depletion, amortization and accretion	186,047	223,626	135,310	61,013	6,151	612,147
General and administrative expenses	95,512	78,930	109,959	98,894	127,413	510,708
Reduction in value of assets	40,237	783,229	790,517	124,904	-	1,738,887
Income (loss) from operations	47,105	(924,630)	(853,149)	(88,751)	(133,564)	(1,952,989)
Interest income (expense), net	-	-	(2,013)	1,707	(97,012)	(97,318)
Other expense	-	-	-	-	(9,476)	(9,476)
Income (loss) from continuing operations before income taxes	$ 47,105	$ (924,630)	$ (855,162)	$ (87,044)	$ (240,052)	$ (2,059,783)

Identifiable Assets

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
December 31, 2017	$ 662,968	$ 1,501,214	$ 512,256	$ 377,549	$ 56,238	$ 3,110,225
December 31, 2016	$ 824,287	$ 1,534,008	$ 598,167	$ 439,521	$ 74,272	$ 3,470,255
December 31, 2015	$ 1,144,201	$ 1,913,408	$ 1,029,902	$ 789,957	$ 36,776	$ 4,914,244

Capital Expenditures

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
December 31, 2017	$ 27,219	$ 115,415	$ 7,860	$ 13,296	$ 1,143	$ 164,933
December 31, 2016	$ 35,413	$ 20,094	$ 20,848	$ 3,829	$ 364	$ 80,548
December 31, 2015	$ 123,075	$ 102,061	$ 76,597	$ 52,733	$ 3,760	$ 358,226

Geographic Segments

The Company attributes revenue to various countries based on the location where services are performed or the destination of the drilling products or equipment sold or rented. 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 the end of a period. The Company's revenue attributed to the U.S. and to other countries and the value of its long-lived assets by those locations is as follows (in thousands):

Revenues

	Years ended December 31,		
	2017	2016	2015
United States	$ 1,566,260	$ 1,080,513	$ 2,185,071
Other countries	307,816	369,534	589,494
Total	$ 1,874,076	$ 1,450,047	$ 2,774,565

Long-Lived Assets

	December 31,	
	2017	2016
United States	$ 1,064,823	$ 1,288,077
Other countries	252,121	317,288
Total	$ 1,316,944	$ 1,605,365

(9) Commitments and Contingencies

The Company leases most of its office, service and assembly facilities under operating leases. In addition, the Company also leases certain assets used in providing services under operating leases. The leases expire at various dates over an extended period of time. Total rent expense was $15.3 million, $24.1 million and $29.6 million during 2017, 2016 and 2015, respectively. Future minimum lease payments under non-cancelable leases for the five years ending December 31, 2018 through 2022 and thereafter are as follows: $24.6 million, $18.5 million, $11.8 million, $9.4 million and $16.4 million, respectively.

Due to the nature of the Company's business, the Company is involved, from time to time, in routine litigation or subject to disputes or claims regarding its business activities. Legal costs related to these matters are expensed as incurred. However, based on current circumstances, the Company does not believe that the ultimate resolution of these proceedings, after considering available defenses and any insurance coverage or indemnification rights, will have a material adverse effect on its financial position, results of operations or cash flows.

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(10) Fair Value Measurements

The following tables provide a summary of the financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Intangible and other long-term assets, net				
Non-qualified deferred compensation assets	$ 370	$ 13,817	$ -	$ 14,187
Accounts payable				
Non-qualified deferred compensation liabilities	$ -	$ 1,253	$ -	$ 1,253
Other long-term liabilities				
Non-qualified deferred compensation liabilities	$ -	$ 21,085	$ -	$ 21,085

	Fair Value at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Intangible and other long-term assets, net				
Non-qualified deferred compensation assets	$ 368	$ 11,992	$ -	$ 12,360
Interest rate swaps	$ -	$ 8,579	$ -	$ 8,579
Accounts payable				
Non-qualified deferred compensation liabilities	$ -	$ 1,115	$ -	$ 1,115
Other long-term liabilities				
Non-qualified deferred compensation liabilities	$ -	$ 18,489	$ -	$ 18,489

The Company's non-qualified deferred compensation plans allow officers, certain highly compensated employees and non-employee directors to defer receipt of a portion of their compensation and contribute such amounts to one or more hypothetical investment funds (see note 6). The Company entered into separate trust agreements, subject to general creditors, to segregate assets of each plan and reports the accounts of the trusts in its consolidated financial statements. These investments are reported at fair value based on unadjusted quoted prices in active markets for identifiable assets and observable inputs for similar assets and liabilities, which represent Levels 1 and 2, respectively, in the fair value hierarchy.

At December 31, 2016, the Company had three interest rate swap agreements related to its fixed rate debt maturing in 2021 for notional amounts of $100 million each (see note 11). In January 2017, the Company sold these interest rate swaps to the counterparties for a net amount of $0.8 million.

The following table reflects the fair value measurements used in testing the impairment of long-lived assets and goodwill (in thousands):

	Year ended December 31, 2016	
	Impairment	Fair Value
Goodwill	$ 330,500	$ 668,864
Intangible assets	$ 68,865	$ -
Property, plant and equipment, net	$ 74,938	$ 294,457

Fair value is measured as of the impairment date using Level 3 inputs. See note 3 for discussion of reduction in value of assets recorded during 2016.

(11) Derivative Financial Instruments

The Company had three interest rate swaps for notional amounts of $100 million each, related to its 7 1/8% senior unsecured notes maturing in December 2021. In January 2017, the Company sold these interest rate swaps to the counterparties for a net amount of $0.8 million. The remaining balance of the derivative asset is being amortized to interest expense over the remaining term of the related notes. For the year ended December 31, 2017, $2.0 million of expense related to the amortization of the remaining derivative asset was recorded.

The location and effect of the derivative instrument on the consolidated statements of operations presented on a pre-tax basis is as follows (in thousands):

		Years ended December 31,	
Effect of derivative asset	Location of (gain) loss recognized	2016	2015
Interest rate swap	Interest expense, net	$ 2,306	$ (1,932)
Hedged item - debt	Interest expense, net	(3,980)	(790)
		$ (1,674)	$ (2,722)

During 2016 and 2015 $1.7 million and $2.7 million of interest income, respectively, was related to the ineffectiveness associated with these fair value hedges. Hedge ineffectiveness represents the difference between the changes in fair value of the derivative instruments and the changes in fair value of the fixed rate debt attributable to changes in the benchmark interest rate.

(12) Discontinued Operations

At December 31, 2017, the assets of the subsea construction business were being actively marketed and the Company's management was committed to selling the remaining assets, which were classified as held for sale and were included in the Technical Solutions segment.

The following table summarizes the components of loss from discontinued operations, net of tax (in thousands) included in the consolidated statements of operations:

	Years ended December 31,		
	2017	2016	2015
Revenues	$ -	$ -	$ 18,723
Loss from discontinued operations, net of tax expense/(benefit) of $0, $1,908 and ($5,626), respectively	$ (18,910)	$ (53,559)	$ (46,955)

During 2017, 2016 and 2015, loss from discontinued operations included $10.9 million, $33.0 million and $25.8 million, respectively, for the reduction in value of marine vessels and equipment in the subsea construction business.

The following summarizes the assets and liabilities related to the businesses reported as discontinued operations (in thousands):

	December 31,	
	2017	2016
Current assets	$ 3,144	$ 158
Property, plant and equipment, net	10,500	27,000
Total assets	$ 13,644	$ 27,158
Current liabilities	$ 6,463	$ 8,653

(13) Supplemental Guarantor Information

SESI, L.L.C. (the Issuer), a 100% owned subsidiary of Superior Energy Services, Inc. (Parent), has $500 million of 7 3/4% senior unsecured notes due 2024. The Parent, along with certain of its 100% owned domestic subsidiaries, fully and unconditionally guaranteed the senior unsecured notes, and such guarantees are joint and several.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
December 31, 2017
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 126,533	$ 440	$ 45,027	$ -	$ 172,000
Accounts receivable, net	-	-	332,402	70,889	(5,235)	398,056
Income taxes receivable	-	-	(221)	1,180	-	959
Intercompany accounts receivable	-	6,460	58,375	5,865	(70,700)	-
Other current assets	-	11,895	129,970	34,295	-	176,160
Assets held for sale	-	-	-	13,644	-	13,644
Total current assets	-	144,888	520,966	170,900	(75,935)	760,819
Property, plant and equipment, net	-	12,055	1,093,446	211,443	-	1,316,944
Goodwill	-	-	657,099	150,761	-	807,860
Notes receivable	-	-	60,149	-	-	60,149
Long-term intercompany accounts receivable	2,221,697	-	2,032,056	177,842	(4,431,595)	-
Equity investments of consolidated subsidiaries	(1,088,736)	4,481,702	6,590	-	(3,399,556)	-
Intangible and other long-term assets, net	-	22,118	134,115	8,220	-	164,453
Total assets	$ 1,132,961	$ 4,660,763	$ 4,504,421	$ 719,166	$ (7,907,086)	$ 3,110,225
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ -	$ 14,339	$ 89,714	$ 20,898	$ (5,235)	$ 119,716
Accrued expenses	532	116,767	80,825	23,633	-	221,757
Intercompany accounts payable	-	724	7,918	62,058	(70,700)	-
Current portion of decommissioning liabilities	-	-	25,670	1,591	-	27,261
Liabilities held for sale	-	-	-	6,463	-	6,463
Total current liabilities	532	131,830	204,127	114,643	(75,935)	375,197
Deferred income taxes	-	(147,116)	205,386	2,788	-	61,058
Decommissioning liabilities	-	-	101,293	1,843	-	103,136
Long-term debt, net	-	1,279,771	-	-	-	1,279,771
Long-term intercompany accounts payable	-	4,431,595	-	-	(4,431,595)	-
Other long-term liabilities	-	53,419	79,061	26,154	-	158,634
Total stockholders' equity (deficit)	1,132,429	(1,088,736)	3,914,554	573,738	(3,399,556)	1,132,429
Total liabilities and stockholders' equity	$ 1,132,961	$ 4,660,763	$ 4,504,421	$ 719,166	$ (7,907,086)	$ 3,110,225

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Balance Sheets
December 31, 2016
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 127,445	$ 942	$ 59,204	$ -	$ 187,591
Accounts receivable, net	-	-	231,358	65,806	-	297,164
Intercompany accounts receivable	-	305	49,656	2,470	(52,431)	-
Income taxes receivable	-	101,578	-	-	-	101,578
Other current assets	-	12,189	120,382	35,489	-	168,060
Assets held for sale	-	-	-	27,158	-	27,158
Total current assets	-	241,517	402,338	190,127	(52,431)	781,551
Property, plant and equipment, net	-	15,211	1,339,626	250,528	-	1,605,365
Goodwill	-	-	657,099	146,818	-	803,917
Notes receivable	-	-	56,650	-	-	56,650
Long-term intercompany accounts receivable	2,200,534	-	2,041,461	177,478	(4,419,473)	-
Intercompany notes receivable	-	2,225	-	-	(2,225)	-
Equity investments of consolidated subsidiaries	(895,682)	4,545,230	7,600	-	(3,657,148)	-
Intangible and other long-term assets, net	-	30,337	175,675	16,760	-	222,772
Total assets	$ 1,304,852	$ 4,834,520	$ 4,680,449	$ 781,711	$ (8,131,277)	$ 3,470,255
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ -	$ 5,250	$ 72,684	$ 16,897	$ -	$ 94,831
Accrued expenses	932	89,451	97,858	29,951	-	218,192
Income taxes payable	-	778	-	(84)	-	694
Intercompany accounts payable	-	189	3,956	48,286	(52,431)	-
Current portion of decommissioning liabilities	-	-	20,670	1,494	-	22,164
Liabilities held for sale	-	-	-	8,653	-	8,653
Total current liabilities	932	95,668	195,168	105,197	(52,431)	344,534
Deferred income taxes	-	(139,835)	377,928	5,518	-	243,611
Decommissioning liabilities	-	-	99,669	1,844	-	101,513
Long-term debt, net	-	1,284,600	-	-	-	1,284,600
Long-term intercompany accounts payable	-	4,419,473	-	-	(4,419,473)	-
Intercompany notes payable	-	-	-	2,225	(2,225)	-
Other long-term liabilities	-	70,296	85,967	35,814	-	192,077
Total stockholders' equity (deficit)	1,303,920	(895,682)	3,921,717	631,113	(3,657,148)	1,303,920
Total liabilities and stockholders' equity	$ 1,304,852	$ 4,834,520	$ 4,680,449	$ 781,711	$ (8,131,277)	$ 3,470,255

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Year Ended December 31, 2017
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 1,655,114	$ 234,663	$ (15,701)	$ 1,874,076
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	(4,123)	1,242,486	176,033	(15,701)	1,398,695
Depreciation, depletion, amortization and accretion	-	4,149	383,713	50,854	-	438,716
General and administrative expenses	-	86,840	152,076	56,591	-	295,507
Reduction in value of assets	-	-	6,038	8,117	-	14,155
Loss from operations	-	(86,866)	(129,199)	(56,932)	-	(272,997)
Other income (expense):						
Interest expense, net	-	(105,585)	4,451	(321)	-	(101,455)
Other income (expense)	-	(1,350)	202	(2,151)	-	(3,299)
Equity in losses of consolidated subsidiaries	(205,921)	(76,394)	(964)	-	283,279	-
Loss from continuing operations before income taxes	(205,921)	(270,195)	(125,510)	(59,404)	283,279	(377,751)
Income taxes	-	(64,274)	(118,347)	(8,119)	-	(190,740)
Net income (loss) from continuing operations	(205,921)	(205,921)	(7,163)	(51,285)	283,279	(187,011)
Loss from discontinued operations, net of income tax	-	-	-	(18,910)	-	(18,910)
Net loss	$ (205,921)	$ (205,921)	$ (7,163)	$ (70,195)	$ 283,279	$ (205,921)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Loss
Year Ended December 31, 2017
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net loss	$ (205,921)	$ (205,921)	$ (7,163)	$ (70,195)	$ 283,279	$ (205,921)
Change in cumulative translation adjustment	12,821	12,821	-	12,821	(25,642)	12,821
Comprehensive loss	$ (193,100)	$ (193,100)	$ (7,163)	$ (57,374)	$ 257,637	$ (193,100)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Year Ended December 31, 2016
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 1,193,233	$ 281,310	$ (24,496)	$ 1,450,047
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	6,582	944,349	196,839	(24,496)	1,123,274
Depreciation, depletion, amortization and accretion	-	4,592	452,180	53,199	-	509,971
General and administrative expenses	-	117,781	176,430	52,395	-	346,606
Reduction in value of assets	-	-	486,976	13,429	-	500,405
Loss from operations	-	(128,955)	(866,702)	(34,552)	-	(1,030,209)
Other income (expense):						
Interest expense, net	-	(95,040)	3,425	(1,138)	-	(92,753)
Other income (expense)	-	(4,345)	196	26,770	-	22,621
Equity in losses of consolidated subsidiaries	(886,899)	(738,047)	(643)	-	1,625,589	-
Loss from continuing operations before income taxes	(886,899)	(966,387)	(863,724)	(8,920)	1,625,589	(1,100,341)
Income taxes	-	(79,488)	(189,850)	2,337	-	(267,001)
Net loss from continuing operations	(886,899)	(886,899)	(673,874)	(11,257)	1,625,589	(833,340)
Loss from discontinued operations, net of income tax	-	-	-	(53,559)	-	(53,559)
Net loss	$ (886,899)	$ (886,899)	$ (673,874)	$ (64,816)	$ 1,625,589	$ (886,899)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Loss
Year Ended December 31, 2016
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net loss	$ (886,899)	$ (886,899)	$ (673,874)	$ (64,816)	$ 1,625,589	$ (886,899)
Change in cumulative translation adjustment	(34,554)	(34,554)	-	(34,554)	69,108	(34,554)
Comprehensive loss	$ (921,453)	$ (921,453)	$ (673,874)	$ (99,370)	$ 1,694,697	$ (921,453)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Year ended December 31, 2015
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 2,360,358	$ 526,459	$ (112,252)	$ 2,774,565
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	14,397	1,602,996	359,905	(111,486)	1,865,812
Depreciation, depletion, amortization and accretion	-	5,102	550,384	56,661	-	612,147
General and administrative expenses	873	129,315	302,274	79,012	(766)	510,708
Reduction in value of assets	-	-	1,684,846	54,041	-	1,738,887
Loss from operations	(873)	(148,814)	(1,780,142)	(23,160)	-	(1,952,989)
Other income (expense):						
Interest expense, net	-	(95,869)	1,359	(2,808)	-	(97,318)
Other income (expense)	-	(93)	220	(9,603)	-	(9,476)
Equity in losses of consolidated subsidiaries	(1,853,845)	(1,695,207)	(48,456)	-	3,597,508	-
Loss from continuing operations before	(1,854,718)	(1,939,983)	(1,827,019)	(35,571)	3,597,508	(2,059,783)
Income taxes	-	(86,138)	(167,413)	1,531	-	(252,020)
Net loss from continuing operations	(1,854,718)	(1,853,845)	(1,659,606)	(37,102)	3,597,508	(1,807,763)
Loss from discontinued operations, net of income tax	-	-	(7,523)	(39,432)	-	(46,955)
Net loss	$ (1,854,718)	$ (1,853,845)	$ (1,667,129)	$ (76,534)	$ 3,597,508	$ (1,854,718)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Loss
Year ended December 31, 2015
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net loss	$ (1,854,718)	$ (1,853,845)	$ (1,667,129)	$ (76,534)	$ 3,597,508	$ (1,854,718)
Change in cumulative translation adjustment	(9,414)	(9,414)	4,682	(10,862)	15,594	(9,414)
Comprehensive loss	$ (1,864,132)	$ (1,863,259)	$ (1,662,447)	$ (87,396)	$ 3,613,102	$ (1,864,132)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2017

(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	$ 26,221	$ 3,369	$ 89,503	$ (15,249)	$ -	$ 103,844
Cash flows from investing activities:						
Payments for capital expenditures	-	(1,041)	(148,738)	(15,154)	-	(164,933)
Proceeds from sales of assets	-	-	23,485	4,784	-	28,269
Decrease in cash held in escrow	-	-	30,600	-	-	30,600
Net cash used in investing activities	-	(1,041)	(94,653)	(10,370)	-	(106,064)
Cash flows from financing activities:						
Proceeds from issuance of long-term debt	-	500,000	-	-	-	500,000
Principal payments on long-term debt	-	(500,000)	-	-	-	(500,000)
Payment of debt issuance costs	-	(11,967)	-	-	-	(11,967)
Changes in notes with affiliated companies, net	(21,163)	8,727	4,648	7,788	-	-
Other	(5,058)	-	-	-	-	(5,058)
Net cash provided by (used in) financing activities	(26,221)	(3,240)	4,648	7,788	-	(17,025)
Effect of exchange rate changes on cash	-	-	-	3,654	-	3,654
Net decrease in cash and cash equivalents	-	(912)	(502)	(14,177)	-	(15,591)
Cash and cash equivalents at beginning of period	-	127,445	942	59,204	-	187,591
Cash and cash equivalents at end of period	$ -	$ 126,533	$ 440	$ 45,027	$ -	$ 172,000

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Year Ended December 31, 2016
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	$ 29,149	$ (139,666)	$ 248,625	$ (1,089)	$ (75,767)	$ 61,252
Cash flows from investing activities:						
Payments for capital expenditures	-	(405)	(64,478)	(15,665)	-	(80,548)
Other	-	-	6,309	-	-	6,309
Net cash used in investing activities	-	(405)	(58,169)	(15,665)	-	(74,239)
Cash flows from financing activities:						
Proceeds from revolving credit facility	-	325,123	-	-	-	325,123
Payments on revolving credit facility	-	(325,123)	-	-	-	(325,123)
Payments on long-term debt	-	(325,000)	-	(12,576)	-	(337,576)
Payment of debt issuance costs	-	(2,711)	-	-	-	(2,711)
Intercompany dividends	-	-	(73,017)	(2,750)	75,767	-
Changes in notes with affiliated companies, net	(13,956)	185,950	(127,595)	(44,399)	-	-
Dividends paid	(12,111)	-	-	-	-	(12,111)
Other	(3,082)	-	-	-	-	(3,082)
Net cash used in financing activities	(29,149)	(141,761)	(200,612)	(59,725)	75,767	(355,480)
Effect of exchange rate changes on cash	-	-	-	(7,959)	-	(7,959)
Net decrease in cash and cash equivalents	-	(281,832)	(10,156)	(84,438)	-	(376,426)
Cash and cash equivalents at beginning of period	-	409,277	11,098	143,642	-	564,017
Cash and cash equivalents at end of period	$ -	$ 127,445	$ 942	$ 59,204	$ -	$ 187,591

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Year Ended December 31, 2015
(in thousands)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	$ 36,290	$ (279,888)	$ 787,065	$ 93,563	$ (4,418)	$ 632,612
Cash flows from investing activities:						
Payments for capital expenditures	-	(4,319)	(300,910)	(52,997)	-	(358,226)
Purchase of leased vessels	-	-	-	(46,442)	-	(46,442)
Other	-	1,480	19,023	(4,103)	-	16,400
Net cash used in investing activities	-	(2,839)	(281,887)	(103,542)	-	(388,268)
Cash flows from financing activities:						
Proceeds from revolving credit facility	-	7,475	-	-	-	7,475
Payments on revolving credit facility	-	(7,475)	-	-	-	(7,475)
Proceeds from long-term debt	-	-	-	14,733	-	14,733
Payments on long-term debt	-	(20,000)	-	(1,038)	-	(21,038)
Payment to extinguish capital lease obligation	-	-	-	(20,933)	-	(20,933)
Intercompany dividends	-	-	-	(4,418)	4,418	-
Changes in notes with affiliated companies, net	5,331	514,048	(507,235)	(12,144)	-	-
Dividends paid	(48,139)	-	-	-	-	(48,139)
Other	6,518	-	-	-	-	6,518
Net cash provided by (used in) financing activities	(36,290)	494,048	(507,235)	(23,800)	4,418	(68,859)
Effect of exchange rate changes on cash	-	-	-	(4,514)	-	(4,514)
Net increase (decrease) in cash and cash equivalents	-	211,321	(2,057)	(38,293)	-	170,971
Cash and cash equivalents at beginning of period	-	197,956	13,155	181,935	-	393,046
Cash and cash equivalents at end of period	$ -	$ 409,277	$ 11,098	$ 143,642	$ -	$ 564,017

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(14) Interim Financial Information (Unaudited)

The following is a summary of consolidated interim financial information (in thousands):

	2017			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 400,936	$ 470,068	$ 506,029	$ 497,043
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	321,986	351,802	368,279	356,628
Depreciation, depletion, amortization and accretion	114,281	108,119	108,751	107,565
Reduction in value of assets	-	-	9,953	4,202
Income (loss) from continuing operations	(89,661)	(62,039)	(57,189)	21,878
Loss from discontinued operations, net of tax	(1,998)	(1,767)	(1,860)	(13,285)
Net income (loss)	$ (91,659)	$ (63,806)	$ (59,049)	$ 8,593
Income (loss) per share from continuing operations:				
Basic	$ (0.59)	$ (0.41)	$ (0.37)	$ 0.14
Diluted	(0.59)	(0.41)	(0.37)	0.14
Loss per share from discontinued operations:				
Basic	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.08)
Diluted	(0.01)	(0.01)	(0.02)	(0.08)

	2016			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 413,133	$ 356,271	$ 326,225	$ 354,418
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	285,339	258,635	258,168	321,132
Depreciation, depletion, amortization and accretion	136,672	132,037	123,308	117,954
Reduction in value of assets	2,198	460,283	1,963	35,961
Loss from continuing operations	(84,536)	(468,632)	(113,913)	(166,259)
Loss from discontinued operations, net of tax	(2,267)	(2,225)	(4,085)	(44,982)
Net loss	$ (86,803)	$ (470,857)	$ (117,998)	$ (211,241)
Loss per share from continuing operations:				
Basic and diluted	$ (0.56)	$ (3.09)	$ (0.75)	$ (1.10)
Loss per share from discontinued operations:				
Basic and diluted	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.30)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures to provide reasonable assurances that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is appropriately recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission (SEC). In addition, the disclosure controls and procedures ensure that information required to be disclosed, accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), allow timely decisions regarding required disclosure. An evaluation was carried out, under the supervision and with the participation of our management, including our CEO and CFO, regarding the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our CEO and CFO have concluded that our disclosure controls and procedures as of December 31, 2017 were effective to provide reasonable assurance that information required to be disclosed by us in reports we file with the SEC is recorded, processed, summarized and reported within the time periods required by the SEC's rules and forms, and is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow timely decisions regarding disclosures. Management's report and the independent registered public accounting firm's attestation report are included herein under the captions "Management's Annual Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," and are incorporated herein by reference.

There has been no change in our internal control over financial reporting during the three months ended December 31, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, and for performing an assessment of the effectiveness of internal control over our financial reporting as of December 31, 2017. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements. Management recognizes that there are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may be inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our CEO and CFO, performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017 based upon criteria in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management determined that as of December 31, 2017, our internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2017 has been audited by KPMG, LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Superior Energy Services, Inc. and subsidiaries (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, the related notes and financial statement schedule as listed in the accompanying index (collectively, the "consolidated financial statements"), and our report February 22, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP
Houston, Texas
February 22, 2018

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information relating to our executive officers is included in "Executive Officers of Registrant" in Part I of this Annual Report on Form 10-K, and is incorporated herein by reference. Information relating to Our Shared Core Values at Work (Code of Conduct) that applies to all of our directors, officers and employees, including our senior financial officers, is included in Part I, Item 1 of this Annual Report on Form 10-K, and is incorporated herein by reference. Other information required by this item will be contained in our 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 contained in our 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 contained in our definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item will be contained in our definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

Information required by this item will be contained in our definitive proxy statement to be filed pursuant to Regulation 14A and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(1) Financial Statements

The following financial statements are included in Part II of this Annual Report on Form 10-K:

Report of Independent Registered Public Accounting Firm - Audit of Financial Statements
Consolidated Balance Sheets as of December 31, 2017 and 2016
Consolidated Statements of Operations for the years ended December 31, 2017, 2016 and 2015
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2017, 2016 and 2015
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2017, 2016 and 2015
Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2015
Notes to Consolidated Financial Statements
Management's Annual Report on Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm - Audit of Internal Control over Financial Reporting

(2) Financial Statement Schedule

Schedule II – Valuation and Qualifying Accounts for the years ended December 31, 2017, 2016 and 2014

All other schedules are omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Superior Energy Services, Inc. (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 7, 2013 (File No. 001-34037)).
3.2	Amended and Restated Bylaws of Superior Energy Services, Inc. (as amended through March 7, 2012) (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 12, 2012 (File No. 001-34037)).
4.1	Specimen Stock Certificate (incorporated herein by reference to Post-Effective Amendment No. 1 to Superior Energy Services, Inc.'s Form S-4 on Form SB-2 filed January 9, 1997 (Registration Statement No. 33-94454)).
4.2	Indenture, dated December 6, 2011, among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated herein by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 12, 2011 (File No. 001-34037)), as amended by Supplemental Indenture, dated February 29, 2012, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 1, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated May 7, 2012, by and among SESI, L.L.C. the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 8, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 29, 2014, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed September 2, 2014 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 3, 2015, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 4, 2015 (File No. 001-34037)) as further amended by Supplemental Indenture dated August 17, 2017, by and among SESI L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed August 17, 2017 (File No. 001-34037)), as further amended by Supplemental Indenture, dated as of October 20, 2017, by and among SESI L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed October 23, 2017 (File No. 001-34037)).
4.3	Indenture, dated August 17, 2017, among SESI L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed August 17, 2017 (File No. 001-34037)), as further amended by Supplemental Indenture, dated as of October 20, 2017, by and among SESI L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed October 23, 2017 (File No. 001-34037)).
10.1^	Superior Energy Services, Inc. 2013 Employee Stock Purchase Plan (incorporated herein by reference to Appendix B to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 29, 2013 (File No. 001-34037)).
10.2^	Superior Energy Services, Inc. Amended and Restated Nonqualified Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.5 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-34037)).
10.3^	Superior Energy Services, Inc. 2005 Stock Incentive Plan (incorporated herein by reference to Appendix A to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 19, 2005 (File No. 333-22603)).
10.4^	Amended and Restated Superior Energy Services, Inc. 2004 Directors Restricted Stock Units Plan (incorporated herein by reference to Appendix B to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 20, 2006 (File No. 333-22603)).

10.5^	Superior Energy Services, Inc. Supplemental Executive Retirement Plan (incorporated herein by reference to Exhibit 10.21 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-34037)), as amended by Amendment No. 1 to the Superior Energy Supplemental Executive Retirement Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 10.21 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 001-34037)), as further amended by Amendment No. 2 to the Superior Energy Services, Inc. Supplemental Executive Retirement Plan, effective as of March 3, 2010 (incorporated herein by reference to Exhibit 10.8 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-34037)).
10.6^	Superior Energy Services, Inc. 2009 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 27, 2009 (File No. 001-34037)).
10.7^	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2005 Stock Incentive Plan and the 2009 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 16, 2009 (File No. 001-34037)).
10.8^	Superior Energy Services, Inc. 2011 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 26, 2011 (File No. 001-34037)).
10.9^	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2011 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 14, 2011 (File No. 001-34037)).
10.10^	Superior Energy Services, Inc. Annual Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed August 14, 2013 (File No. 001-34037)).
10.11^	Superior Energy Services, Inc. Amended and Restated 2013 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 28, 2015 (File No. 001-34037)).
10.12^	Superior Energy Services, Inc. 2016 Incentive Award Plan (incorporated herein by reference to Exhibit 99.1 of the Company's Registration Statement on Form S-8 filed May 24, 2016).
10.13^	Form of Restricted Stock Unit Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan (incorporated herein by reference to Exhibit 10.14 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 001-34037)).
10.14^	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan (incorporated herein by reference to Exhibit 10.14 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 001-34037)).
10.15^*	Form of Performance Share Unit Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan.
10.16^	Form of Notice of Grant of Restricted Stock Units for Non-Management Directors under the Superior Energy Services, Inc. 2016 Incentive Award Plan (incorporated herein by reference to Exhibit 10.17 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 001-34037)).
10.17^	Complete Production Services, Inc. Amended and Restated 2001 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.23 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 28, 2012 (File No. 001-34037)), as amended by Amendment No. 1 to the Complete Production Services, Inc. Amended and Restated 2001 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.24 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 28, 2012 (File No. 001-34037)).
10.18^	Superior Energy Services, Inc. Directors Deferred Compensation Plan, as amended and restated December 8, 2014 (incorporated herein by reference to Exhibit 10.29 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 26, 2015 (File No. 001-34037)).
10.19^*	Composite Form of Employment Agreement by and between Superior Energy Services, Inc. and its executive officers.
10.20^	Superior Energy Services, Inc. Change of Control Severance Plan (incorporated herein by reference to Exhibit 10.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 18, 2012 (File No. 001-34037)).

10.21	Fifth Amended and Restated Credit Agreement, dated October 20, 2017, among SESI, L.L.C., Superior Energy Services, Inc., JPMorgan Chase Bank, N.A. and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed October 23, 2017 (File No. 001-34037)).
10.22	Guaranty and Collateral Agreement, dated October 20, 2017, among SESI, LLC, Superior Energy Services, Inc., the other obligors party thereto and JPMorgan Chase Bank, N.A. (incorporated herein by reference to Exhibit 10.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed October 23, 2017 (File No. 001-34037)).
10.23	Registration Rights Agreement, dated August 17, 2017, by and among SESI, L.L.C., Superior Energy Services, Inc., the subsidiary guarantors thereto and J.P. Morgan Securities LLC, as representative of the several named initial purchasers (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed August 17, 2017 (File No. 001-34037)).
10.24^	Superior Energy Services, Inc. Amended and Restated Legacy CPX 2008 Incentive Award Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed November 8, 2012 (File No. 001-34037)).
12.1*	Statement of computation of ratio of earnings to fixed charges.
14.1	Our Shared Core Values at Work (Code of Conduct) (incorporated herein by reference to Exhibit 14.1 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 26, 2015 (File No. 001-34037)).
21.1*	Subsidiaries of Superior Energy Services, Inc.
23.1*	Consent of KPMG LLP, independent registered public accounting firm.
31.1*	Officer's certification pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Officer's certification pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1*	Officer's certification pursuant to Section 1350 of Title 18 of the U.S. Code.
32.2*	Officer's certification pursuant to Section 1350 of Title 18 of the U.S. Code.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herein
^ Management contract or compensatory plan or arrangement

Table of Contents

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.

Date: February 22, 2018

By: /s/ David. D. Dunlap
David D. Dunlap
President and Chief Executive Officer

Pursuant to the requirements 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/ David D. Dunlap **David D. Dunlap**	President and Chief Executive Officer (Principal Executive Officer)	February 22, 2018
/s/ Robert S. Taylor **Robert S. Taylor**	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	February 22, 2018
/s/ Terence E. Hall **Terence E. Hall**	Chairman of the Board	February 22, 2018
/s/ Harold J. Bouillion **Harold J. Bouillion**	Director	February 22, 2018
/s/ James M. Funk **James M. Funk**	Director	February 22, 2018
/s/ Peter D. Kinnear **Peter D. Kinnear**	Director	February 22, 2018
/s/ Janiece M. Longoria **Janiece M. Longoria**	Director	February 22, 2018
/s/ Michael M. McShane **Michael M. McShane**	Director	February 22, 2018
/s/ W. Matt Ralls **W. Matt Ralls**	Director	February 22, 2018

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Schedule II Valuation and Qualifying Accounts
Years Ended December 31, 2017, 2016 and 2015
(in thousands)

Description	Balance at the beginning of the year	Charged to costs and expenses	Deductions	Discontinued operations	Balance at the end of the year
2017:					
Allowance for doubtful accounts	$ 29,740	$ 4,254	$ 4,957	$ -	$ 29,037
2016:					
Allowance for doubtful accounts	$ 28,242	$ 7,825	$ 6,327	$ -	$ 29,740
2015:					
Allowance for doubtful accounts	$ 22,076	$ 14,341	$ 4,795	$ 3,380	$ 28,242

PERFORMANCE SHARE UNIT AWARD AGREEMENT

This PERFORMANCE SHARE UNIT AWARD AGREEMENT (this "Agreement") is by and between Superior Energy Services, Inc. ("Superior") and **<<Participant Name>>** (the "Participant").

WHEREAS, Superior has adopted the 2016 Incentive Award Plan (the "Plan"), under which the Compensation Committee (the "Committee") of the Board of Directors of Superior, or its delegee, may, among other things, grant awards of performance share units payable in cash, or a combination of cash and shares of Superior common stock, $.001 par value per share (the "Common Stock"), to officers and key employees of Superior or its subsidiaries (collectively, the "Company"); and

WHEREAS, the Committee believes that entering into this Agreement with the Participant is consistent with the purpose for which the Plan was adopted.

NOW, THEREFORE, Superior and the Participant hereby agree as follows:

Section 1. The Plan. The Plan, a copy of which has been made available to the Participant, is incorporated by reference and made a part of this Agreement as if fully set forth herein. This Agreement uses a number of defined terms that are defined in the Plan or in the body of this Agreement. These defined terms are capitalized wherever they are used.

Section 2. Award.

(a) On **<<Grant Date>>** (the "Date of Grant"), Superior granted to the Participant an Other Stock Based Award consisting of **<<Awards Granted>>** performance share units (the "Units"), subject to the terms and conditions of this Agreement.

(b) Depending on the Company's achievement of the performance goals specified in Section 2(c) during the three-year period beginning **<<Insert Date>>** and ending **<<Insert Date>>** (the "Performance Period"), the Participant shall be entitled to a payment equal to the value of the Units determined pursuant to Section 2(d) if, except as otherwise provided in Section 3, he remains actively employed with the Company through the end of the Performance Period.

(c) The amount paid with respect to the Units shall be based upon the Company's achievement of the following performance criteria as determined by the Committee: return on assets relative to the return on assets of the Company's "Peer Group" listed on Schedule A attached hereto ("Relative ROA"); and the Company's total shareholder return relative to the total shareholder return of the Company's "Peer Group" listed on Schedule A attached hereto ("Relative TSR") in accordance with the following matrix:

Relative ROA

Performance Level Compared to Peer Group		Performance Percentage(%)
	Below 25th Percentile	0 %
Threshold	25th Percentile	25 %
Target	50th Percentile	50 %
Maximum	75th Percentile or above	100 %

Relative TSR

Performance Level Compared to Peer Group		Performance Percentage(%)
	Below 25th Percentile	0 %
Threshold	25th Percentile	25 %
Target	50th Percentile	50 %
Maximum	75th Percentile or above	100 %

(i) Return on assets with respect to the Company or any other company in the peer group shall be calculated as (A) the sum of the Company's income from continuing operations before income taxes and depreciation, depletion, amortization and accretion, divided by (B) the sum of the Company's total assets plus accumulated depreciation and depletion, less goodwill and other intangible assets, investment in unconsolidated companies and non-interest bearing current liabilities.

(ii) Total shareholder return as applied to the Company or any company in the peer group means stock price appreciation from the beginning to the end of the Performance Period, including monthly reinvestment of dividends and distributions paid during the Performance Period.

(iii) The Committee shall adjust the performance criteria in Section 2(c)(i) with respect to the Company or any other company in the peer group for any year during the Performance Period, to recognize (A) the effect of accounting changes in accordance with generally accepted accounting principles, (B) the impact of changes to international, federal and state tax laws, and (C) unusual or non-recurring transactions or events during the Performance Period, including those arising from the acquisition or disposition of assets, impairments or costs associated with exit or disposal activities or material impairments that are reported on a Form 8-K or other periodic report filed with the Securities and Exchange Commission.

(d) The amount payable to the Participant pursuant to this Agreement shall be an amount equal to the number of Units awarded to the Participant multiplied by the product of (i) $100 and (ii) the sum of the Performance Percentages set forth above for the level of achievement of each of the performance criteria set forth in Section 2(c). By way of example, if the Company reached the 25th percentile in Relative ROA and the 50th percentile in Relative TSR, the sum of the Performance Percentages would be 75% and the amount payable with respect to each Unit would be $75. If Relative ROA reached the 75th percentile but Relative TSR was below the 25th percentile, the sum of the Performance Percentages would be 100% and the amount payable with respect to each Unit would be $100. Performance results between the threshold, target and maximum levels will be calculated on a pro rata basis. The maximum payout for each Unit is $200.

(e) Except as provided in Section 3(b), payment of amounts due under the Units shall be made on **<<Payment Date>>**. Any amount paid in respect of the Units shall be payable in such combination of cash and Common Stock (with the Common Stock valued at its Fair Market Value) as determined by the Committee in its sole discretion; provided, however, that no more than fifty percent (50%) of the payment may be made in Common Stock. Prior to any payments under this Agreement, the Committee shall certify in writing, by resolution or otherwise, the amount to be paid in respect of the Units as a result of the achievement of Relative ROA and Relative TSR. The Committee retains discretion to decrease the amount payable to the Participant if it deems appropriate, but shall not increase the amount payable to the Participant to an amount that is higher than the amount payable under the formula described herein.

Section 3. Early Termination; Change of Control.

(a) In the event of the Participant's termination of employment prior to the end of the Performance Period due to (i) any reason other than voluntary termination by the Participant (other than as permitted under Section 3(a)(iv)) or cause as determined by the Committee in its sole discretion, (ii) death, (iii) disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code")), or (iv) Retirement (as hereinafter defined), the Participant shall forfeit as of the date of termination a number of Units determined by multiplying the number of Units by a fraction, the numerator of which is the number of full months following the date of termination, death, disability or Retirement to the end of the Performance Period and the denominator of which is thirty six (36). The Committee shall determine the number of Units forfeited and the amount to be paid to the Participant or his beneficiary in accordance with Section 2(e) based on the performance criteria for the entire Performance Period. As used herein, "Retirement" is defined as the voluntary termination of employment at or after age 55 with at least five years of service.

(b) In the event of a Change of Control, the Participant shall be deemed to have achieved the maximum level for Relative ROA and Relative TSR in accordance with the terms of the Plan. Payment shall be made to the Participant as soon as administratively practical following the Change of Control, but in no event later than 2.5 months following the end of the year in which the Change of Control occurs. Notwithstanding the foregoing, if the Change of Control does not qualify as a "change in control event" under Section 409A of the Code, and any regulations or guidance promulgated thereunder, then payment shall be made at the time specified in Section 2(e).

Section 4. Forfeiture of Award.

(a) If the Participant engages in grossly negligent conduct or intentional misconduct that either (i) requires the Company's financial statements to be restated at any time beginning on the Date of Grant and ending on the third anniversary of the end of the Performance Period or (ii) results in an increase of the value of the Participant's Units, then the Committee, after considering the costs and benefits to the Company of doing so, may seek recovery for the benefit of the Company of the after-tax portion of the difference between the value of the Units received by the Participant during the three-year period following such conduct and the value of the Units that would have been received based on the restated financial statements or absent the increase described in part (ii) above (the "Excess Unit Value"). All determination regarding the value of the Units shall be made solely by the Committee in good faith.

(b) The Units granted hereunder are also subject to any clawback policies the Company may adopt in order to conform to the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any resulting rules issued by the SEC or national securities exchanges thereunder.

(c) If the Committee determines that the Participant owes any amount to the Company under Sections 4(a) or 4(b) above, the Participant shall pay to the Company, without interest, the Excess Unit Value (or the amount recoverable under Section 4(b)). The Participant acknowledges that the Company may, to the fullest extent permitted by applicable law, deduct the amount owed from any amounts the Company owes the Participant from time to time for any reason (including without limitation amounts owed to the Participant as salary, wages, reimbursements or other compensation, fringe benefits, retirement benefits or vacation pay). Whether or not the Company elects to make any such set-off in whole or in part, if the Company does not recover by means of set-off the full amount the Participant owes it, the Participant hereby agrees to pay immediately the unpaid balance to the Company.

Section 5. Miscellaneous.

(a) The Participant understands and acknowledges that he is one of a limited number of employees of the Company who have been selected to receive grants of Units and that the grant is considered confidential information. The Participant hereby covenants and agrees not to disclose the award of Units pursuant to this Agreement to any other person except (i) the Participant's immediate family and legal or financial advisors who agree to maintain the confidentiality of this Agreement, (ii) as required in connection with the administration of this Agreement and the Plan as it relates to this award or under applicable law, and (iii) to the extent the terms of this Agreement have been publicly disclosed by the Company.

(b) The Company shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to the award or payments in respect of any Units or the issuance of Common Stock. Alternatively, the Participant may irrevocably elect, in such manner and at such time or times prior to any applicable tax date, as may be permitted by the Committee, to have the Company withhold and reacquire Units or Common Stock to satisfy any withholding obligations of the Company. Any election to have Units or Common Stock so held back and reacquired shall be subject to the Committee's approval.

(c) The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee and any decision made by it with respect to this Agreement shall be final and binding on all persons.

(d) Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

(e) This Agreement shall be construed and interpreted to comply with Section 409A of the Internal Revenue Code of 1986, as amended. Superior reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of the Units in light of Section 409A and any regulations or other guidance promulgated thereunder. Neither the Company nor the members of the Committee shall be liable for any determination or action taken or made with respect to this Agreement or the Units granted thereunder.

(f) Each notice relating to this Agreement shall be in writing and delivered in person or by mail to Superior at its office, 1001 Louisiana Street, Suite 2900, Houston, TX 77002, to the attention of the Human Resources Department or at such other address as Superior may specify in writing to the Participant by a notice delivered in accordance with this Section 5(f).

(g) Neither this Agreement nor the rights of Participant hereunder shall be transferable by the Participant during his life other than by will or pursuant to applicable laws of descent and distribution. No rights or privileges of the Participant in connection herewith shall be transferred, assigned, pledged or hypothecated by Participant or by any other person in any way, whether by operation of law, or otherwise, and shall not be subject to execution, attachment, garnishment or similar process. In the event of any such occurrence, this Agreement shall automatically be terminated and shall thereafter be null and void.

(h) Nothing in this Agreement shall confer upon the Participant any right to continue in the employment of the Company, or to interfere in any way with the right of the Company to terminate the Participant's employment relationship with the Company at any time.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the grant of the Units or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the courts of Harris County, Texas, or the federal courts for the United States for the Southern District of Texas, and no other courts, where this grant is made and/or to be performed.

(j) If any term or provision of this Agreement, shall at any time or to any extent be invalid, illegal or unenforceable in any respect as written, the Participant and Superior intend for any court construing this Agreement to modify or limit such provision so as to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation shall be ignored so as to not affect any other term or provision hereof, and the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

(k) The Plan and this Agreement contain the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided herein or in the Plan or as it may be amended from time to time by a written document signed by each of the parties hereto, including by electronic means as provided in Section 5(m). Any oral or written agreements, representations, warranties, written inducements, or other communications with respect to the subject matter contained herein made prior to the execution of the Agreement shall be void and ineffective for all purposes.

(l) Superior's obligation under the Plan and this Agreement is an unsecured and unfunded promise to pay benefits that may be earned in the future. Superior shall have no obligation to set aside, earmark or invest any fund or money with which to pay its obligations under this Agreement. The Participant or any successor in interest shall be and remain a general creditor of Superior in the same manner as any other creditor having a general claim for matured and unpaid compensation.

(m) Superior may, in its sole discretion, deliver any documents related to the Participant's current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting the terms of this Agreement, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by Superior or a third party designated by Superior.

(n) The Participant must expressly accept the terms and conditions of this Agreement by electronically accepting this Agreement in a timely manner. If the Participant does not accept the terms of this Agreement, this award of Units is subject to cancellation.

(o) The Participant acknowledges that a waiver by Superior of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Plan participant.

* * * * * * * * * * * * *

By clicking the "*Accept*" button, the Participant represents that he or she is familiar with the terms and provisions of the Plan, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Participant has reviewed the Plan and this Agreement in their entirety and fully understands all provisions of this Agreement. The Participant agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

<<Electronic Signature>>

<<Acceptance Date>>

Schedule A

PEER GROUP COMPANIES

Basic Energy Services, Inc.
Halliburton Company
Helix Energy Solutions Group, Inc.
Helmerich & Payne, Inc.
Key Energy Services, Inc.
Nabors Industries Ltd.
National Oilwell Varco, Inc.
Oceaneering International, Inc.
Oil States International, Inc.
Patterson-UTI Energy, Inc.
RPC, Inc.
Schlumberger N.V. (Schlumberger Limited)
Weatherford International plc

If any peer group company files for or is the subject of any bankruptcy, insolvency or liquidation proceeding during the Performance Period, it shall remain in the peer group and positioned below the lowest performing member of the peer group in chronological order by bankruptcy, insolvency or liquidation date.

If a peer group company's Relative ROA or Relative TSR shall cease to be available by reason of a business combination, acquisition, merger or similar transformative event, the Committee shall exclude that company from the peer group and, at the Committee's discretion, the Committee may select a substitute peer group company for the excluded company.

Once a company is removed from the peer group, it shall be treated as having been removed from the peer group for the entire Performance Period and any substitute peer group company shall be treated as included in the peer group for the entire Performance Period.

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

EMPLOYMENT AGREEMENT

between

SUPERIOR ENERGY SERVICES, INC.

and

[__________]

Dated as of December 12, 2012

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated as of December 12, 2012 and effective as of June 15, 2013 (the "Effective Date"), is by and between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and ___________ ("Executive").

WITNESSETH:

WHEREAS, the Company desires to attract and retain well-qualified executive officers and to assure itself of the continuity of its management; and

WHEREAS, Executive serves as an executive officer of the Company, and the Company desires to continue the employment of Executive, and Executive desires to remain in the employment of the Company, in each case on the terms and conditions set forth herein; and

[WHEREAS, Executive and the Company are parties to that certain Employment Agreement, effective __________, 20__ (the "Original Employment Agreement") which shall be superseded effective as of the Effective Date by this Agreement.][1]

NOW, THEREFORE, in consideration of the premises and of the respective representations and warranties hereinafter set forth and of the mutual covenants herein contained, the parties hereto agree as follows:

1. Employment. The Company shall continue to employ Executive, and Executive shall continue to serve in the employ of the Company, upon the terms and subject to the conditions set forth in this Agreement.

2. Position and Duties.

(a) Title and Duties. Executive shall continue to be employed as ______________. Executive shall perform such duties, consistent with Executive's status as an executive officer of the Company elected by the Company's Board of Directors (the "Board"), as may be prescribed from time to time [by the Board.][2] [by the Board, the Company's Chief Executive Officer or other officers to whom authority has been delegated by the Board or the Company's Chief Executive Officer.][3]

(b) Company Policies and Procedures. Executive shall at all times comply with and be subject to such policies and procedures as the Company may establish from time to time for its executive officers and employees, including, without limitation, its Code of Business Ethics and Conduct (the "Code of Business Conduct").

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[1] All executive officers except Mr. Ballard, as he does not have a prior employment agreement
[2] Mr. Dunlap only
[3] All executive officers except Mr. Dunlap

(c) Activities. Executive shall, during the period of Executive's employment hereunder, devote Executive's full business time, energy, and best efforts to the business and affairs of the Company. Executive may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Executive's performance of Executive's duties hereunder, is contrary to the interest of the Company or any of its subsidiaries, or requires any significant portion of Executive's business time. The foregoing notwithstanding, the parties recognize and agree that Executive may (i) serve on civic, educational, religious or charitable boards or committees, (ii) serve on the board of directors of an entity other than a civic, educational, religious or charitable entity with prior notice to, and consent by, the Board and (iii) engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Company or any of its subsidiaries or interfere with Executive's performance of his duties hereunder.

3. Term and Effectiveness.

(a) Employment Period. Subject to Section 3(c) below, the terms and provisions of this Agreement shall become operative on June 15, 2013 and Executive's employment with the Company hereunder shall continue until June 15, 2016; provided, however, that on June 15, 2015 and on each subsequent anniversary thereof, the term of Executive's employment under this Agreement shall be automatically extended for one additional year unless either party gives written notice to the other of that party's election not to so extend the term hereof no less than 60 days prior to any such annual renewal date (such term, as it may be extended, the "Employment Period").

(b) Continuing Rights and Obligations. Following Executive's ceasing, for whatever reason, to be an employee of the Company, each party shall have the right to enforce all its rights, and shall be bound by all obligations, that are continuing rights and obligations under the terms of this Agreement.

(c) Company's Right to Cancel Prior to the Effective Date. Notwithstanding any provision of this Agreement to the contrary, this Agreement may be cancelled and voided by the Company's delivery of written notice to Executive at any time prior to the Effective Date[, in which case the Original Employment Agreement shall not be superseded and shall remain operative].[4]

4. Compensation and Benefits. Executive shall be entitled to the compensation and other benefits provided in this Section 4 during the Employment Period.

(a) Salary. The Company shall pay to Executive a minimum annual base salary that is no less than Executive's annual base salary in effect as of January 1, 2013 (such annual base salary, as it may be increased from time to time as provided herein, the "Base Salary"), which shall be paid in equal semi-monthly installments in accordance with the Company's regular payroll practices for its executive officers. The Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee"). Any increase in Base Salary shall not serve to limit or reduce any other

[4] All executive officers except Mr. Ballard.

obligation of the Company to Executive hereunder. At no time during the Employment Period shall the Base Salary of Executive, as increased from time to time, be reduced without the prior written consent of Executive.

(b) Incentive Bonus. Executive shall be eligible to earn an annual bonus under the Company's annual incentive plan (the "Bonus"). The Compensation Committee shall approve the Company's performance goals under the annual incentive plan, as well as the target level and maximum bonus opportunity for Executive and the extent to which Executive's performance goals shall include a personal performance element.

(c) Long-Term Incentives. Executive shall be eligible to participate in the Company's long-term incentive program. The Compensation Committee shall approve the mix of stock-based incentive grants, vesting and performance goals, as well as the target value for Executive.

(d) Savings, Retirement and Other Incentive Plans. Executive shall be eligible to participate in all savings, retirement and other incentive plans generally available to the Company's executive officers.

(e) Welfare Benefit Plans. Executive and Executive's family, as the case may be, shall be eligible to participate in and shall receive all benefits under all medical, long-term disability and other welfare benefit plans and programs generally available to the Company's executive officers.

(f) Change of Control Severance Plan. As of the Effective Date, Executive shall be a "Participant" in the Company's Change of Control Severance Plan, as in effect from time to time (the "Severance Plan"), a copy of which is attached hereto as *Appendix A*. Executive acknowledges that Executive is familiar with the terms and conditions of the Severance Plan, Executive agrees that Executive shall participate in the Severance Plan pursuant to the terms and provisions thereof, and this Agreement does not confer upon Executive any additional rights under the Severance Plan. For purposes of clarification, if this Agreement is terminated or expires (i) prior to a "Protected Period" (as defined in the Severance Plan) regardless of whether Executive remains employed by the Company and its Affiliates, then Executive shall cease to be a "Participant" within the meaning of the Severance Plan or (ii) during a Protected Period, then Executive shall remain a "Participant" within the meaning of the Severance Plan.

(g) Automobile. The Company shall provide an automobile allowance to Executive so that Executive may obtain an automobile for Executive's use in the discharge of his duties, and such automobile shall be maintained at the expense of the Company, in accordance with the Company's policies and practices for its executive officers.

(h) Expenses. The Company shall promptly reimburse Executive for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and practices of the Company as in effect from time to time.

(i) Vacations. Executive shall be excused from rendering his services during reasonable vacation periods for not more than a total of 20 business days per year and during other reasonable temporary absences in accordance with the Company's policies and practices for its executive officers. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executive officers generally.

5. Termination.

(a) Termination by the Company. The Company shall have the right to terminate Executive's employment under this Agreement for any of the following reasons:

(i) This Agreement shall automatically terminate upon Executive's death.

(ii) Upon Executive's incapacity due to physical or mental illness and Executive becoming eligible to receive benefits under the Company's long-term disability plan. The Company shall give Executive at least 60 days prior written notice of termination pursuant to this Section 5(a)(ii).

(iii) For Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon:

(A) the substantial and continued willful failure by Executive to perform his material duties hereunder, or a material breach or threatened breach of this Agreement by Executive, in either case which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure or breach is not corrected (if correctable) by Executive within 30 days after written notice of such failure or breach is delivered to Executive by the Company;

(B) Executive's violation of the Code of Business Conduct, which violation is not corrected (if correctable) by Executive within 30 days after written notice of such violation is delivered to Executive by the Company; or

(C) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an indictment or conviction.

(iv) For any other reason whatsoever in the sole discretion of the Board.

(b) Termination by Executive. Executive may terminate his employment under this Agreement at any time for any of the following reasons:

(i) For Good Reason. For purposes of this Agreement, Executive shall have "Good Reason" to terminate Executive's employment if:

(A) without Executive's prior written consent, there is a material reduction in Executive's authority, duties or responsibilities with the Company, which reduction is considered to be a significant demotion in the scope of Executive's employment with the Company, provided that Good Reason shall not exist (1) in circumstances where Executive's duties or responsibilities are expanded or (2) where the reduction is attributable to a realignment of Executive's reporting responsibilities for business units of the Company if Executive remains an executive officer of the Company;

(B) without Executive's prior written consent, there is a material reduction in Executive's Base Salary or annual Bonus opportunity (whether in one reduction or cumulatively), excluding an elimination or reduction of a benefit under any benefit plan or arrangement in which Executive participates that affects other executive officers in a similar way;

(C) the Company does not fulfill its obligations under Section 8(b); or

(D) without Executive's prior written consent, the Company requires Executive to be based at any office other than an office that is within the Houston Area or the Principal Office Area, excluding travel reasonably required in the performance of Executive's duties hereunder. For purposes of determining Good Reason, "Houston Area" is the geographic area that is within 50 miles of the Company's principal corporate office in Houston, Texas as of the Effective Date, and "Principal Office Area" means the geographic area that is within 30 miles of the Company's office (other than any Houston office) at which Executive was based prior to such change.

Notwithstanding the foregoing, Good Reason shall not exist unless: (i) Executive provides written notice to the Company of the existence of the Good Reason event within 60 days of Executive having knowledge of its initial existence, (ii) the Company is provided 30 days from the receipt of such notice during which it may remedy the Good Reason event (if such Good Reason event is cured by the Company by the end of such 30 day period, Executive shall not have Good Reason to terminate employment), (iii) Executive gives written notice to the Company of his intent to terminate employment within 30 days after the Company's right to cure has lapsed, and (iv) Executive actually terminates Executive's employment no later than the date that is one year after the date Executive had knowledge of the initial existence of Good Reason.

(ii) For any other reason whatsoever in Executive's sole discretion.

(c) Notice of Termination. Any termination of Executive's employment by the Company or by Executive, other than termination as a result of Executive's death, shall be communicated by written notice of termination to the other party hereto in accordance with Section 10, which notice shall indicate the specific termination provision in this Agreement relied upon, the effective date of termination of Executive's employment and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

6. Compensation Upon Termination.

(a) Accrued Amounts. Except as provided in this Section 6, if Executive's employment hereunder is terminated pursuant to Section 5, all future compensation and benefits to which Executive is otherwise entitled under this Agreement shall cease and terminate as of the date of such termination, and Executive (or his estate) shall be entitled to receive (the payments and benefits in Section 6(a)(i)-(v), the "Accrued Amounts"):

(i) Executive's Base Salary through the date of termination;

(ii) if Executive's termination occurs on or after January 1st of a calendar year, but before the date on which bonuses are paid, if any, pursuant to achievement of performance goals set under the Company's annual incentive plan for the year immediately preceding the year in which Executive's termination of employment occurs, an amount, subject to the Company's discretion as applied in a manner consistent with the determination for similarly situated employees and paid at the same time the Company pays bonuses to similarly situated employees under such plan, equal to the amount Executive would have earned if Executive had remained employed with the Company until the date such bonuses would otherwise have been paid;

(iii) those benefits that are provided by welfare benefit plans and programs adopted and approved by the Company for Executive that, under the terms of the relevant plans and programs, are earned and vested and payable on or before the date of termination;

(iv) any rights Executive (or his estate) may have under any stock option, restricted stock, performance share unit or any other stock-based award; and

(v) medical and similar employee welfare benefits, the continuation of which is required by applicable law or as provided in the applicable welfare benefit plan.

(b) Change of Control. If Executive experiences a "Qualifying Termination" during the "Protected Period" (within the meaning of such terms pursuant to the Severance Plan), then, in addition to the Accrued Amounts and subject to Section 16 (if applicable):

(i) Executive shall receive severance benefits pursuant to the terms of the Severance Plan;

(ii) for two years after the date of Executive's termination of employment, the Company shall continue to provide group health insurance benefits to Executive and Executive's family at least equal to those that would have been provided to them if Executive's employment had not been terminated (group health insurance shall be provided via the Company's payment of the monthly cost of coverage elected by Executive pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), or an equivalent amount for periods of coverage after the applicable COBRA period, at such time as the COBRA premiums would be due under such plan; and such premiums, including any premiums paid on Executive's behalf beyond the COBRA period, will be imputed to Executive as income, to the extent required by law); provided, however, that if Executive becomes reemployed with another employer and is eligible to receive such benefits under another employer provided plan, the benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility (the benefit in this Section 6(b)(ii), the "Welfare Continuation Benefit");

(iii) the Company shall provide Executive at the Company's sole expense, outplacement services during the one year period following the termination of Executive's employment at a cost of up to $10,000, the provider of which shall be selected by Executive in Executive's sole discretion; and

(iv) the Company shall pay to Executive on the first business day following the date 60 days after Executive's termination of employment the amount of Executive's target annual Bonus opportunity for the year in which Executive's termination of employment occurs, prorated for the days in such calendar year that Executive was employed by the Company.

(c) Other Terminations. If (i) Executive's employment under this Agreement is terminated by the Company pursuant to Section 5(a)(ii) or (ii) if Section 6(b) does not apply and Executive's employment under this Agreement is terminated by the Company pursuant to Section 5(a)(iv) or by Executive due to Good Reason, then in addition to any other amounts payable to Executive and subject to Section 6(d) and Section 16 (if applicable):

(i) the Company shall pay to Executive in one lump-sum payment on the first business day following the date 60 days after the date of such termination an amount equal to two times the sum of (A) the Base Salary then in effect and (B) the target Bonus for Executive in the Company's annual incentive plan for the current fiscal year;

(ii) the Company shall provide the Welfare Continuation Benefit; and

(iii) the Company shall pay to Executive on the first business day following the date 60 days after Executive's termination of employment the amount of Executive's target annual Bonus opportunity for the year in which Executive's termination of employment occurs, prorated for the days in such calendar year that Executive was employed by the Company.

(d) Release. Notwithstanding any provision hereof to the contrary, Executive shall not be entitled to the payments and benefits under Section 6(c) hereof unless Executive executes and delivers to the Company (without subsequent revocation) a waiver and release substantially in the form attached hereto as *Appendix B* (the "Release") no later than the date that is 50 days after Executive's date of termination or such earlier date as specified in the Release. The Company shall provide Executive with a form of the Release within five (5) days from the date of Executive's termination.

(e) Tax Liability. Executive will be liable for and will pay all applicable tax liability, including federal, state, local and foreign income, excise (including taxes on "excess parachute payments" pursuant to Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") or other taxes, by virtue of any payments made to Executive under this Agreement.

7. Nondisclosure and Non-Competition.

(a) Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Company's Business" means any line of business in which the Company is engaged at the time and includes, but is not limited to, the following: (a) manufacturing, selling or renting specialized tools or equipment for use with onshore, offshore and subsea oil and gas well drilling, completion, production, pressure management, workover, finishing and related activities; (b) providing onshore and offshore oil and gas well intervention services, including, without limitation, coiled tubing, cased hole and mechanical wireline, hydraulic workover and snubbing, production testing and optimization, pressure pumping services and related services; (c) providing completion services including, without limitation, sand control systems, well screens and filters, and safety valves; (d) providing pressure control services and pressure pumping, including, without limitation, engineering, well control training, hydraulic fracturing, cementing and stimulating services; (e) providing fluid handling services, including, without limitation, specialized tools and services for the storage, movement and disposal of fluids involved in well development and production; (f) marine and subsea services, including, without limitation, engineering, design, construction, installation and project management of subsea wells and related intervention, inspection, repair and maintenance; (g) providing oilfield decommissioning, plugging and abandonment services, including, without limitation, dismantling and removing of infrastructure.

(ii) "Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned was not known by or available to Executive through means other than his employment by the Company and is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including, without limitation, (a) information relating to the

Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software; (b) information, ideas, concepts, improvements, discoveries or inventions, whether patentable or not, which Executive conceived, made, developed or acquired, individually or in conjunction with others, during Executive's employment by the Company that relate to the Company's Business; (c) ideas, prospects, proposals or other opportunities relating to the Company's Business that any third party originated and brought to Executive's attention during his employment by the Company; and (d) and internal notes and memoranda relating to any of the foregoing.

(b) Nondisclosure of Confidential Information. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment by the Company and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the Employment Period, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) Limited Covenant Not to Compete. This Section 7(c) shall be binding upon Executive during the Employment Period. Section 7(c)(i) shall be binding upon Executive for a period of one year after Executive's termination of employment if (i) Executive terminates Executive's employment voluntarily (excluding a termination due to Good Reason) or (ii) the Company terminates Executive's employment for Cause pursuant to Section 5(a)(iii); provided, however, that Section 7(c)(i) shall not be binding upon Executive if Executive experiences a "Qualifying Termination" during the "Protected Period", within the meaning ascribed to such terms under the Severance Plan. Section 7(c)(ii), (iii) and (iv) shall be binding upon Executive for a period of one year after Executive's termination of employment for any reason.

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within the Territory (as defined below); provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed, in the aggregate, one percent (1%) of the outstanding equity interest of such company;

(ii) Executive shall not call upon any customer or potential customer of the Company or its subsidiaries within the Territory, for the purpose of soliciting, diverting or enticing away the business of such person or entity, or otherwise disrupting any previously established relationship existing between such person or entity and the Company or its subsidiaries;

(iii) Executive shall not solicit, induce, influence or attempt to influence any supplier, lessor, licensor, or any other person who has a business relationship with the Company or its subsidiaries, or who on the date of termination of Executive's employment hereunder is engaged in discussions or negotiations to enter into a business relationship with the Company or its subsidiaries, to discontinue or reduce the extent of such relationship with the Company or its subsidiaries; and

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that during the Employment Period and for a period of one year thereafter, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

For purposes of this Section 7(c), "Territory" means any geographic area or market (including any adjacent offshore areas), whether within or outside the United States, in which the Company or any of its subsidiaries carries on a like line of business on the date of termination of Executive's employment hereunder, including, without limitation, the parishes (or any adjacent offshore areas) of the State of Louisiana as set forth in *Appendix C*).

(d) Protection of Information.

(i) The Company shall disclose to Executive, or place Executive in a position to have access to or develop, trade secrets or confidential information of the Company; and/or shall entrust Executive with business opportunities of the Company; and/or shall place Executive in a position to develop business good will on behalf of the Company.

(ii) Executive agrees not to disclose or utilize, for Executive's personal benefit or for the direct or indirect benefit of any other person or entity, or for any other reason, whether for consideration or otherwise, during the Employment Period or at any time thereafter, any information, ideas, concepts, improvements, discoveries or inventions, whether patentable or not, which are conceived, made, developed, or acquired by Executive, individually or in conjunction with others, during Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products, or services of the Company (including, without limitation, all such business ideas, prospects, proposals or other opportunities which are developed by Executive during his employment hereunder, or originated by any third party and brought to the attention of Executive during his employment hereunder, together with information relating thereto (including, without limitation, data, memoranda, opinions or other written, electronic or charted means, or any other trade secrets or other confidential or proprietary information of or concerning the Company)) (collectively, "Business Information"). Moreover, all documents, drawings, notes, files, data, records, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, and all other writings or materials of any type embodying any such Business Information are and shall be the sole and exclusive property of the Company. Upon termination of Executive's employment by the Company, for any reason, Executive promptly shall deliver all Business Information, and all copies thereof, to the Company. As a result of knowledge of confidential Business Information of third parties, such as customers, suppliers, partners, joint ventures, and the like, of the Company, Executive also agrees to preserve and protect the confidentiality of such third party Business Information to the same extent, and on the same basis, as the Company's Business Information.

(iii) Executive agrees that, during his employment, any inventions (whether or not patentable), concepts, ideas, expressions, discoveries, or improvements, including, without limitation, products, processes, methods, publications, works of authorship, software programs, designs, trade secrets, technical specifications, algorithms, technical data, know-how, internal reports and memoranda, marketing plans and any other patent or proprietary rights conceived, devised, developed, or reduced to practice, in whole or in part, by Executive during his employment with the Company (the "Developments") are the sole and exclusive property of the Company on a worldwide basis as works made for hire or otherwise, and further that any revenue or other consideration obtained from the sale, license or other transfer or conveyance of any such Development, or a product or service incorporating such Development, is solely for the benefit of and becomes the property of the Company. To the extent a Development may not be considered work made by Executive for hire for the Company, Executive agrees to assign, and automatically assigns at the time of creation of the Development, without any requirement of further consideration, any and all right, title and interest he may have in such Development. Executive shall preserve each such Development as confidential and proprietary information of the Company. Executive shall promptly disclose each such Development and shall, upon demand, at the Company's expense, execute and deliver to the Company such documents, instruments, deeds, acts and things as the Company may request to evidence or maintain the Company's ownership of the Development, in any and all countries of the world, or to effect enforcement thereof, and to assign all rights, if any, of Executive in and to each of such Developments. In addition, Executive agrees not to publish or seek to publish any information whatsoever concerning any Development without the prior written consent of the Company, which may be withheld in its sole and absolute discretion.

(iv) Any inventions relating to the business of the Company conceived or reduced to practice after Executive leaves the employ of the Company shall be conclusively deemed to have been conceived and/or reduced to practice during the period of the employment if conceived and/or reduced to practice within six months from termination of employment, and shall be subject to the terms of this Section 7.

(e) Non-Disparagement. Throughout the Employment Period and for 12 months thereafter, Executive and the Company each agree that neither shall engage in, directly or through another, any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) that are disparaging, deleterious, or damaging to the integrity, reputation or good will of (i) the Company, (ii) its management, products or services, or (iii) Executive; however, it is expressly understood that neither this paragraph nor any other term of this Agreement is intended to or shall have the effect of precluding Executive or the Company from good faith compliance with federal or state laws or regulations requiring factual disclosures concerning Executive or the Company.

(f) Injunctive Relief. Executive acknowledges that a breach by Executive of each of paragraph (b), (c), (d) and (e) of this Section 7 would cause immediate and irreparable harm to the Company for which an adequate monetary remedy does not exist; hence, Executive agrees that, in the event of a breach or threatened breach by Executive of the provisions of paragraph (b), (c), (d) or (e) of this Section 7 during or after the employment term, the Company shall be entitled to injunctive relief restraining Executive from violation of any such paragraph without the necessity of proof of actual damage or the posting of any bond, except as required by non-waivable, applicable law. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedy at law or in equity to which the Company may be entitled under applicable law in the event of a breach or threatened breach of this Agreement by Executive including, but not limited to, enforcing any obligations of Executive to the Company under any option, restricted stock or other agreement with the Company, recovery of costs and expenses such as reasonable attorney's fees incurred by reason of any such breach and actual damages sustained by the Company as a result of any such breach.

(g) Governing Law of this Section 7; Consent to Jurisdiction. Any dispute regarding the reasonableness of the covenants and agreements set forth in this Section 7, or the territorial scope or duration thereof, or the remedies available to the Company upon any breach of such covenants and agreements, shall be governed by and interpreted in accordance with the laws of the state in which the prohibited competing activity or disclosure occurs, and, with respect to each such dispute, the Company and Executive each hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts sitting in the relevant state for resolution of such dispute, and agree to be irrevocably bound by any judgment rendered thereby in connection with such dispute, and further agree that service of process may be made upon him in any legal proceeding relating to this Section 7 by any means allowed under the laws of such state. Each party irrevocably waives any objection he, she or it may have as to the venue of any such suit, action or proceeding brought in such a court or that such a court is an inconvenient forum.

(h) Executive's Understanding of this Section. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section 7. Executive acknowledges that the geographic scope and duration of the covenants contained in Section 7(c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable. The provisions of this Section 7 are supplemental to and do not supersede Executive's obligations under applicable law, regulation, or policy. Executive understands and acknowledges that the Company has made substantial investments in its business, including its goodwill and Confidential Information. Executive agrees that such investments are worthy of protection, and that the Company's need for the protection afforded by this Section 7 is greater than any hardship Executive might experience by complying with its terms. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section 7.

8. Successors.

(a) Enforceability. This Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him under this Agreement if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

(b) Successors. The Company shall require the ultimate parent entity of any successor (whether, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. For purposes of this

Agreement, the term "Company" shall mean the Company and the ultimate parent entity of any successor to all or substantially all of the Company's business or assets that assumes and agrees to perform the Company's obligations under this Agreement by operation of law or otherwise.

9. Arbitration. Executive shall submit any dispute or claim arising from or relating to the Agreement that cannot be resolved to mandatory and binding arbitration administered by the American Arbitration Association ("AAA") to be held in Houston, Texas, U.S.A. The arbitration shall be in accordance with the terms of the Plan and the Commercial Arbitration Procedures of the AAA (the "Rules"). The arbitration shall be conducted before a panel of three (3) arbitrators from the AAA National Roster of approved arbitrators who each have at least fifteen (15) years of employment law experience, of which each of the parties shall select one and the third of which shall be mutually selected by the two (2) arbitrators; provided, that if the two (2) arbitrators are unable to agree to the selection of the third arbitrator within a period of fifteen (15) days following the date in which the two (2) arbitrators are selected by the parties pursuant to this Section, the third arbitrator shall instead be selected by the AAA pursuant to the Rules. Each party in such an arbitration proceeding shall be responsible for the costs and expenses incurred by such party in connection therewith (including attorneys' fees) which shall not be subject to recovery from the other party in the arbitration except that any and all charges that may be made for the cost of the arbitration and the fees of the arbitrators which shall in all circumstances be paid by the Company. Any court having jurisdiction may enter a judgment upon the award rendered by the arbitrator. In the event of litigation to enforce an arbitration award in connection with or concerning the subject matter of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable out-of-pocket costs and disbursements incurred by such party in connection therewith (including reasonable attorneys' fees). Notwithstanding the provisions of this Section 9, the Employer may, if it so chooses, bring an action in any court of competent jurisdiction for injunctive relief to enforce Executive's obligations under Section 7.

10. Notices. For purposes of this Agreement, all notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepared, addressed as follows:

If to Executive:

____
____
____

If to the Company:

[Name or Title]
Superior Energy Services, Inc.
11000 Equity Drive, Suite 300
Houston, Texas 77041

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and such officer of the Company as may be specifically designated by the Company's Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Each party participated in the drafting of this Agreement and no inference shall be made against either party in its interpretation.

12. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Neither party shall be in breach of this Agreement if subsequent law changes make any provision unenforceable or illegal. The parties agree to negotiate in good faith any modifications that may be necessary to comply with future law changes.

13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

14. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and as of the Effective Date replaces and supersedes any previous agreement[, including the Original Employment Agreement,][5] or discussions relating to Executive's employment. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

15. Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

16. Section 409A. Notwithstanding any provision of the Agreement to the contrary, the following provisions shall apply for purposes of complying with Section 409A of the Code and applicable Treasury regulations ("Section 409A"):

(a) Interpretation and Amendment. This Agreement is intended to comply with Section 409A and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A, as appropriate. This Agreement shall not be amended in a manner that would cause the Agreement or any amounts payable under the Agreement to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported

[5] All executive officers except Mr. Ballard.

amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Agreement.

(b) Separation from Service. Notwithstanding anything to the contrary in this Agreement, with respect to any amounts payable to Executive under this Agreement in connection with a termination of Executive's employment that would be considered "non-qualified deferred compensation" under Section 409A, a termination of employment shall be considered to have occurred under this Agreement only upon Executive's "separation from service" with the Company as such term is defined in Treasury Regulation Section 1.409A-1(h), and any successor provision thereto.

(c) Specified Employees. If Executive is a "specified employee," as such term is defined in Section 409A, any payments payable as a result of Executive's termination (other than death or disability) shall not be payable before the earlier of (i) the date that is six months after Executive's termination, (ii) the date of Executive's death, or (iii) the date that otherwise complies with the requirements of Section 409A. This Section 16(c) shall be applied by accumulating all payments that otherwise would have been paid within six months of Executive's termination and paying such accumulated amounts at the earliest date which complies with the requirements of Section 409A.

(d) Specified Employee and Welfare Continuation Benefit. Notwithstanding any provision of this Agreement to the contrary, if, and during the period that, Section 16(c) applies to Executive, Executive shall pay the cost of the benefits provided pursuant to Section 6(b)(ii) or Section 6(c)(ii) as determined under the then current practices of the Company on a monthly basis, provided that the Company shall reimburse Executive the costs of such benefits within thirty (30) days after such reimbursable amounts are incurred by Executive.

(e) Separate Payments. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), each payment that Executive may be eligible to receive under this Agreement shall be treated as a separate and distinct payment and shall not collectively be treated as a single payment.

(f) Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Agreement or in any Company policy with respect to such payments, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive and are not subject to liquidation or exchange for another benefit. Notwithstanding anything to the contrary in this Agreement, reimbursement requests must be timely submitted by Executive and, if timely submitted, reimbursement payments shall be made to Executive as soon as administratively practicable following such submission in accordance with the Company's policies regarding reimbursements, but in no event later than the last day of Executive's taxable year following the taxable year in which the expense was incurred. This Section 16(f) shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Executive.

17. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the internal laws of the State of Texas without regard to principles of conflict of laws, except as expressly provided in Section 7(g) above with respect to the resolution of disputes arising under, or the Company's enforcement of, Section 7 of this Agreement.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

SUPERIOR ENERGY SERVICES, INC.

By: ______________________________

[Name]
[Title]

EXECUTIVE

____

Name:
Title:

APPENDIX A

[Insert Copy of Change of Control Severance Plan]

APPENDIX B

Form of Waiver and Release

This Waiver and Release (this "Release") is granted effective as of the date signed below by ("Executive") in favor of Superior Energy Services, Inc. (the "Company"). Capitalized terms not defined in this Release are as defined in the Employment Agreement between Executive and the Company (the "Agreement"). Executive gives this Release in consideration of the Company's promises and covenants as recited in the Agreement, with respect to which this Release is an integral part. Executive agrees as follows:

1. Release of the Company. Executive, individually and on behalf of Executive's successors, assigns, attorneys, and all those entitled to assert Executive's rights, now and forever hereby releases and discharges the Company and its respective officers, directors, stockholders, trustees, employees, agents, fiduciaries, parent corporations, subsidiaries, Affiliates, estates, successors, assigns and attorneys (the "Released Parties"), from any and all claims, actions, causes of action, sums of money due, suits, debts, liens, covenants, contracts, obligations, costs, expenses, damages, judgments, agreements, promises, demands, claims for attorney's fees and costs, or liabilities whatsoever (collectively, "Claims"), in law or in equity, which Executive ever had or now has against the Released Parties, including, without limitation, any Claims arising by reason of or in any way connected with any employment relationship which existed between the Company or any of its Affiliates and Executive. It is understood and agreed that this Release is intended to cover all Claims, whether known or unknown, of any nature whatsoever, including those which may be traced either directly or indirectly to the aforesaid employment relationship, or the termination of that relationship, that Executive has, had or purports to have, from the beginning of time to the date of this Release, and including but not limited to Claims for employment discrimination under federal or state law; Claims arising under the Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq., Title VII of the Civil Rights Act, 42 U.S.C. § 2000(e), et seq. or the Americans With Disabilities Act, 42 U.S.C. § 12101 et seq.; Claims for statutory or common law wrongful discharge; Claims arising under the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; Claims for attorney's fees, expenses and costs; Claims for defamation; Claims for emotional distress; Claims for wages or vacation pay; Claims for benefits or that in any way relate to the design or administration of any employee benefit program, including any claims arising under the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq.; or Claims under any other applicable federal, state or local laws or legal concepts.

2. Release of Claims Under Age Discrimination in Employment Act. Without limiting the generality of the foregoing, Executive agrees that by executing this Release, he or she has released and waived any and all Claims he or she has or may have as of the date of this Release under the Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq. Executive acknowledges and agrees that he or she has been, and hereby is, advised by the Company to consult with an attorney prior to executing this Release. Executive further acknowledges and agrees that the Company has offered Executive the opportunity, before executing this Release, to consider this Release for a period of forty-five (45) calendar days; and that the consideration Executive receives for this Release is in addition to amounts to which Executive was already entitled. It is further understood that this Release is not effective until seven (7) calendar days after the execution of this Release and that Executive may revoke this Release within seven (7) calendar days from the

date of execution hereof. Executive has read and understood the Agreement, and it is incorporated herein by reference. Executive was advised in the Agreement as to the eligibility factors for the Agreement and the time limits applicable to the Agreement. If Executive's employment is ending as part of a group termination, Executive has received a list of the job titles and the ages of all employees eligible or selected for the Agreement and a list of the ages and job titles of employees in the same job classification or organizational unit who are not eligible or selected for the Agreement.

3. Release of Unknown Claims. Executive understands and agrees that this Release is a full and final release covering all known and unknown, suspected or unsuspected injuries, debts, Claims or damages which have arisen or may have arisen from any matters, acts, omissions or dealings released in this Release. Executive fully understand that if any fact with respect to any matter covered in this Release is found hereinafter to be other than or different from the facts believed by Executive to be true at the time of the execution of this Release, Executive expressly accepts and assumes that this Release shall be and remain effective, notwithstanding such difference in facts.

4. Limited Exceptions to Release. The **only exceptions** to this Release of Claims are with respect to (1) severance payments and benefits under the Agreement; (2) such Claims as may arise after the date this Release is executed; (3) any indemnification obligations to Executive under the Company's bylaws, certificate of incorporation, Texas law or otherwise; (4) Executive's vested rights under the terms of employee benefit plans sponsored by the Company or its affiliates; (5) an action to challenge the Release of Claims under the Age Discrimination in Employment Act; (6) applicable Workers' Compensation benefits for occupational injuries or illnesses; and (7) any Claims which the controlling law clearly states may not be released by private agreement.

5. Covenant Not to Sue. Executive agrees and covenants not to sue in any local, state or federal court or any other court or tribunal for any Claims released by this Release.

6. Non-Admission. The benefits provided under the Agreement are not to be construed as an admission of any liability whatsoever on the part of the Company or any of the other Released Parties, by whom liability is expressly denied.

7. Acknowledgement and Revocation Period. Executive has carefully read this Release and is signing it voluntarily. In order to be eligible for benefits under the Agreement, Executive must sign this Release and return it to the Company's **[General Counsel]** no earlier than Executive's Termination Date, and no later than 5:30 p.m. Central Standard Time on the 46th day following the later of (i) the date that Executive received this Release or (ii) Executive's Termination Date. Executive acknowledges that Executive has had at least forty-five (45) days from receipt of this Release to review it prior to signing or that, if Executive is signing this Release prior to the expiration of such 45-day period, Executive is waiving his or her right to review the Release for such full 45-day period prior to signing it. Executive has the right to revoke this Release within seven (7) days following the date Executive executes it. In order to revoke this Release, Executive must deliver notice of the revocation in writing to the Company's **[General Counsel]** before the expiration of the seven (7) day period. However, if Executive revokes this Release within such seven (7) day period, no separation benefits pursuant to Section 6(b)(ii), Section 6(b)(iii) or Section 6(c) of the Agreement will be payable to Executive.

8. No Revocation After Seven Days. Executive acknowledges and agrees that this Release may not be revoked at any time after the expiration of the seven (7) day revocation period. Executive further acknowledges and agrees that, with the exception of an action to challenge the waiver of Claims under the Age Discrimination in Employment Act, Executive shall not ever attempt to challenge the terms of this Release, attempt to obtain an order declaring this Release to be null and void, or institute litigation against the Company or any other Released Party based upon a claim that is covered by the terms of the Release contained herein, without first repaying all monies paid to him or her under the Agreement. Furthermore, with the exception of an action to challenge Executive's waiver of Claims under the Age Discrimination in Employment Act, if Executive does not prevail in an action to challenge this Release, to obtain an order declaring this Release to be null and void, or in any action against the Company or any other Released Party based upon a Claim that is covered by the Release set forth herein, Executive shall pay to the Company and/or the appropriate Released Party all of their costs and attorneys' fees incurred in their defense of Executive's action.

9. Governing Law and Severability. This Release and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the State of Texas. If any provision hereof is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this document and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain in full force and effect, and the court or tribunal construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision.

10. Complete Agreement. This Release and the Agreement set forth the entire understanding and agreement between Executive and the Company concerning the subject matter of this Release and supersede and invalidate any previous agreements or contracts. No representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

I have read and understood this Release (including the Agreement, which is incorporated by reference), and I hereby AGREE TO and ACCEPT its terms and conditions.

____
Executive's Printed Name

____
Executive's Signature

____
Executive's Signature Date

APPENDIX C

Louisiana Parishes

Acadia

Ascension

Assumption

Bienville

Bossier

Caddo

Calcasieu

Cameron

Claiborne

De Soto

East Baton Rouge

Iberia

Iberville

Jackson

Jefferson

Jefferson Davis

Lafayette

Lafourche

Lincoln

Livingston

Natchitoches

Orleans

Ouachita

Plaquemines

Red River

Sabine

St. Bernard

St. Charles

St. James

St. John the Baptist

St. Martin

St. Mary

Terrebonne

Union

Vermillion

Webster

West Baton Rouge

SUPERIOR ENERGY SERVICES
Computation of Ratio of Earnings to Fixed Charges
(Thousands of dollars, except ratios)

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Earnings available for fixed charges:					
Income (loss) from continuing operations before income taxes	$ (377,751)	$ (1,100,341)	$ (2,059,783)	$ 442,189	$ 100,757
Plus:					
Fixed charges	106,569	98,260	100,852	102,869	116,612
Distributed income of equity investees	-	-	-	-	-
Amortization of interest capitalized	4,541	5,959	5,829	5,637	3,903
Subtotal	(266,641)	(996,122)	(1,953,102)	550,695	221,272
Less:					
Loss of equity investments	-	-	-	-	-
Interest capitalized	-	-	(650)	(960)	(8,675)
Total earnings (loss) available for fixed charges	$ (266,641)	$ (996,122)	$ (1,952,452)	$ 551,655	$ 229,947
Fixed charges:					
Interest expense	$ 105,982	$ 97,335	$ 99,065	$ 100,903	$ 106,954
Interest capitalized	-	-	650	960	8,675
Interest within rental expense	587	925	1,137	1,006	983
Total fixed charges	$ 106,569	$ 98,260	$ 100,852	$ 102,869	$ 116,612
Ratio of earnings to fixed charges (1)	-	-	-	5.36	1.97

(1) Total earnings (loss) available for fixed charges for the years ended December 31, 2017, 2016 and 2015 were insufficient to cover fixed charges by $0.4 million, $1.1 billion and $2.1 billion, respectively.

EXHIBIT 21.1

SUPERIOR ENERGY SERVICES, INC.
List of Subsidiaries

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Superior Energy Services, Inc. are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

SUBSIDIARY NAME	STATE OF JURISDICTION OF INCORPORATION OR ORGANIZATION
1105 Peters Road, L.L.C.	Louisiana
Complete Energy Services, Inc.	Delaware
Connection Technology, L.L.C.	Louisiana
CSI Technologies, L.L.C.	Texas
H.B. Rentals, L.C.	Louisiana
International Snubbing Services, L.L.C.	Louisiana
Pumpco Energy Services, Inc.	Delaware
SES Canada, ULC	Canada
SESI, L.L.C.	Delaware
SPN Well Services, Inc.	Texas
Stabil Drill Specialties, L.L.C.	Louisiana
Superior Energy International, C.V.	Netherlands
Superior Energy Services (UK) Limited	United Kingdom
Superior Energy Services - Servicos de Petroleo do Brasil, Ltda.	Brazil
Superior Energy Services (SPN) B.V.	Netherlands
Superior Energy Services Group B.V.	Netherlands
Superior Energy Services S.A.	Argentina
Superior Energy Services, L.L.C.	Louisiana
Superior Energy Services - North America Services, Inc.	Delaware
Superior Inspection Services, L.L.C.	Louisiana
Superior-Wild Well Energy Services Limited	United Kingdom
Warrior Energy Services Corporation	Delaware
Wild Well Control, Inc.	Texas
Workstrings International Limited	United Kingdom
Workstrings International, L.L.C.	Louisiana

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Superior Energy Services, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-216520) and on Form S-8 (No. 333-125316, 333-136809, 333-161212, 333-174972, 333-177679, 333-204563, 333-211565) of Superior Energy Services, Inc. and subsidiaries of our reports dated February 22, 2018, with respect to the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows, for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the December 31, 2017 annual report on Form 10-K of Superior Energy Services, Inc.

KPMG LLP

Houston, Texas
February 22, 2018

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, David D. Dunlap, President and Chief Executive Officer of Superior Energy Services, Inc., 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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 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.

Date: February 22, 2018

/s/ David. D. Dunlap
David D. Dunlap
President and Chief Executive Officer
Superior Energy Services, Inc.

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Robert S. Taylor, Executive Vice President, Treasurer and Chief Financial Officer of Superior Energy Services, Inc., 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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 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.

Date: February 22, 2018

/s/ Robert S. Taylor
Robert S. Taylor
Executive Vice President, Treasurer and Chief Financial Officer
Superior Energy Services, Inc.

CERTIFICATION PURSUANT TO
SECTION 1350 OF TITLE 18 OF THE U.S. CODE

I, David D. Dunlap, President and Chief Executive Officer of Superior Energy Services, Inc. (the “Company”), certify, pursuant to Section 1350 of Title 18 of the U.S. Code, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”), that:

1. the annual report on Form 10-K of the Company for the year ended December 31, 2017 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, 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.

This certificate is being furnished solely for purposes of Section 906 and is not being filed as part of the Report or as a separate disclosure document.

Date: February 22, 2018

/s/ David D. Dunlap
David D. Dunlap
President and Chief Executive Officer
Superior Energy Services, Inc.

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.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 1350 OF TITLE 18 OF THE U.S. CODE

I, Robert S. Taylor, Executive Vice President, Treasurer and Chief Financial Officer of Superior Energy Services, Inc. (the “Company”), certify, pursuant to Section 1350 of Title 18 of the U.S. Code, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”), that:

1. the annual report on Form 10-K of the Company for the year ended December 31, 2017 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, 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.

This certificate is being furnished solely for purposes of Section 906 and is not being filed as part of the Report or as a separate disclosure document.

Date: February 22, 2018

/s/ Robert S. Taylor
Robert S. Taylor
Executive Vice President, Treasurer and Chief Financial Officer
Superior Energy Services, Inc.

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.