As filed with the United States Securities and Exchange Commission on July 12, 2001.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Superior Energy Services, Inc.

SESI, L.L.C.
1105 Peters Road, L.L.C.
Ace Rental Tools, L.L.C.
Blowout Tools, Inc.
Nautilus Pipe & Tool Rental, L.L.C.
Connection Technology, L.L.C.
Drilling Logistics, L.L.C.
Environmental Treatment Investments, L.L.C.
F. & F. Wireline Service, L.L.C.
Fastorq, L.L.C.
H.B. Rentals, L.C.
Hydro-Dynamics Oilfield Contractors, Inc.
International Snubbing Services, L.L.C.
Non-Magnetic Rental Tools, L.L.C.
Oil Stop, L.L.C.
Production Management Industries, L.L.C.
Stabil Drill Specialties, L.L.C.
Sub-Surface Tools, L.L.C.
Superior Energy Services, L.L.C.
SELIM LLC
SEGEN LLC
SE Finance LP
Tong Rentals and Supply Company, L.L.C.
Wild Well Control, Inc.

(Exact name of each registrant as specified in its charter)

Delaware	**1389**	**75-2379388**
Delaware	**1389**	**76-0664124**
Louisiana	**1389**	**76-0664198**
Louisiana	**7359**	**76-0664126**
Texas	**7359**	**76-0111962**
Louisiana	**7359**	**76-0664127**
Louisiana	**3533**	**76-0664128**
Louisiana	**3533**	**76-0664199**
Louisiana	**1389**	**76-0664200**
Louisiana	**1389**	**76-0664129**
Louisiana	**7359**	**76-0664133**
Louisiana	**7359**	**72-1307291**
Louisiana	**1389**	**72-1301473**
Louisiana	**1389**	**76-0664134**
Louisiana	**1389**	**76-0664213**
Louisiana	**4959**	**76-0664136**
Louisiana	**1389**	**76-0664137**
Louisiana	**7359**	**76-0664138**

Louisiana	**7359**	**76-0664138**
Louisiana	**7359**	**76-0664195**
Delaware	**1389**	**76-0664196**
Delaware	**1389**	**72-1491884**
Delaware	**1389**	**72-1491885**
Louisiana	**1389**	**76-0668090**
Louisiana	**7359**	**76-0664214**
Texas	**1389**	**74-1873477**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Code Number)*	*(I.R.S. Employer Identification Number)*

1105 Peters Road
Harvey, Louisiana 70058
(504) 362-4321
(Address, including zip code, and telephone number, including area code, of each registrant's principal executive offices)

Robert S. Taylor
Chief Financial Officer
Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058
(504) 362-4321
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
William B. Masters, Esq.
Jones, Walker, Waechter,
Poitevent, Carrère & Denègre, L.L.P.
201 St. Charles Avenue, 51st Floor
New Orleans, Louisiana 70170
(504) 582-8000
Fax: (504) 582-8012

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. 9

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 9

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the securities Act registration statement number of the earlier effective registration statement for the same offering. 9

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed Maximum Aggregate Offering Price[(1)]	Amount of registration fee
Senior Notes due 2011	$ 200,000,000	100%	$ 200,000,000	$ 50,000
Guarantees of Senior Notes due 2011	$ 200,000,000	100%	$ 200,000,000	(2)

(1) Determined solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.
(2) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee for the guarantees is payable.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securiites and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated July 12, 2001

Prospectus

(Superior logo)

SESI, L.L.C.

Offer to Exchange
$200,000,000 Registered 8 7/8% Senior Notes Due May 15, 2011
for
All Outstanding Unregistered 8 7/8% Senior Notes Due May 15, 2011

We are offering to exchange 8 7/8% senior notes due May 15, 2011 that we have registered under the Securities Act of 1933 for all outstanding 8 7/8% senior notes due May 15, 2011. We refer to these registered notes as the exchange notes and all outstanding 8 7/8% senior notes due May 15, 2011 as the outstanding notes.

In this prospectus we refer to the exchange notes and the outstanding notes collectively as the notes.

THE EXCHANGE OFFER

- We hereby offer to exchange all outstanding notes that are validly tendered and not withdrawn for an equal principal amount of exchange notes which are registered under the Securities Act of 1933.
- The exchange offer will expire at 5:00 p.m. New York City time, on , 2001, unless extended.
- You may withdraw tenders of your outstanding notes at any time before the exchange offer expires.
- We will issue the exchange notes promptly after the exchange offer expires.
- We believe that the exchange of outstanding notes will not be a taxable event for federal income tax purposes, but you should read "Certain U.S. Federal Income Tax Consequences" beginning on page 79 for more information.
- We will not receive any proceeds from the exchange offer.
- No public market currently exists for the exchange notes. We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for them to be quoted on any quotation system.

Investing in the exchange notes involves risks that we describe in the "Risk Factors" section beginning on page 10.

Each broker-dealer that receives exchange notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the Expiration Date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the exchange notes or passed on the adequacy or accuracy of this prospectus and any representation to the contrary is a criminal offense.

The date of this prospectus is , 2001.

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WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-4 that we have filed with the Securities and Exchange Commission (the "SEC"). You should rely only on information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of those documents.

Our parent company, Superior Energy Services, Inc. ("Superior Energy"), is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and files reports and other information with the SEC. These reports and other information filed with the SEC can be inspected, and copies may be obtained, at the Public Reference Room of the SEC, 450 Fifth Street, NW, Washington, D.C. 20549, at prescribed rates, as well as at the following regional offices of the SEC: Seven World Trade Center, New York, New York 10048; and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Information on the operation of the Public Reference Room of the SEC may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site (http://www.sec.gov) that contains reports, proxy and information statements and other information that we have filed electronically with the SEC.

The SEC allows the "incorporation by reference" of information filed with them, which means we can disclose important information to you by referring you to those documents. The information included in the following documents is incorporated by reference and is considered to be a part of this prospectus. The most recent information that Superior Energy files with the SEC automatically updates and supersedes older information. Superior Energy has previously filed the following documents with the SEC and we are incorporating them by reference into this prospectus.

1. Superior Energy's annual report on Form 10-K for the year ended December 31, 2000 (filed March 27, 2001);

2. Superior Energy's quarterly report on Form 10-Q for the quarter ended March 31, 2001 (filed May 14, 2001); and

3. Superior Energy's current reports on Form 8-K filed on February 21, 2001, April 18, 2001, May 3, 2001, May 3, 2001 and May 24, 2001.

We also incorporate by reference all documents which Superior Energy may file with the SEC after the date of this prospectus and prior to the termination of any offering of securities offered by this prospectus under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

At your request, we will provide you with a free copy of any of these filings (except for exhibits, unless the exhibits are specifically incorporated by reference into the filing). You may request copies of these documents by contacting us at: Superior Energy Services, Inc., 1105 Peters Road, Harvey, Louisiana 70058 (telephone number: (504) 362-4321), Attention: Investor Relations.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our future prospects, developments and business strategies. The statements contained in this prospectus that are not statements of historical fact may include forward-looking statements that involve a number of risks and uncertainties. We have used the words "may," "will," "expect," "anticipate," "believe," "estimate," "plan," "intend" and similar expressions in this prospectus to identify forward-looking statements. These forward-looking statements are based on our expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. Accordingly, any such statements are qualified in their entity by reference to the key factors described under the caption "Risk Factors" and elsewhere in this prospectus.

We caution that the factors described in this prospectus could cause actual results to differ materially from those expressed in any of our forward-looking statements and that investors should not place undue reliance on those statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors that could cause our business not to develop as we expect emerge from time to time, and it is not possible for us to predict all of them. Further, we cannot assess the impact of each currently known or new factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. It is not complete and may not contain all of the information that you should consider before making a decision to exchange the outstanding notes for the exchange notes. Unless otherwise indicated in this prospectus or the context otherwise requires all references in this prospectus to "Superior," the "Company," "us," "our," or "we" are to SESI, L.L.C., its subsidiaries and its parent company, Superior Energy Services, Inc. References to "Superior Energy" are to Superior Energy Services, Inc.

The Company

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

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

Our principal offices are located at 1105 Peters Road, Harvey, Louisiana 70058, telephone number (504) 362-4321.

THE ORIGINAL OFFERING

The outstanding notes were issued on May 2, 2001 as part of a private offering. The outstanding notes were sold to Credit Suisse First Boston Corporation, Bear, Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc., as the initial purchasers (the "Initial Purchasers"). The Initial Purchasers sold the outstanding notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933 (the "Securities Act") and to persons in offshore transactions in reliance on Regulation S under the Securities Act.

THE EXCHANGE OFFER

Securities Offered	We are offering to exchange the outstanding notes for the exchange notes in the aggregate principal amount of up to $200,000,000. The exchange notes will evidence the same debt as the outstanding notes and will be entitled to the benefits of the same indenture as the outstanding notes. The terms of the exchange notes and outstanding notes are identical in all material respects, except that (i) interest on the exchange notes shall accrue from the last date on which interest was paid or duly provided for on the outstanding notes, or, if no such interest has been paid, from May 2, 2001, and (ii) the transfer restrictions on the outstanding notes shall be eliminated.
The Exchange Offer	The exchange notes are being offered in exchange for a like principal amount of outstanding notes. The outstanding notes may be exchanged only in integral multiples of $1,000. The issuance of the exchange notes is intended to satisfy our obligations contained in a registration rights agreement between us and the Initial Purchasers.
Resale of Exchange Notes	Based on interpretive letters of the SEC staff to third parties, we believe that you may resell and transfer the exchange notes issued pursuant to the Exchange Offer in exchange for outstanding notes without compliance with the registration and prospectus delivery provisions of the Securities Act, if: • you are acquiring the exchange notes in the ordinary course of your business; • you have no arrangement or understanding with any person to participate in the distribution of the exchange notes; and • you are not our affiliate as defined under Rule 405 of the Securities Act. If you fail to satisfy any of these conditions, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the exchange notes. Broker-dealers that acquired outstanding notes directly from us, but not as a result of market-making activities or other trading activities, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the exchange notes. Each broker-dealer that receives exchange notes for its own account pursuant to the Exchange Offer in exchange for outstanding notes that it acquired as a result of market-making or other trading activities must deliver a prospectus in connection with any resale of the exchange notes and provide us with a signed acknowledgment of this obligations.
Expiration Date	The Exchange Offer expires at 5:00 p.m., New York City time, on , 2001, or such later date and time to which it is extended by us in our sole discretion. See "The Exchange Offer."
Conditions to the Exchange Offer	Our obligation to consummate the Exchange Offer is subject to certain customary conditions. See "The Exchange Offer." We reserve the right to terminate or amend the Exchange Offer at any time prior to the

	Expiration Date therefor upon the occurrence of any such condition.
Withdrawal Right	Tenders may be withdrawn at any time prior to the Expiration Date. Any outstanding notes not accepted for any reason will be returned without expense to the tendering holder thereof as promptly as practicable after the expiration or termination of the Exchange Offer. See "The Exchange Offer."
Procedure for Tendering Outstanding Notes	We issued the outstanding notes as global securities in fully registered form without coupons. Beneficial interests in the outstanding notes which are held by direct or indirect participants in The Depository Trust Company through uncertificated depositary interests are shown on, and transfers of the outstanding notes can be made only through, records maintained in book-entry form by DTC with respect to its participants. If you are a holder of an outstanding note held in the form of a book-entry interest and you wish to tender your outstanding notes for exchange pursuant to the Exchange Offer, you must transmit to the Exchange Agent, on or prior to the expiration of the Exchange Offer either: • a written or facsimile copy of a properly completed and executed Letter of Transmittal and all other required documents to the address set forth on the cover page of the Letter of Transmittal; or • a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the Letter of Transmittal. The Exchange Agent must also receive on or prior to the expiration of the Exchange Offer either: • a timely confirmation of book-entry transfer of your outstanding notes into the Exchange Agent's account at DTC, in accordance with the procedure for book-entry transfers described in this prospectus under "The Exchange Offer -- Exchange Offer Procedures -- Book-Entry Transfer"; or • the documents necessary for compliance with the guaranteed delivery procedures described below.
Procedures for Tendering Certificated Outstanding Notes	If you are a holder of book-entry interests in the outstanding notes, you are entitled to receive, in limited circumstances, in exchange for your book-entry interests, certificated notes which are in equal principal amounts to your book-entry interests. No certificated outstanding notes are issued and outstanding as of the date of this prospectus. If you acquire certificated outstanding notes prior to the expiration of the Exchange Offer, you must tender your certificated outstanding notes in accordance with the procedures described in this prospectus under the heading "The Exchange Offer -- Exchange Offer Procedures -- Certificated Outstanding Notes."
Special Procedures for Beneficial Owners	If you are the beneficial owner of outstanding notes and they are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender your outstanding notes, you should promptly contact the person in whose name your outstanding notes are registered and instruct that person to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the Letter of Transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the person in whose name your outstanding notes are registered. The

	transfer of registered ownership may take considerable time and it may not be possible to complete prior to the Expiration Date.
Guaranteed Delivery Procedures	Holders of outstanding notes who wish to tender their outstanding notes and whose outstanding notes are not immediately available or who cannot deliver their outstanding notes, the Letter of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date, or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their outstanding notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Exchange Offer Procedures."
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the Exchange Offer.
Exchange Agent	The Bank of New York is serving as the Exchange Agent in connection with the Exchange Offer.
United States Federal Income Tax Consequences	The exchange of outstanding notes pursuant to the Exchange Offer should not be a taxable event for United States federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations -- The Exchange Offer."
Effect on Holders of Outstanding Notes	As a result of the making of this Exchange Offer, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of this Exchange Offer, we will have fulfilled a covenant contained in the registration rights agreement between us and the Initial Purchasers and, accordingly, the holders of the outstanding notes will have no further registration or other rights under the Registration Rights Agreement, except under certain limited circumstances. See "The Exchange Offer -- Terms of the Exchange." Holders of the outstanding notes who do not tender their outstanding notes in the Exchange Offer will continue to hold such outstanding notes and will be entitled to all rights and limitations thereto under the indenture. All untendered, and tendered but unaccepted, outstanding notes will continue to be subject to the restrictions on transfer provided for in such outstanding notes and the indenture. To the extent outstanding notes are tendered and accepted in the Exchange Offer, the trading market, if any, for the outstanding notes could be adversely affected. See "Risk Factors -- Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid."

TERMS OF THE NOTES

Issuer	SESI, L.L.C.
Notes Offered	$200.0 million principal amount of 8 7/8% senior notes due May 15, 2011.
Issue Price	100% plus accrued interest, if any, from May 2, 2001.
Interest Rate and Payment Date	8 7/8% per annum payable on each May 15 and November 15, commencing on November 15, 2001.
Maturity Date	May 15, 2011.
Ranking	The notes are our unsecured senior obligations and will

	rank equally with all of our existing and future unsecured senior indebtedness.
Optional Redemption	We may redeem the notes on or after May 15, 2006. Prior to May 15, 2004 we may redeem up to 35% of the notes at 108.875% from the proceeds of certain equity offerings. See "Description of the Notes -- Optional Redemption."
Guarantees	The payment of the principal, interest and premium on the notes are fully and unconditionally guaranteed by Superior Energy and our domestic subsidiaries that are not unrestricted subsidiaries. Superior Energy currently conducts no business and has no significant assets other than its ownership interest in us, which is pledged to secure Superior Energy's obligations under its guarantee of our bank credit facility. Our foreign subsidiaries will generally not, and our subsidiaries designated as unrestricted subsidiaries will not, be required to provide guarantees. See "Description of the Notes -- Guarantees."
Certain Covenants	The indenture governing the notes limits what we, Superior Energy and our subsidiaries that are neither unrestricted subsidiaries nor foreign exempt subsidiaries do. The provisions of the indenture limit our, Superior Energy's and such subsidiaries' ability, among other things, to: • incur additional indebtedness; • pay dividends or make distributions or other restricted payments; • create liens; • transfer or sell assets; • enter into restrictions on the transfer of assets and payments of dividends from our subsidiaries; • sell or issue capital stock of us and our subsidiaries; • engage in sale and leaseback transactions; • engage in transactions with affiliates; and • consolidate, merge or transfer all or substantially all of our assets. See "Description of the Notes -- Certain Covenants."
Change of Control	If we or Superior Energy experiences a change of control (as defined in the "Description of Notes" section of this prospectus), we must give holders of the notes the opportunity to sell to us their notes at 101% of the principal amount plus accrued and unpaid interest. See "Description of the Notes -- Change of Control."
Trading	The notes are traded in The Portal(SM) Market, a subsidiary of the Nasdaq Stock Market, Inc. ("PORTAL"). See "Plan of Distribution."

You should carefully consider the information under the caption "Risk Factors" and all other information in this prospectus before tendering your outstanding notes in the Exchange Offer.

Summary Consolidated Financial Data

We present below our summary consolidated financial data for the periods indicated. We derived the historical data from our audited consolidated financial statements, which for the years ended December 31, 2000 and 1999 have been audited by KPMG LLP, independent auditors, and for the years ended December 31, 1998, 1997 and 1996 have been audited by Ernst & Young LLP, independent auditors. The summary consolidated financial data as of and for the three months ended March 31, 2001 and 2000 are derived from our unaudited consolidated financial statements. In our opinion, the unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the financial condition and results of operations for the periods. Results from interim periods should not be considered indicative of results for any other periods or for the year.

When we acquired Cardinal Holding Corp. ("Cardinal") on July 15, 1999, the transaction was treated for accounting purposes as if Cardinal acquired us. Because we were the company being "acquired" for accounting purposes, financial information for periods prior to the merger represents the results of Cardinal's operations, and financial information for periods following the merger represents the results of the combined companies. Cardinal's historical operating results were substantially different than ours for the same periods and reflected substantial non-cash and extraordinary charges associated with a recapitalization and refinancing. Consequently, analyzing prior period results to determine or estimate our future operating potential would not provide meaningful information.

The data presented below should be read together with, and are qualified in their entirety by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements included elsewhere in this prospectus.

	Years Ended December 31,					Three Months Ended March 31,	
	2000	1999	1998	1997	1996	2001	2000
	(Dollars in thousands)						
Statements of Operations Data:							
Revenues	$ 257,502[1]	$ 113,076[2]	$ 82,223[3]	$ 63,412	$ 48,128	$ 91,256	$ 47,274
Income from operations	43,359	10,016	15,558	15,285	8,348	21,551	5,464
Income (loss) before extraordinary losses and cumulative effect of change in accounting principle	19,881	(2,034)	1,203	4,321	2,894	10,880	1,588
Extraordinary losses, net	(1,557)[4]	(4,514)[5]	(10,885)[6]	--	--	--	--
Cumulative effect of change in accounting principle, net	--	--	--	--	--	2,589[9]	--
Net income (loss)	18,324	(6,548)	(9,682)	4,321	2,894	13,469	1,588
Other Financial Data:							
EBITDA[7]	$ 65,614	$ 22,641	$ 22,080	$ 18,342	$ 11,742	$ 28,320	$ 10,201
EBITDA margin[8]	25.5%	20.0%	26.9%	28.9%	24.4%	31.0%	21.6%
Capital expenditures	57,257	9,179	19,039	18,980	3,346	19,023	8,587
Cash provided by operating activities	30,567	14,465	3,594	9,268	7,444	13,096	7,019
Cash used for investing activities	110,714	13,293	38,712	16,572	5,842	18,429	8,587
Cash provided by (used in) financing activities	76,383	6,425	35,539	7,151	2,293	2,959	(3,175)
Balance Sheet Data (end of period):							
Cash and cash equivalents	$ 4,254	$ 8,018	$ 421	$ --	$ 153	$ 1,880	$ 3,275
Property and equipment, net	202,498	134,723	60,328	43,737	28,986	216,814	138,594
Total assets	430,676	282,255	107,961	62,386	43,928	454,465	278,515
Long-term debt, less current portion	146,393	117,459	120,210	31,297	24,260	144,118	117,380
Stockholders' equity (deficit)	206,247	121,487	(39,940)	5,645	4,197	221,145	123,489

(1) In the year ended December 31, 2000, we made several acquisitions for $42.5 million in initial cash consideration, plus up to approximately $22.1 million for these acquisitions payable during the three years following each such acquisition. Additional consideration, if any, payable as a result of these acquisitions will be based upon the respective company's average EBITDA (earnings before interest, income taxes, depreciation and amortization expense) less certain adjustments. These acquisitions have been accounted for as purchases, and the results of operations have been included from the respective company's acquisition date.

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

(3) In 1998, Cardinal acquired three companies for an aggregate purchase price of $24.1 million in cash and stock. Each of these acquisitions was accounted for using the purchase method and the operating results of the acquired companies were included from their respective acquisition dates.

(4) We refinanced our indebtedness in October 2000 resulting in an extraordinary loss of $1.6 million, net of a $1.0 million income tax benefit, which included the write-off of unamortized debt acquisition costs.

(5) In July 1999, in connection with the Cardinal acquisition, we refinanced our combined debt resulting in an extraordinary loss of $4.5 million, net of a $2.1 million income tax benefit.

(6) In 1998, Cardinal completed a recapitalization and refinancing which was funded through debt and equity investments resulting in an extraordinary loss of $10.9 million, net of a $214,000 income tax benefit.

(7) "EBITDA," as used here, is operating income before interest expense, taxes, depreciation, amortization and extraordinary losses. We have included certain information concerning EBITDA because we believe that EBITDA is generally accepted as providing useful information regarding a company's ability to service and/or incur debt. EBITDA should not be considered in isolation as a substitute for net income, cash flows or other consolidated or cash flow data prepared in accordance with generally accepted accounting principles or as a measure of a company's profitability or liquidity. While EBITDA is frequently used as a measure of operations and ability to meet debt service requirements, it is not necessarily comparable to similarly titled captions of other companies due to differences in methods of calculation.

(8) EBITDA as a percentage of revenues for the period indicated.

(9) On January 1, 2001, we changed depreciation methods from the straight-line method to the units-of-production method on our liftboat fleet to more accurately reflect the wear and tear of normal use. As a result of the change, we recorded for the quarter ended March 31, 2001 a cumulative effect of the change in accounting principle of $2.6 million, net of taxes of $1.7 million, or $0.04 per share.

RISK FACTORS

Before you decide to participate in the Exchange Offer, you should carefully consider these risk factors, as well as the other information contained, or incorporated by reference, in this prospectus.

Risks relating to the Exchange Offer

Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid.

Holders of outstanding notes who do not exchange their outstanding notes for exchange notes pursuant to the Exchange Offer will continue to be subject to the restrictions on transfer of such outstanding notes as set forth in the legend thereon as a consequence of the issuance of the outstanding notes pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the outstanding notes under the Securities Act.

Because we anticipate that most holders of outstanding notes will elect to exchange their outstanding notes, we expect that the liquidity of the market for any outstanding notes remaining after the completion of the Exchange Offer may be substantially limited. The liquidity of the market for any outstanding notes could be adversely affected.

Restrictions and conditions may apply to the transfer of exchange notes under certain circumstances.

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that exchange notes issued pursuant to the Exchange Offer in exchange for outstanding notes may be offered for resale, resold or otherwise transferred by holders thereof (other than any such holder which is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and such holder has no arrangement with any person to participate in the distribution of such exchange notes. However, we do not intend to request the SEC to consider, and the SEC has not considered, the Exchange Offer in the context of a no-action letter and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in such other circumstances. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes and has no arrangement or understanding to participate in a distribution of exchange notes. If any holder is an affiliate of the Company, is engaged in or intends to engage in or has any arrangement or understanding with respect to the distribution of the exchange notes to be acquired pursuant to the Exchange Offer, such holder (i) cannot rely on the applicable interpretations of the staff of the SEC and (ii) must comply with registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each broker-dealer that receives exchange notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than outstanding notes acquired directly from the Company). We have agreed that, for a period of the lesser of 180 days following the consummation of the Exchange Offer or the date on which all such broker-dealers have sold all exchange notes held by them, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

In addition, to comply with the securities laws of certain jurisdictions, the exchange notes may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification is available and is complied with. We have agreed, pursuant to the Registration Rights Agreement and subject to certain specified limitations therein, to register or qualify the exchange notes for offer or sale under the securities or blue sky laws of such states as any holder of the exchange notes reasonably requests in writing.

Your outstanding notes may not be accepted for exchange if you fail to timely transmit a Letter of Transmittal in accordance with the terms of the Exchange Offer.

To participate in the Exchange Offer and avoid the restrictions on transfer of the outstanding notes, holders of outstanding notes must transmit a properly completed Letter of Transmittal, including all other documents required by such Letter of Transmittal, to the Exchange Agent at one of the addresses set forth below under "The Exchange Offer -- Exchange Agent" on or prior to the Expiration Date. See "The Exchange Offer -- Expiration Date." In addition, either (i) certificates for such outstanding notes must be received by the Exchange Agent along with the Letter of Transmittal, (ii) a timely confirmation of a book-entry transfer of such outstanding notes into the Exchange Agent's account at The Depository Trust Company pursuant to the procedure for book-entry transfer described herein, must be received by the Exchange Agent prior to the Expiration Date, or (iii) the holder must comply with the guaranteed delivery procedures described herein. See "The Exchange Offer."

Risks relating to the notes

Our substantial leverage and debt service obligations may adversely affect our cash flow and our ability to make payments on the notes.

We have a substantial amount of debt. After giving effect to the offering of the outstanding notes, assuming it had taken place on March 31, 2001, we would have had total debt of $250.7 million and stockholders' equity of $221.1 million.

Our high level of debt could have important consequences for you, including the following:

- we may have difficulties borrowing money in the future for acquisitions or other purposes;
- we will need to use a large portion of the money we earn to pay principal and interest on our bank credit facility, the notes and other debt which will reduce the amount of money we have to finance our operations and other business activities;
- debt under our bank credit facility will be secured and will mature prior to the notes;
- we may have a much higher level of debt than some of our competitors which may put us at a competitive disadvantage;
- our debt level makes us more vulnerable to economic downturns and adverse developments in our business;
- our debt level could limit our ability to fund future working capital, capital expenditures and other general corporate requirements; and
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate.

We expect to obtain the money to pay our expenses and to pay the principal and interest on the notes, our bank credit facility and other debt from our operations. Our ability to meet our expenses and debt obligations will depend on our future performance, which will be affected by financial, business, economic and other factors. We will not be able to control many of these factors, such as the level of oilfield activity in the Gulf of Mexico and along the Gulf Coast, economic conditions and governmental regulation. We cannot be certain that our earnings will be sufficient to allow us to pay the principal and interest on our debt, including the notes, and meet our other obligations. If we do not have enough money, we may be required to refinance all or part of our existing debt, including the notes, sell assets, borrow more money or raise equity. We cannot assure you that we will be able to refinance our debt, sell assets, borrow more money or raise equity on terms acceptable to us, if at all.

Despite our current level of indebtedness, we, our parent company and our subsidiaries will be able to incur substantially more debt.

We, our parent company and our subsidiaries will be able to incur substantial additional indebtedness in the future. Although the indenture governing the notes contains restrictions on the incurrence of additional indebtedness by us, our parent company and our subsidiaries, these restrictions are subject to a number of qualifications and exceptions, and under certain circumstances, indebtedness incurred in compliance with these restrictions could be substantial. Our amended bank credit facility provides for additional indebtedness of up to $120.0 million, and because that indebtedness is secured by substantially all of our, our parent company's and our subsidiaries' assets, it effectively is senior to the notes, to the extent of the value of the assets securing that indebtedness. To the extent new debt is added to our, our parent company's and our subsidiaries' currently anticipated debt levels, the substantial risks described above would increase.

The guarantees may not be enforceable, and there may be limitations on our ability to receive distributions from the guarantors.

We conduct all our operations through our subsidiaries. We are dependent upon dividends or other intercompany transfers of funds from our subsidiaries to meet our debt service and other obligations. Generally, creditors of a subsidiary will have a claim to the assets and earnings of that subsidiary that is superior to the claims of creditors of its parent company, except to the extent the claims of the parent's creditors are guaranteed by the subsidiary. Although the subsidiary guarantees provide the holders of the notes with a direct claim against the assets of the subsidiary guarantors, enforcement of the subsidiary guarantees and the parent guaranty may be subject to legal challenge in a bankruptcy or a reorganization case or a lawsuit by or on behalf of creditors of the such guarantors and would be subject to certain defenses available to guarantors generally. If the guarantees are not enforceable, the notes would be effectively junior in ranking to all liabilities of the guarantors, including trade payables of such guarantors. As of March 31, 2001, on a pro forma basis, our subsidiary guarantors had total liabilities, excluding liabilities owed to us and guarantees of our indebtedness, of $63.9 million and our parent company had total liabilities, excluding liabilities owed to us and guarantees of our indebtedness, of $2.4 million.

Although the indenture will limit the ability of our subsidiary guarantors to incur indebtedness and issue preferred stock, there are certain significant qualifications and exceptions.

In addition, the ability of our subsidiaries to pay dividends and make other payments to us may be restricted by, among other things, agreements of the subsidiaries. Although the indenture limits the ability of the subsidiaries to enter into consensual restrictions on their ability to pay dividends and make other payments, the limitations are subject to a number of significant qualifications and exceptions.

Claims of creditors of our non-guarantor subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over your claims.

Our domestic subsidiaries that are designated unrestricted subsidiaries and our foreign corporate subsidiaries that are designated exempt foreign subsidiaries are not guaranteeing the notes. Less than two-thirds of the capital stock of our foreign subsidiaries is pledged to secure our obligations under our bank credit facility. Claims of creditors of our non-guarantor subsidiaries, including trade creditors, secured creditors and creditors holding indebtedness or guaranties issued by such subsidiaries, will generally have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of its parent company, including holders of the notes. As of March 31, 2001, after giving effect to the offering of the outstanding notes and eliminating intercompany activity, the non-guarantor subsidiaries would have had approximately $3.0 million of liabilities and would have held approximately 2.5% of our consolidated assets. During the three months ended March 31, 2001, the non-guarantor subsidiaries would have generated approximately 4.0% of our consolidated revenues.

Superior Energy, our parent company, does not have any resources to support its guarantee of the notes.

Although Superior Energy has guaranteed the notes on a senior basis, it currently conducts no business and has no significant assets other than being our sole member. Since Superior Energy has pledged its membership interest in us to secure its guaranty of our obligations under our bank credit facility, there are currently no unencumbered assets supporting Superior Energy's guaranty of the notes. Superior Energy's guaranty of the notes is effectively subordinated in right of payment to the guaranty by Superior Energy of our obligations under our bank credit facility, to the extent of the value of all assets pledged by Superior Energy to secure our bank credit facility.

Our assets are pledged to secure payment of our bank credit facility.

Our obligations under the notes are unsecured while our obligations under our bank credit facility are secured. We have granted the lenders under our bank credit facility security interests in substantially all of our current and future assets and the current and future assets of our domestic subsidiaries, including a pledge of our ownership interests in our subsidiaries. If we default under our bank credit facility, the lenders will have a superior claim on our assets. If we were unable to repay this indebtedness, the lenders could foreclose on our assets to your exclusion, even if an event of default exists under the indenture at such time.

We are subject to restrictive debt covenants.

The indenture contains covenants with respect to us, our parent company and our subsidiaries that are neither unrestricted subsidiaries nor foreign exempt subsidiaries that restrict our, our parent company's and such subsidiaries' ability, among other things, to:

- incur additional indebtedness;
- pay dividends or make distributions or other restricted payments;
- create liens;
- transfer or sell assets;
- enter into restrictions on the transfer of assets and payments of dividends from our subsidiaries;
- sell or issue capital stock of us and our subsidiaries;
- engage in sale and leaseback transactions;
- engage in transactions with affiliates; and
- consolidate, merge and transfer all or substantially all of our assets.

In addition, our bank credit facility contains other and more restrictive covenants and prohibits us and our parent company from prepaying our other indebtedness, including the notes, while we have indebtedness under our bank credit facility outstanding. Our bank credit facility also requires us to maintain specified financial ratios.

Our ability to meet those financial ratios can be affected by events beyond our control, and we cannot assure you that we will meet those ratios. A breach of any of these covenants, ratios or restrictions could result in an event of default under our bank credit facility. Upon the occurrence of an event of default under our bank credit facility, the lenders could elect to declare all amounts outstanding under our bank credit facility, together with accrued interest, to be immediately due and payable. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure the indebtedness. If the lenders under our bank credit facility accelerate the payment of the indebtedness, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness, including the notes.

U.S. bankruptcy or fraudulent conveyance laws may interfere with the payment of the notes and the guarantees by our subsidiaries and parent company.

Under U.S. federal bankruptcy law and comparable provisions of state fraudulent transfer laws, the notes and any guarantees issued by our subsidiaries and parent company could be voided or subordinated to all of our other debt if, among other things, we or any such guarantor:

- incurred the debt or guarantee with the intent of hindering, delaying or defrauding current or future creditors; or
- received less than reasonably equivalent value or fair consideration for incurring the debt or guarantee and
- were insolvent or were rendered insolvent by reason of the incurrence;
- were engaged, or about to engage, in a business or transaction for which the assets remaining with it constituted unreasonably small capital to carry on our business;
- intended to incur, or believed that we or it would incur, debts beyond our or its ability to pay as these debts matured; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or it if, in either case, after final judgment the judgment was unsatisfied.

The measure of insolvency for these purposes will vary depending upon the law of the jurisdiction that is being applied in any proceeding. Generally, however, a debtor would be considered insolvent if, at the time the debtor incurred the indebtedness, either:

- the sum of the debtor's debts, including contingent liabilities, is greater than the debtor's assets at fair valuation; or
- the present fair saleable value of the debtor's assets is less than the amount required to pay the probable liability on the debtor's total existing debts and liabilities, including contingent liabilities, as they become absolute and matured.

On the basis of our analysis of internal cash flow projections, estimated values of our assets and liabilities and other factors, we believe that at the time we initially incur indebtedness represented by the notes and our parent and subsidiaries issue their guarantees, we and they:

- will not be insolvent nor be rendered insolvent as a result of the issuance of the notes or the guarantees;
- will be in possession of sufficient capital to run our business effectively;
- will be incurring debts within our ability to pay as they mature or become due; and
- will be able to satisfy a final judgment for money damages docketed against us.

We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court passing on these questions would reach the same conclusions.

We may be unable to repurchase the notes when we are required to do so.

If a change of control occurs with respect to us or our parent company or in the event of specified types of asset sales by us, holders of the notes may require us to repurchase all or a portion of their notes. We may not have sufficient funds or may be unable to arrange for additional financing to pay these amounts when they become due, particularly since part or all of our other indebtedness will become due upon the occurrence of these events.

In addition, a change of control or a failure to make the required repurchase of the notes would constitute a default under our existing credit facility, and could result in the acceleration of that debt, in which case we would have to repurchase the notes as well as repay our bank credit facility in full.

There may be no public market for the notes being offered.

We do not presently intend to apply for listing of the notes on any securities exchange. There is currently no public market for the notes and we cannot assure you as to:

- the liquidity of any such market that may develop;
- your ability to sell your notes; or
- the price at which you would be able to sell your notes.

The Initial Purchasers have advised us that they presently intend to make a market in the notes. The initial purchasers are not obligated, however, to make a market in the notes, and they may discontinue any such market-making at any time at their sole discretion. In addition, any market-making activity may be limited during the pendency of the Exchange Offer or the effectiveness of a shelf registration statement. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. If such a market were to exist, the notes could trade at prices that may be lower than the principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar notes and our financial performance.

Risks relating to our business

We are subject to the cyclical influences of the oil and gas industry.

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

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

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

We are vulnerable to the potential difficulties associated with rapid expansion.

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

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

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

Our inability to control the inherent risks of acquiring businesses could adversely affect our operations.

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

We are susceptible to adverse weather conditions in the Gulf of Mexico.

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

We depend on significant customers.

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

Our industry is highly competitive.

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

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

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

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

The dangers inherent in our operations and the potential limits on insurance coverage could expose us to potentially significant liability costs.

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

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

The nature of our industry subjects us to compliance with regulatory and environmental laws.

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

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

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

As we expand our international operations, we will be subject to additional political, economic and other uncertainties.

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

- political, social and economic instability;
- potential seizure or nationalization of assets;
- increased operating costs;
- modification or renegotiating of contracts;
- import-export quotas;
- force majeure;
- currency fluctuations; and
- other forms of government regulation which are beyond our control.

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

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

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

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

We might be unable to employ a sufficient number of skilled workers.

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

We may make acquisitions that could subject us to operational risks.

Our business strategy includes continuing to make acquisitions of complementary businesses in order to expand our markets and broaden our portfolio of products and services. There can be no assurance, however, that future acquisitions can be consummated on acceptable terms, that any acquired companies can be successfully integrated into our operations or that businesses we acquire will experience operating results that justify the investment therein. In addition to the risks applicable to our industry and business generally, acquired businesses pose special risks, including but not limited to:

- the loss of employees of the acquired business who do not want to work for us at all or on mutually acceptable terms;
- the loss of customers of the business as a result of the acquisition or the integration of the business into our operations;
- the diversion of management resources to integrate the acquired business into our operations; and
- unanticipated problems or legal liabilities relating to the acquired business.

Other risks

We depend on key personnel.

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

Our principal stockholders have substantial control.

Certain investment funds managed by First Reserve Corporation beneficially own approximately 26.3% of our outstanding common stock. As a result, they exercise substantial influence over the outcome of most matters requiring a stockholder vote. In addition, in connection with our acquisition of Cardinal, we entered into a stockholders' agreement that provides that our board of directors will consist of six members, consisting in part of two designees of the First Reserve funds and two independent directors designated by the board. The First Reserve funds will continue to be entitled to designate these directors until the stockholders' agreement terminates on July 15, 2009 or in the event of certain substantial reductions of their ownership interest.

USE OF PROCEEDS

CAPITALIZATION

The following table sets forth our capitalization at March 31, 2001 and as adjusted to give effect to the offering of the outstanding notes and the application of the net proceeds (i) to repay approximately $113.5 million under our bank credit facility, (ii) to pay $80.5 million to acquire the operating assets of Power Offshore Services, L.L.C. ("Power Offshore"), and (iii) for general working capital purposes. The table should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements incorporated by reference in this prospectus.

	As of March 31, 2001	
	Actual	As Adjusted
	(Dollars in thousands)	
Cash and cash equivalents	$ 1,880	$ 1,880
Long term debt:		
Bank credit facility		
Revolving credit facility[(1)]	38,950	450
Term loan, including current portion	125,000	50,000
Senior Notes	--	200,000
Other	266	266
Total long-term debt, including current portion	164,216	250,716
Stockholders' equity:		
Preferred stock	--	--
Common stock	68	68
Additional paid-in capital	316,842	316,842
Accumulated other comprehensive income	(51)	(51)
Accumulated deficit	(95,714)	(95,714)
Total stockholders' equity	221,145	221,145
Total capitalization	$ 385,361	$ 471,861

(1) As a result of the completion of the offering of the outstanding notes and the amendment to our bank credit facility, we have a revolving credit facility of $70.0 million for working capital and general corporate purposes.

UNAUDITED PROFORMA FINANCIAL DATA

The following unaudited consolidated pro forma financial data have been prepared by applying pro forma adjustments to our historical consolidated financial statements included elsewhere in this prospectus. The pro forma adjustments give effect, as of March 31, 2001, to transactions in which:

- We issued the outstanding notes.
- We repaid $113.5 million under our bank credit facility.

We refer to these events collectively as the "Transactions."

The unaudited consolidated pro forma statements of operations for the three months ended March 31, 2001 and the year ended December 31, 2000, give effect to (a) the Transactions and (b) acquisitions completed during 2000, including the acquisition of HB Rentals, L.C. ("HB Rentals"), certain well service assets, Drilling Logistics, Inc. ("Drilling Logistics"), International Snubbing Services, Inc. and affiliated companies ("ISS") and On Site Services, Inc. ("On Site") as if all of these transactions had occurred on January 1, 2000. We refer to the acquisitions as the "2000 Acquisitions."

The historical financial data for the 2000 Acquisitions were derived from their financial records, which in all cases except for HB Rentals and ISS are unaudited. These 2000 Acquisitions were accounted for using the purchase method of accounting. The total purchase costs of the 2000 Acquisitions were allocated to the assets acquired and the liabilities assumed, based on their respective estimated fair values. The results of operations from the businesses acquired were included in our historical results of operations from the consummation dates of the 2000 Acquisitions, which were June 21, 2000 for HB Rentals; July 26, 2000 for the well service assets; August 31, 2000 for Drilling Logistics; October 18, 2000 for ISS and November 30, 2001 for On Site.

The unaudited consolidated pro forma financial data are for informational purposes only. They do not purport to represent what our financial position or the results of our operations as of or for the periods presented would have actually been had the Transactions and the 2000 Acquisitions in fact occurred as of the assumed dates, nor are they intended to be indicative of, or projections for, our results of operations or financial position for any future period or date. The pro forma adjustments, as described in the accompanying notes, are based on available information and upon certain assumptions that we believe are reasonable.

You should read the unaudited consolidated pro forma financial data in conjunction with our audited and unaudited consolidated financial statements and related notes and the other financial information included elsewhere in this prospectus.

UNAUDITED CONSOLIDATED PRO FORMA BALANCE SHEET

March 31, 2001
(Dollars in thousands)

	Historical Company	Adjustments for the Transactions	Pro forma
Assets			
Current assets:			
Cash and cash equivalents	1,880	80,500 (1)	82,380
Accounts receivable -	84,567		84,567
Deferred tax asset	3,506		3,506
Prepaid insurance and other	8,473		8,473
Total current assets	98,426		178,926
Property, plant and equipment	216,814		216,814
Goodwill - net	114,552		114,552
Notes receivable	20,597		20,597
Other assets - net	4,076	6,000 (1)	10,076
Total assets	454,465		540,965
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	21,585		21,585
Accrued expenses	13,229		13,229

Income taxes payable	9,986		9,986
Current maturities of long-term debt	20,098	(10,098) (1)	10,000
Total current liabilities	64,898		54,800
Deferred income taxes	24,304		24,304
Long-term debt	144,118	200,000 (1)	240,716
		(103,402) (1)	
Stockholders' equity:			
Preferred stock	-		-
Common stock	68		68
Additional paid-in capital	316,842		316,842
Accumulated other comprehensive income	(51)		(51)
Accumulated deficit	(95,714)		(95,714)
Total stockholders' equity	221,145		221,145
Total liabilities and stockholders' equity	454,465		540,965

UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF OPERATIONS
For the Year Ended December 31, 2000
(In thousands except per share data)

	Historical					
	Company	2000 Acquisitions From January 1, 2000 to Purchase Dates	Adjustments for the 2000 Acquisitions	Combined	Adjustments for the Transactions	Proforma
Revenues	257,502	33,154		290,656		290,656
Costs and expenses:						
Cost of services	147,601	20,550		168,151		168,151
Depreciation and amortization	22,255	2,591	(175) (2)	24,671		24,671
General and Administrative	44,287	7,742		52,029		52,029
Total costs and expenses	214,143	30,883		244,851		244,851
Income from Operations	43,359	2,271		45,805		45,805
Other income (expenses):						
Interest expenses - net	(12,078)	(524)		(12,602)	(8,650) (4)	(21,252)
Interest income	1,898	98		1,996		1,996
Income before income taxes and cumulative effect of change in accounting principle	33,179	1,845		35,199		26,549
Income taxes	(13,298)	(319)	(462) (3)	(14,079)	3,459 (5)	(10,620)
Income before cumulative effect of change in	19,881	1,526		21,120		15,929

accounting principle				
Earnings per share:				
Basic	$0.30			$0.25
Diluted	$0.30			$0.24
Weighted average common shares used in computing earnings per share:				
Basic	64,991			64,991
Diluted	65,921			65,921

UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF OPERATIONS
For the Quarter Ended March 31, 2001
(In thousands except per share data)

	Historical Company	Adjustments for the Transactions		Proforma
Revenues	91,256			91,256
Costs and expenses:				
Cost of services	48,318			48,318
Depreciation and amortization	6,769			6,769
General and administrative	14,618			14,618
Total costs and expenses	69,705			69,705
Income from Operations	21,551			21,551
Other income (expenses):				
Interest expenses - net	(3,570)	(2,163)	(4)	(5,733)
Interest income	460			460
Income before income taxes and cumulative effect of change in accounting principle	18,441			16,278
Income taxes	(7,561)	1,050	(5)	(6,511)
Income before cumulative effect of change in accounting principle	10,880			9,767
Earnings per share:				
Basic	$0.16			$0.14
Diluted	$0.16			$0.14
Weighted average common shares used in computing earnings per share:				
Basic	67,943			67,943
Diluted	69,017			69,017

NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA

(1) Adjustment reflects the proceeds of the offering of the outstanding notes and the use of proceeds from the offering as follows:

Proceeds from the outstanding notes	$ 200,000
Repayment of debt from proceeds	(113,500)
Issuance Costs	(6,000)
	$ 80,500

The purchase of assets from Power Offshore and the acquisitions of Wild Well Control, Inc. and Blowout Tools, Inc. are not reflected in the proforma financial statements as they did not meet the significance test under Regulation S-X.

(2) To reflect the depreciation and amortization of goodwill associated with the 2000 Acquisitions as follows:

Depreciation	$ (517)
Amortization	342
	$ (175)

(3) To adjust the Company's provision for income taxes to give effect to the 2000 Acquisitions.

(4) Adjustment reflects the elimination of historical interest expense on debt repaid from the Transactions; recording of interest expense on the outstanding notes at an interest rate of 8.875%; and the amortization of $5,000 in deferred financing costs over the ten year term of the outstanding notes, as follows:

	December 31, 2000	March 31, 2001
Elimination of historical interest expense	$ (9,700)	$ (2,425)
Outstanding notes offered hereby	17,750	4,438
Amortization of deferred financing costs	600	150
	$8,650	$2,163

We will not receive any cash proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes. The outstanding notes surrendered in exchange for the exchange notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the exchange notes will not result in any change in our capitalization.

(5) To adjust the Company's provision for income taxes to give effect to the Transactions.

SELECTED CONSOLIDATED FINANCIAL DATA

We present below our summary consolidated financial data for the periods indicated. We derived the historical data from our audited consolidated financial statements, which for the years ended December 31, 2000 and 1999 have been audited by KPMG LLP, independent auditors, and for the years ended December 31, 1998, 1997 and 1996 have been audited by Ernst & Young LLP, independent auditors. The summary consolidated financial data as of and for the three months ended March 31, 2001 and 2000 are derived from our unaudited consolidated financial statements. In our opinion, the unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the financial condition and results of operations for the periods. Results from interim periods should not be considered indicative of results for any other periods or for the year.

When we acquired Cardinal on July 15, 1999, the transaction was treated for accounting purposes as if Cardinal acquired us. Because we were the company being "acquired" for accounting purposes, financial information for periods prior to the merger represents the results of Cardinal's operations, and financial information for periods following the merger represents the results of the combined companies. Cardinal's historical operating results were substantially different than ours for the same periods and reflected substantial non-cash and extraordinary charges associated with a recapitalization and refinancing. Consequently, analyzing prior period results to determine or estimate our future operating potential would not provide meaningful information.

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

	Years Ended December 31,					Three Months Ended March 31	
	2000	1999	1998	1997	1996	2001	2000
	(Dollars in thousands, except for share amounts)						
Statement of Operations Data:							
Revenues	$ 257,502[1]	$ 113,076[2]	$ 82,223[3]	$ 63,412	$ 48,128	$ 91,256	$ 47,274
Income from operations	43,359	10,016	15,558	15,285	8,348	21,551	5,464
Income (loss) before extraordinary losses and cumulative effect of change in accounting principle	19,881	(2,034)	1,203	4,321	2,894	10,880	1,558
Extraordinary losses, net	(1,557)[4]	(4,514)[5]	(10,885)[6]	--	--	--	--
Cumulative effect of change in accounting principle	--	--	--	--	--	2,589[7]	--
Net income (loss)	18,324	(6,548)	(9,682)	4,321	2,894	13,469	1,588
Net income (loss) before extraordinary losses and cumulative effect of change in accounting principle per share:							
Basic	0.30	(0.11)	0.06	0.21	0.14	.16	.03
Diluted	0.30	(0.11)	0.06	0.20	0.13	.16	.03
Net income (loss) per share:							
Basic	0.28	(0.25)	(1.27)	0.21	0.14	.20	.03
Diluted	0.28	(0.25)	(1.27)	0.20	0.13	.20	.03
Balance Sheet Data (end of Period):							
Cash and cash equivalents	$ 4,254	$ 8,018	$ 421	$ --	$ 153	$ 1,880	$ 3,275
Property and equipment, net	202,498	134,723	60,328	43,737	28,986	216,814	138,594
Total assets	430,676	282,255	107,961	62,386	43,928	454,465	278,515
Long-term debt, less current portion	146,393	117,459	120,210	31,297	24,260	144,118	117,380
Stockholders' equity (deficit)	206,247	121,487	(39,940)	5,645	4,197	221,145	123,489

(1) In the year ended December 31, 2000, we made several acquisitions for $42.5 million in initial cash consideration plus up to approximately $22.1 million for these acquisitions payable during the three years following each such acquisition. Additional consideration, if any, payable as a result of these acquisitions will be based upon the respective company's average EBITDA (earnings before interest, income taxes, depreciation and amortization expense) less certain adjustments. These acquisitions have been accounted for as purchases, and the results of operations have been included from the respective company's acquisition date.

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

(3) In 1998, Cardinal acquired three companies for an aggregate purchase price of $24.1 million in cash and stock. Each of these acquisitions was accounted for using the purchase method and the operating results of the acquired companies were included from their respective acquisition dates.

(4) We refinanced our indebtedness in October 2000 resulting in an extraordinary loss of $1.6 million, net of a $1.0 million income tax benefit, which included the write-off of unamortized debt acquisition costs.

(5) In July 1999, in connection with the Cardinal acquisition, we refinanced our combined debt resulting in an extraordinary loss of $4.5 million, net of a $2.1 million income tax benefit.

(6) In 1998, Cardinal completed a recapitalization and refinancing which was funded through debt and equity investments resulting in an extraordinary loss of $10.9 million, net of a $214,000 income tax benefit.

(7) On January 1, 2001, we changed depreciation methods from the straight-line method to the units-of-production method on our liftboat fleet to more accurately reflect the wear and tear of normal use. As a result of the change, we recorded for the quarter ended March 31, 2001 a cumulative effect of the change in accounting principle of $2.6 million, net of taxes of $1.7 million, or $0.04 per share.

THE EXCHANGE OFFER

Purpose of the Exchange Offer; Registration Rights

The outstanding notes were issued on May 2, 2001 as part of a private offering. The outstanding notes were sold to Credit Suisse First Boston Corporation, Bear Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc., as the initial purchasers (the "Initial Purchasers"). The Initial Purchasers sold the outstanding notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act.

We have entered into the Registration Rights Agreement with the Initial Purchasers, in which we agreed, under some circumstances, to file a registration statement relating to an offer to exchange the outstanding notes for exchange notes. We also agreed to use our best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 180 days after May 2, 2001, the date on which the outstanding notes were originally issued (the "Issue Date"), and keep the exchange offer registration statement effective for not less than 30 days (or longer period if required by applicable law) after the date

notice of the registered exchange offer is mailed to the holders of the outstanding notes. The exchange notes will have terms substantially identical to the outstanding notes, except that interest on the exchange notes shall accrue from the last date on which interest was paid or duly provided for on the outstanding notes, or, if no such interest has been paid, from the Issue Date, and the transfer restrictions on the outstanding notes shall be eliminated.

Under the circumstances set forth below, we will use our reasonable best efforts to cause the SEC to declare effective a shelf registration statement with respect to the resale of the outstanding notes and keep the registration statement effective until the earliest of (i) the time when the outstanding notes covered by the shelf registration statement are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof) and (ii) the date on which all outstanding notes registered thereunder are disposed of in accordance therewith. These circumstances include:

- Changes in law or applicable interpretations of the staff of the SEC do not permit us to effect a registered exchange offer; or
- For any other reason we do not consummate the registered exchange offer within 210 days of the Issue Date; or
- An Initial Purchaser shall notify us following consummation of the registered exchange offer that outstanding notes held by it are not eligible to be exchanged for exchange notes in the registered exchange offer; or
- Certain holders of outstanding notes are prohibited by law or SEC policy from participating in the registered exchange offer or may not resell the exchange notes acquired by them in the registered exchange offer to the public without delivering a prospectus.

If we fail to comply with certain obligations under the Registration Rights Agreement, we will be required to pay additional interest to holders of the outstanding notes.

Each holder of outstanding notes that wishes to exchange outstanding notes for transferable exchange notes in the Exchange Offer will be required to make the following representations:

- Any exchange notes will be acquired in the ordinary course of its business;
- The holder will have no arrangements or understanding with any person to participate in the distribution of the exchange notes within the meaning of the Securities Act;
- The holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of ours or if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- If the holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the exchange notes; and
- Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

Terms of the Exchange

We hereby offer to exchange, upon the terms and subject to the conditions set forth herein and in the Letter of Transmittal, up to $200,000,000 in principal amount of exchange notes for up to $200,000,000 in principal amount of outstanding notes. The form and terms of the exchange notes are identical in all respects to the terms of the outstanding notes for which they may be exchanged pursuant to the Exchange Offer, except that (i) the interest on the exchange notes shall accrue from the last date on which interest was paid or duly provided on the outstanding notes or, if no such interest has been paid, from the Issue Date, (ii) the transfer restrictions on the outstanding notes shall be eliminated, and (iii) the holders of the exchange notes (as well as remaining holders of any outstanding notes) will not be entitled to registration rights under the Registration Rights Agreement. The exchange notes will evidence the same debt as the outstanding notes and will be entitled to the benefits of the indenture pursuant to which such outstanding notes were issued. See "Description of the Notes."

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that exchange notes issued pursuant to the Exchange Offer in exchange for outstanding notes may be offered for resale, resold or otherwise transferred by holders thereof (other than any such holder which is an "affiliate" of ours within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and such holder does not intend to participate in the distribution of such exchange notes. However, we do not intend to request the SEC to consider, and the SEC has not considered, the Exchange Offer in the context of a no-action letter and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in such other circumstances. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes and has no arrangement or understanding to participate in a distribution of exchange notes. If any holder is an affiliate of the Company, is engaged in or intends to engage in or has any arrangement or understanding with respect to the distribution of the exchange notes to be acquired pursuant to the Exchange Offer, such holder (i) cannot rely on the applicable interpretations of the staff of the SEC and (ii) must comply with registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each broker-dealer that receives exchange notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale or such exchange notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than outstanding notes acquired directly from us). We have agreed that, for a period of the lesser of 180 days following the consummation of the Exchange Offer or the date on which all such broker-dealers have sold all exchange notes held by them, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Tendering holders of outstanding notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of the outstanding notes pursuant to the Exchange Offer.

Interest on each exchange note will accrue from the last date on which interest was paid or duly provided for on such series of outstanding notes surrendered in exchange therefor or, if no interest has been paid, from the Issue Date. Holders whose outstanding notes are accepted for exchange will receive accrued interest thereon to, but not including, the date of issuance of the exchange notes, such interest to be payable with the first interest payment on the exchange notes, but will not receive any payment in respect of interest on the outstanding notes accrued after the issuance of the exchange notes.

Expiration Date; Extensions; Termination; Amendments

The Exchange Offer expires on the Expiration Date. The term "Expiration Date" means 5:00 p.m., New York City time on July , 2001, unless in our sole discretion we extend the period during which an Exchange Offer is open, in which event the term "Expiration Date" means the latest time and date on which such Exchange Offer, as so extended, expires. We will be entitled to close the Exchange Offer 20 business days after the commencement thereof, provided, however, that we have accepted all outstanding notes theretofore validly surrendered in accordance with the terms of the Exchange Offer. We reserve the right to extend the Exchange Offer at any time and from time to time prior to the Expiration Date by giving written notice to The Bank of New York (the "Exchange Agent") and by timely public announcement communicated, unless otherwise required by applicable law or regulation, by making a press release. During any extension of the Exchange Offer, all outstanding notes previously tendered pursuant to the Exchange Offer will remain subject to the Exchange Offer.

We expressly reserve the right to (i) terminate the Exchange Offer and not accept for exchange any outstanding notes for any reason, including if any of the events set forth below under "-- Conditions to the Exchange Offer" shall have occurred and shall not have been waived by us and (ii) amend the terms of the Exchange Offer in any manner, whether before or after any tender of the outstanding notes. Terms of the Exchange Offer which affect the Note holders only shall not be amended, modified or supplemented, or waivers from the provisions given unless we have obtained the written consent of the holders of at least a majority in aggregate principal amount of the outstanding notes. If any such termination or amendment occurs, we will notify the Exchange Agent in writing and will either issue a press release or give written notice to the holders of the outstanding notes as promptly as practicable. Unless we terminate the Exchange Offer prior to 5:00 p.m. New York City time, on the Expiration Date, we will exchange the exchange notes for the related outstanding notes promptly following the Expiration Date.

If we waive any material condition to the Exchange Offer, or amend the Exchange Offer in any other material respect, and if at the time that notice of such waiver or amendment is first published, sent or given to holders of outstanding notes in the manner specified above, the Exchange Offer is scheduled to expire at any time earlier than the expiration of a period ending on the fifth business day from, and including, the date that such notice is first so published, sent or given, then the Exchange Offer will be extended until the expiration of such period of five business days.

This prospectus and the related Letter of Transmittal and other relevant materials will be mailed by us to record holders of outstanding notes and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of outstanding notes.

Exchange Offer Procedures

The tender of outstanding notes to us by a holder thereof pursuant to one of the procedures set forth below will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal.

General Procedures. A holder of an outstanding note may tender the same by (i) properly completing and signing the Letter of Transmittal or a facsimile thereof (all references in this prospectus to the Letter of Transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the outstanding notes being tendered and any required signature guarantees or a timely confirmation of a book-entry transfer pursuant to the procedure described below, to the Exchange Agent at its address set forth below under "-- Exchange Agent" or on prior to the Expiration Date or (ii) complying with the guaranteed delivery procedures described below.

If tendered outstanding notes are registered in the name of the signer of the Letter of Transmittal and the exchange notes to be issued in exchange therefor are to be issued (and any untendered outstanding notes are to be reissued) in the name of the registered holder, the signature of such signer need not be guaranteed. In any other case, the tendered outstanding notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder and the signature on the endorsement or instrument of transfer must be guaranteed by a firm (an "Eligible Institution") that is a member of a recognized signature guarantee medallion program (an "Eligible Program") within the meaning of Rule 17Ad-15 under the Exchange Act. If the exchange notes and/or outstanding notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the outstanding notes, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution.

Any beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender outstanding notes should contact such holder promptly and instruct such holder to tender outstanding notes on such beneficial owner's behalf. If such beneficial owner wishes to tender such outstanding notes himself, such beneficial owner must, prior to completing and executing the Letter of Transmittal and delivering such outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in such beneficial owner's name or follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time.

THE METHOD OF DELIVERY OF OFFERED NOTES AND ALL OTHER DOCUMENTS IS AT THE ELECTION AND RISK OF THE HOLDER. IF SENT BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, RETURN RECEIPT REQUESTED, BE USED, PROPER INSURANCE BE OBTAINED, AND THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE TO PERMIT DELIVERY TO THE EXCHANGE AGENT ON OR BEFORE THE EXPIRATION DATE.

Unless an exemption applies under the applicable law and regulations concerning "backup withholding" of federal income tax, the Exchange Agent will be required to withhold, and will withhold, 31% of the gross proceeds otherwise payable to a holder pursuant to the Exchange Offer if the holder does not provide its taxpayer identification number (social security number of employer identification number) and certify that such number is correct. Each tendering holder should complete and sign the main signature form and the Substitute Form W-9 included as part of the Letter of Transmittal, so as to provide the information and certification necessary to avoid backup withholding, unless an applicable exemption exists and is proved in a manner satisfactory to us and the Exchange Agent.

Book --Entry Transfer. The outstanding notes were issued as global securities in fully registered form without interest coupons. Beneficial interests in the global securities, held by direct or indirect participants in DTC, are shown on, and transfers of these interests are effected only through, records maintained in book-entry form by DTC with respect to its participants.

The Exchange Agent will establish an account with respect to the book-entry interests at DTC for purposes of the Exchange Offer promptly after the date of this prospectus. You must deliver your book-entry interest by book-entry transfer to the account maintained by the Exchange Agent at DTC. Any financial institution that is a participant in DTC's systems may make book-entry delivery of book-entry interests by causing DTC to transfer the book-entry interests into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer.

If you hold your outstanding notes in the form of book-entry interests and you wish to tender your outstanding notes for exchange pursuant to the Exchange Offer, you must transmit to the Exchange Agent on or prior to the Expiration Date either: (i) written or facsimile copy of a properly completed and duly executed Letter of Transmittal, including all other documents required by the Letter of Transmittal, to the Exchange Agent at the address set forth below under "-- Exchange Agent"; or (ii) computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and received by the Exchange Agent and forming a part of a confirmation of book-entry transfer, in which you acknowledge and agree to be bound by the terms of the Letter of Transmittal.

In addition, in order to deliver outstanding notes held in the form of book-entry interests: (i) a timely confirmation of book-entry transfer of those outstanding notes into the Exchange Agent's account at DTC must be received by the Exchange Agent prior to the Expiration Date; or (ii) you must comply with the guaranteed delivery procedures described below.

Certificated Outstanding Notes. If your outstanding notes are certificated outstanding notes and you wish to tender them for exchange pursuant to the Exchange Offer, you must transmit to the Exchange Agent on or prior to the Expiration Date a written or facsimile copy of a properly completed and duly executed Letter of Transmittal, including all other required documents, to the address set forth below under "-- Exchange Agent." In addition, in order to validly tender your certificated outstanding notes: (i) the certificates representing your outstanding notes must be received by the Exchange Agent prior to the Expiration Date, or (ii) you must comply with the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures. If a holder desires to accept the Exchange Offer and time will not permit a Letter of Transmittal or outstanding notes to reach the Exchange Agent before the Expiration Date, a tender may be effected if the Exchange Agent has received at the address specified below under "-- Exchange Agent" on or prior to the Expiration Date a letter or facsimile transmission from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the outstanding notes are registered and, if possible, the certificate number of the outstanding notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange trading days after the date of execution of such letter or facsimile transmission by the Eligible Institution, the outstanding notes, in proper form for transfer, will be delivered by such Eligible Institution together with a properly completed and duly executed Letter of Transmittal (and any other required documents). Unless outstanding notes being tendered by the above-described method (or a timely Book-Entry Confirmation) are deposited with the Exchange Agent within the time period set forth above (accompanied or preceded by a properly completed Letter of Transmittal and any other required documents), we may, at our option, reject the tender. Copies of a Notice of Guaranteed Delivery which may be used by Eligible Institutions for the purposes described in this paragraph are being delivered with this prospectus and the related Letter of Transmittal.

A tender will be deemed to have been received as of the date when the tendering holder's properly completed and duly signed Letter of Transmittal accompanied by the outstanding notes or a timely book-entry confirmation is received by the Exchange Agent. Issuances of exchange notes in exchange for outstanding notes tendered pursuant to a Notice of Guaranteed Delivery or letter or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the Letter of Transmittal (and any other required documents) and the tendered outstanding notes or a timely book-entry confirmation.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of outstanding notes will be determined by us, whose determination shall be final and binding on all parties. We reserve the absolute right to reject any or all tenders not in proper form or the acceptance of which, or exchange for which, may, in the opinion of our counsel, be unlawful. We also reserve the absolute right, subject to applicable law, to waive any of the conditions of the Exchange Offer or any defects or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. Our interpretation of the terms and conditions of the Exchange Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. No tender of outstanding notes will be deemed to have been validly made until all defects and irregularities with respect to such tender have been cured or waived. None of us, the Exchange Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or shall incur any liability for failure to give any such notification.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such exchange notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

Terms and Conditions of the Letter of Transmittal

The Letter of Transmittal contains, among other things, the following terms and conditions, which are part of the Exchange Offer.

The party tendering outstanding notes for exchange (the "Transferor") exchanges, assigns and transfers the outstanding notes to us and irrevocably constitutes and appoints the Exchange Agent as the Transferor's agent and attorney-in-fact to cause the outstanding notes to be assigned, transferred and exchanged. The Transferor represents and warrants that it has full power and authority to tender, exchange, sell, assign and transfer the outstanding notes, and that, when the same are accepted for exchange, we will acquire good, marketable and unencumbered title to the tendered outstanding notes, free and clear of all liens, restrictions, changes and encumbrances and not subject to any adverse claim. The Transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by us or the Exchange Agent to be necessary or desirable to complete the exchange, assignment and transfer of tendered outstanding notes. All authority conferred by the Transferor will survive the death or incapacity of the Transferor and every obligation of the Transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such Transferor.

If the Transferor is not a broker-dealer, it represents that it is not engaged in, and does not intend to engage in, a distribution of exchange notes. If the Transferor is a broker-dealer that will receive exchange notes for its own account in exchange for outstanding notes, it represents that the outstanding notes to be exchanged for exchange notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes pursuant to the Exchange Offer; however, by so acknowledging and by delivering a prospectus, the Transferor will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Withdrawal Rights

Outstanding notes tendered pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date.

For a withdrawal to be effective, a written or facsimile transmission of such notice of withdrawal must be timely received by the Exchange Agent at its address set forth below under "--Exchange Agent" on or prior to the Expiration Date. Any such notice of withdrawal must specify the person named in the Letter of Transmittal as having tendered outstanding notes to be withdrawn, the certificate numbers of outstanding notes to be withdrawn, the aggregate principal amount of outstanding notes to be withdrawn (which must be an authorized denomination), that such holder is withdrawing his election to have such outstanding notes exchanged, and the name of the registered holder of such outstanding notes, if different from that of the person who tendered such outstanding notes. Additionally, the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (except in the case of outstanding notes tendered for the account of an Eligible Institution). The Exchange Agent will return the properly withdrawn outstanding notes promptly following receipt of notice of withdrawal. All questions as to the validity of notices of withdrawals, including time of receipt, will be final and binding on all parties.

If outstanding notes have been tendered pursuant to the procedures for book entry transfer, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of outstanding notes, in which case a notice of withdrawal will be effective if delivered to the Exchange Agent by written or facsimile transmission. Withdrawals of tenders of outstanding notes may not be rescinded. Outstanding notes properly withdrawn will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered at any subsequent time on or prior to the Expiration Date by following any of the procedures described herein.

Acceptance of Outstanding Notes for Exchange; Delivery of Exchange Notes

Upon the terms and subject to the conditions of the Exchange Offer, the acceptance for exchange of outstanding notes validly tendered and not withdrawn and the issuance of the exchange notes will be made promptly following the Expiration Date. For the purposes of the Exchange Offer, we shall be deemed to have accepted for exchange validly tendered outstanding notes when, as and if we have given notice thereof to the Exchange Agent.

The Exchange Agent will act as agent for the tendering holders of outstanding notes for the purposes of receiving exchange notes from us and causing the outstanding notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the Exchange Offer, delivery of exchange notes to be issued in exchange for accepted outstanding notes will be made by the Exchange Agent promptly after acceptance of the tendered outstanding notes. Outstanding notes not accepted for exchange by us will be returned without expense to the tendering holders or in the case of outstanding notes tendered by book-entry transfer into the Exchange Agent's account at DTC promptly following the Expiration Date or, if we terminate the Exchange Offer prior to the Expiration Date, promptly after the Exchange Offer is so terminated.

Conditions to the Exchange Offer

Notwithstanding any other provision of the Exchange Offer, or any extension of the Exchange Offer, we will not be required to issue exchange notes in respect of any properly tendered outstanding notes not previously accepted and may terminate the Exchange Offer (by oral or written notice to the Exchange Agent and by timely public announcement communicated, unless otherwise required by applicable law or regulation), by making a press release or, at our option, modify or otherwise amend the Exchange Offer, if (i) the Exchange Offer, or the making of any exchange by a holder of an Outstanding Note, would violate applicable law or any applicable interpretation of the staff of the SEC, (ii) an action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency or body with respect to the Exchange Offer, (iii) there shall have been adopted or enacted any law, statute, rule or regulation prohibiting or limiting the Exchange Offer, (iv) there shall have been declared by United States federal or New York state authorities a banking moratorium, or (v) trading on the New York Stock Exchange or generally in the United States over-the-counter market shall have been suspended by order of the SEC or any other governmental authority.

The foregoing conditions are for our sole benefit and may be asserted by us with respect to all or any portion of the Exchange Offer regardless of the circumstances (including any action or inaction by us) giving rise to such condition or may be waived by us in whole or in part at any time or from time to time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, and each right will be deemed an ongoing right which may be asserted at any time or from time to time. In addition, we have reserved the right, notwithstanding the satisfaction of each of the foregoing conditions, to terminate or amend the Exchange Offer.

Any determination by us concerning the fulfillment or non-fulfillment of any conditions will be final and binding upon all parties.

In addition, we will not accept for exchange any outstanding notes tendered and no exchange notes will be issued in exchange for any such outstanding notes, if at such time any stop order shall be threatened or in effect with respect to (i) the registration statement of which this prospectus constitutes a part of or (ii) qualification under the Trust Indenture Act of 1939 (the "Trust Indenture Act") of the indenture pursuant to which such outstanding notes were issued.

Exchange Agent

The Bank of New York has been appointed as the Exchange Agent of the Exchange Offer. All executed Letters of Transmittal should be directed to the Exchange Agent at one of the addresses set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the Letter of Transmittal and requests for Notices of Guaranteed Delivery should be directed to the Exchange Agent addressed as follows:

By Mail/Hand Delivery/Overnight Delivery:
The Bank of New York
Corporate Trust Services Window, Ground Level
101 Barclay Street
New York, NY 10286
Attn: _____

By Registered or Certified Mail:
The Bank of New York
101 Barclay Street, 7E
New York, NY 10286
Attn: _____

Via Facsimile:
_____

Confirm by telephone:
_____

For Information Call:
_____

DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH HEREIN, OR TRANSMISSIONS OF INSTRUCTIONS VIA FACSIMILE NUMBER OTHER THAN THE ONES SET FORTH HEREIN, WILL NOT CONSTITUTE A VALID DELIVERY.

Solicitations of Tenders; Expenses

We have not retained any dealer-manager or similar agent in connection with the Exchange Offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the Exchange Offer. We will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection therewith. We will also pay brokerage houses and other custodians, nominees and fiduciaries the

reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. The expenses to be incurred in connection with the Exchange Offer, including the fees and expenses of the Exchange Agent and printing, accounting and legal fees, will be paid by us.

No person has been authorized to give any information or to make any representations in connection with the Exchange Offer other than those contained in this prospectus. If given or made, such information or representations should not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the respective dates as of which information is given herein. The Exchange Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of outstanding notes in any jurisdiction in which the making of the Exchange Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take such action as we may deem necessary to make the Exchange Offer in any such jurisdiction and extend the Exchange Offer to holders of outstanding notes in such jurisdiction. In any jurisdiction the securities laws or blue sky laws of which require the Exchange Offer to be made by a licensed broker or dealer, the Exchange Offer is being made on our behalf by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the outstanding notes, which is the principal amount as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized. The expenses of the Exchange Offer will be capitalized for accounting purposes.

Appraisal Rights

Holders of outstanding notes will not have dissenters' rights or appraisal rights in connection with the Exchange Offer.

Other

Participation in the Exchange Offer is voluntary and holders should carefully consider whether to accept. Holders of the outstanding notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of this Exchange Offer, we will have fulfilled a covenant contained in the Registration Rights Agreement. Holders of the outstanding notes who do not tender their certificates in the Exchange Offer will continue to hold such certificates and will be entitled to all the rights, and limitations applicable thereto, under the indenture pursuant to which the outstanding notes were issued, except for any such rights under the Registration Rights Agreement which by its term terminates or ceases to have further effect as a result of the making of this Exchange Offer. All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and the indenture. To the extent that outstanding notes are tendered and accepted in the Exchange Offer, the trading market, if any, for the outstanding notes could be adversely affected. See "Risk Factors--Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid."

We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plan to acquire any outstanding notes that are not tendered in the Exchange Offer.

DESCRIPTION OF THE NOTES

SESI, L.L.C., a Delaware limited liability company, issued the notes under an indenture (the *"indenture"*) among SESI, L.L.C., Superior Energy, the Subsidiary Guarantors and The Bank of New York, as trustee (the *"Trustee"*). The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939 (the *"Trust Indenture Act"*).

Certain terms used in this description are defined under the subheading "-- Certain Definitions." In this description, the words *"Company," "Issuer," "we," "us"* or *"our"* refer only to SESI, L.L.C. and not to any of its Subsidiaries.

The following description is only a summary of the material provisions of the indenture. We urge you to read the indenture because it, not this description, defines your rights as holders of these notes. A copy of the indenture can be obtained from the Company or the Initial Purchasers.

Brief Description of the Notes

The notes

These notes:

- are unsecured senior obligations of the Issuer;
- are senior in right of payment to any future Subordinated Obligations of the Issuer; and
- are unconditionally guaranteed by Superior Energy and the Subsidiary Guarantors.

We have covenanted that we will offer to repurchase notes under the circumstances described in the indenture upon:

- a Change of Control involving the Company or Superior Energy; or
- an Asset Disposition by the Company or any of its Restricted Subsidiaries.

The indenture also contains the following covenants:

- Limitation on Indebtedness;
- Limitation on Restricted Payments;
- Limitation on Restrictions on Distributions from Restricted Subsidiaries;
- Limitation on Sales of Assets and Subsidiary Stock;

- Limitation on Affiliate Transactions;
- Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries and the Issuer;
- Limitation on Liens;
- Limitation on Sale/Leaseback Transactions;
- Merger and Consolidation;
- Future Guarantors;
- Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries; and
- SEC Reports.

The Guarantees

The Superior Energy Guaranty and each Subsidiary Guaranty:

- unconditionally guarantee the obligations of the Company under the notes;
- are unsecured senior obligations of Superior Energy and the relevant Subsidiary Guarantor, as the case may be; and
- are senior in right of payment to any future Subordinated Obligations of Superior Energy and the relevant Subsidiary Guarantor, as the case may be.

Principal, Maturity and Interest

We issued the notes initially with a maximum aggregate principal amount of $200.0 million. We issued the notes in denominations of $1,000 and any integral multiple of $1,000. The notes will mature on May 15, 2011. Subject to our compliance with the covenant described under the caption "-- Certain Covenants -- Limitation on Indebtedness," we may, without the consent of the holders, issue more notes under the indenture on the same terms and conditions and with the same CUSIP numbers as the notes in an unlimited principal amount (the *"additional notes"*). Any such additional notes that are actually issued will be treated as issued and outstanding notes (and as the same class as the initial notes) for all purposes of the indenture and this "Description of the Notes," unless the context indicates otherwise.

Interest on these notes accrues at the rate of 8 7/8% per annum and is payable semiannually in arrears on May 15 and November 15, commencing on November 15, 2001. We will make each interest payment to the holders of record of these notes on the immediately preceding May 1 and November 1. We will pay interest on overdue principal at 1% per annum in excess of the above rate and will pay interest on overdue installments of interest at such higher rate to the extent lawful.

Interest on these notes accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Additional interest may accrue on the notes in certain circumstances pursuant to the Registration Rights Agreement.

Optional Redemption

Except as set forth below, we are not entitled to redeem the notes at our option prior to May 15, 2006.

On and after May 15, 2006, we will be entitled at our option to redeem all or a portion of these notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed in percentages of principal amount on the redemption date) set forth below, plus accrued and unpaid interest thereon, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on May 15 in the years indicated below:

Period	Redemption Price
2006	104.438%
2007	102.958
2008	101.479
2009 and thereafter	100.000

In addition, prior to May 15, 2004, we may at our option on one or more occasions redeem notes (which includes additional notes, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the notes (which includes additional notes, if any) originally issued at a redemption price of 108.875% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date, with the net cash proceeds from one or more Public Equity Offerings; *provided* that

(1) at least 65% of such aggregate principal amount of notes (which includes issued additional notes, if any) originally issued remains outstanding immediately after the occurrence of each such redemption (other than notes held, directly or indirectly, by the Company or its Affiliates); and

(2) each such redemption occurs within 90 days after the date of the related Public Equity Offering.

Selection and Notice of Redemption

If we are redeeming less than all the notes at any time, the Trustee will select notes on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate.

Notes redeemed in part will be redeemed only in principal amounts of $1,000. We will cause notices of redemption to be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address.

If any note is to be redeemed in part only, the notice of redemption that relates to that note shall state the portion of the principal amount thereof to be redeemed. We will issue a new note in principal amount equal to the unredeemed portion of the original note in the name of the holder thereof upon cancellation of the original note. notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

We are not required to make any mandatory redemption or sinking fund payments with respect to the notes. However, under certain circumstances, we may be required to offer to purchase the notes as described under the captions "-- Change of Control" and "Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock." We may at any time and from time to time purchase notes in the open market or otherwise.

Guarantees

Superior Energy and each of our and Superior Energy's existing and, under certain circumstances described under the caption "-- Certain Covenants -- Future Guarantors," future Subsidiaries jointly and severally guaranteeing, on an unsecured senior basis, our obligations under these notes, other than Subsidiaries that constitute Exempt Foreign Subsidiaries, except in the circumstances described under the caption "-- Certain Covenants -- Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries," and Subsidiaries that are designated as Unrestricted Subsidiaries under certain circumstances described under the caption "-- Certain Definitions -- Unrestricted Subsidiary." As of the date we first issued the notes, our existing Subsidiaries that constitute Exempt Foreign Subsidiaries were Imperial Snubbing Services Limited, Southeast Australia Service Pty., Ltd. and Superior Energy de Venezuela, S.A., and our existing Subsidiary that has been designated an Unrestricted Subsidiary is Superior Energy Liftboats, L.L.C. Each of our and Superior Energy's Subsidiaries, other than an Unrestricted Subsidiary, are subject to the restrictive covenants set forth in the indenture.

The Superior Energy Guaranty and each Subsidiary Guaranty are limited as necessary to prevent the Superior Energy Guaranty or that Subsidiary Guaranty, as the case may be, from being rendered voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. See "Risk Factors -- U.S. bankruptcy or fraudulent conveyance laws may interfere with the payment of the notes and the guarantees by our subsidiaries and parent company."

Each Subsidiary Guarantor that makes a payment under its Subsidiary Guaranty will be entitled to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment determined in accordance with GAAP.

If the Superior Energy Guaranty or a Subsidiary Guaranty were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of Superior Energy or the applicable Subsidiary Guarantor, as the case may be, and, depending on the amount of such indebtedness, Superior Energy's liability on the Superior Energy Guaranty or a Subsidiary Guarantor's liability on its Subsidiary Guaranty, as the case may be, could be reduced to zero.

Pursuant to the indenture, Superior Energy or a Subsidiary Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person to the extent described below under "-- Certain Covenants -- Merger and Consolidation," *provided, however,* that if such other Person is not the Company, Superior Energy's obligations under the Superior Energy Guaranty or such Subsidiary Guarantor's obligations under its Subsidiary Guaranty, as the case may be, must be expressly assumed by such other Person.

A Subsidiary Guarantor will be released and relieved from its obligations under its Subsidiary Guaranty:

(1) upon the sale or other disposition (including by way of consolidation or merger) of such Subsidiary Guarantor; or

(2) upon the sale or disposition of all or substantially all the assets of such Subsidiary Guarantor;

in each case other than to the Issuer or an Affiliate of the Issuer and as permitted by the indenture.

Ranking

Notes and Guarantees versus Senior Indebtedness

The indebtedness evidenced by these notes, the Superior Energy Guaranty and the Subsidiary Guaranties is unsecured senior obligations of the Issuer, Superior Energy and the Subsidiary Guarantors, as the case may be. As of March 31, 2001, after giving *pro forma* effect to the offering of the outstanding notes, the Issuer's other Senior Indebtedness would have been approximately $200 million.

The notes and Guarantees are unsecured obligations of the Issuer, Superior Energy and the Subsidiary Guarantors, as the case may be. Secured debt and other secured obligations of the Issuer, Superior Energy and the Subsidiary Guarantors (including the Credit Facilities) is effectively senior to the notes and Guarantees to the extent of the value of the assets securing such debt or other obligations. As of March 31, 2001, after giving *pro forma* effect to the offering of the outstanding notes, the total outstanding secured debt and other secured obligations of the Issuer, Superior Energy and the Subsidiary Guarantors would have been approximately $50.3 million.

Guarantees versus Other Liabilities of Subsidiaries

All of Superior Energy's and our operations are conducted through our Subsidiaries. Neither our Foreign Exempt Subsidiaries are or will, nor any of our Subsidiaries that are designated an Unrestricted Subsidiary are or will, be guaranteeing the notes, unless, in case of an Unrestricted Subsidiary, it is redesignated a Restricted Subsidiary in accordance with the terms of the indenture. Claims of creditors of such non-guarantor subsidiaries, including trade creditors, secured creditors and creditors holding indebtedness or guarantees issued by such non-guarantor subsidiaries, and claims of preferred stockholders, if any, of such non-guarantor subsidiaries generally will have priority with respect to the assets and earnings of such non-guarantor subsidiaries over the claims of our creditors, including holders of the notes, even if such obligations do not constitute senior indebtedness. The notes, the Superior Energy Guaranty and each Subsidiary Guaranty, therefore, are effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such non-guarantor subsidiaries of the Company. See "Risk Factors -- Claims of creditors of our non-guarantor subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over your claims."

At March 31, 2001, the total liabilities of the Company's non-guarantor subsidiaries were approximately $3.0 million, excluding intercompany liabilities. Although the indenture limits the incurrence of Indebtedness and preferred stock of certain of the Company's subsidiaries, such limitation is subject to a number

of significant qualifications. Moreover, the indenture does not impose any limitation on the incurrence by such subsidiaries of liabilities that are not considered Indebtedness or Preferred Stock under the indenture. See "-- Certain Covenants -- Limitation on Indebtedness."

Notes and Guaranties versus Subordinated Indebtedness

The indebtedness evidenced by these notes, the Superior Energy Guaranty and each Subsidiary Guaranty, will rank senior in right of payment to all future subordinated indebtedness of the Issuer, Superior Energy and the Subsidiary Guarantors, as the case may be.

Suspended Covenants

During any period of time that the notes have an Investment Grade Rating from both Rating Agencies and no Default has occurred and is continuing under the indenture, we, Superior Energy and our Restricted Subsidiaries are not subject to the provisions of the indenture described below under the following headings under the caption "-- Certain Covenants:"

- "-- Limitation on Indebtedness,"
- "-- Limitation on Restricted Payments,"
- "-- Limitation on Restrictions on Dividends from Restricted Subsidiaries,"
- "-- Limitation on Sale of Assets and Subsidiary Stock,"
- "-- Limitation on Affiliate Transactions,"
- "-- Limitation on Sale/Leaseback Transactions" (to the extent set forth in that covenant), and
- "-- Merger and Consolidation" (to the extent set forth in that covenant)

(collectively, the *"Suspended Covenants"*); *provided, however,* such covenants shall not be suspended if the Investment Grade Rating was obtained directly or indirectly by our merger, consolidation or otherwise with a Person that had an Investment Grade Rating from either or both of the Rating Agencies and the notes at such time did not have an Investment Grade Rating from both Rating Agencies; and *provided further,* that the provisions of the indenture described below under the caption "-- Change of Control," and described below under the following headings under the caption "-- Certain Covenants:"

- "-- Limitation on the Sale of Issuance of Capital Stock of Restricted Subsidiaries and the Issuer,"
- "-- Limitation on Liens,"
- "-- Future Guarantors,"
- "-- Limitation on Issuance of Guarantees by Exempt Foreign Subsidiaries," and
- "-- SEC Reports" and

will not be so suspended; and *provided further,* that if we, Superior Energy and our Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding sentence and, subsequently, either of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the notes below the Investment Grade Ratings so that the notes do not have an Investment Grade Rating from both Rating Agencies, or a Default (other than with respect to the Suspended Covenants) occurs and is continuing, we, Superior Energy and our Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants, subject to the terms, conditions and obligations set forth in the indenture (each such date of reinstatement being the *"Reinstatement Date"*), including the preceding sentence. Compliance with the Suspended Covenants with respect to Restricted Payments made after the Reinstatement Date will be calculated in accordance with the terms of the covenant described under "-- Limitation on Restricted Payments" as though such covenants had been in effect during the entire period of time from which the notes are issued. As a result, during any period in which we, Superior Energy and our Restricted Subsidiaries are not subject to the Suspended Covenants, the notes will be entitled to substantially reduced covenant protection.

Change of Control

Upon the occurrence of any of the following events (each a *"Change of Control"*), each Holder shall have the right to require that the Issuer repurchase such Holder's notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date):

(1) any "person" (as such term is used in Section 13(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of Superior Energy or the Company;

(2) individuals who on the Issue Date constituted the Board of Directors together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of Superior Energy, as the case may be, was approved by a vote of majority of the directors of Superior Energy then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office;

(3) the adoption of a plan relating to the liquidation or dissolution of either the Issuer or Superior Energy; or

(4) the merger or consolidation of the Company or Superior Energy, as the case may be, with or into another Person or the merger of another Person with or into the Company or Superior Energy, as the case may be, or the sale of all or substantially all the assets of the Company or Superior Energy, as the case may be (in each case, determined on a consolidated basis) to another Person (other than a Wholly Owned Subsidiary in the case of a merger or consolidation involving the Company), other than a transaction following which, in the case of a merger or consolidation transaction, securities that represented 100% of the Voting Stock of the Company or Superior Energy, as the case may be, immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) constitute at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction.

Within 30 days following any Change of Control, we will mail a notice to each Holder with a copy to the Trustee (the *"Change of Control Offer"*) stating:

(1) that a Change of Control has occurred and that such Holder has the right to require us to purchase such Holder's notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to *pro forma* historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow in order to have its notes purchased.

We will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by us and purchases all notes validly tendered and not withdrawn under such Change of Control Offer.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

The Change of Control purchase feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Issuer and the Initial Purchasers. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenants described under "-- Certain Covenants -- Limitation on Indebtedness," "-- Limitation on Liens" and "-- Limitation on Sale/Leaseback Transactions." Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenants, however, the indenture will not contain any covenants or provisions that may afford holders of the notes protection in the event of a highly leveraged transaction.

The Credit Agreement prohibits us from purchasing any notes prior to the fourth anniversary of the Issue Date, and also provides that the occurrence of certain change of control events with respect to the Issuer would constitute a default thereunder. Any future credit or other agreements relating to the Credit Facilities may contain similar restrictions and provisions. In the event a Change of Control occurs at a time when we are prohibited from purchasing notes, we may seek the consent of our lenders to the purchase of notes or may attempt to refinance the borrowings that contain such prohibition. If we do not obtain such a consent or repay such borrowings, we will remain prohibited from purchasing notes. In such case, our failure to offer to purchase notes would constitute a Default under the indenture, which would, in turn, constitute a default under the Credit Agreement.

Future indebtedness that we may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the holders of their right to require us to repurchase the notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to the holders of notes following the occurrence of a Change of Control may be limited by our then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The provisions under the indenture relative to our obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the notes.

Certain Covenants

The indenture contains covenants including, among others, the following:

Limitation on Indebtedness

(a) Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided, however,* that Superior Energy and the Issuer may Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto no Default has occurred and is continuing, and the Consolidated Coverage Ratio exceeds 2.25 to 1.

(b) Notwithstanding the foregoing paragraph (a), so long as no Default has occurred and is continuing, Superior Energy, the Issuer and the Restricted Subsidiaries may Incur, to the extent provided below, the following Indebtedness:

(1) Indebtedness Incurred by Superior Energy, the Issuer and any Restricted Subsidiary under Credit Facilities; *provided, however,* that after giving effect to such Incurrence, the aggregate principal amount of all Indebtedness incurred under this clause (1) (with letters of credit and bankers' acceptances, if any, being deemed to have a principal amount equal to the maximum potential liability of the Issuer thereunder) and then outstanding does not exceed the greater of (A) $120.0 million and (B) the amount equal to 30% of Consolidated Net Tangible Assets as of the end of the most recent fiscal quarter ending at least 45 days (or, if less, the number of days after the end of such fiscal quarter as the consolidated financial statements of the Company shall be provided to the Noteholders pursuant to the indenture) prior to the date of the Incurrence of such Indebtedness;

(2) Indebtedness owed to and held by Superior Energy, the Issuer or a Restricted Subsidiary; *provided, however,* that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such indebtedness (other than to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon, and (B) if the Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the notes, pursuant to a written agreement to that effect;

(3) Indebtedness consisting of the outstanding notes and the exchange notes (other than any additional notes);

(4) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clause (1), (2) or (3) of this paragraph (b));

(5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by Superior Energy or the Issuer, as the case may be (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by Superior Energy or the Issuer, as the case may be); *provided, however,* that on the date of such acquisition and after giving *pro forma* effect thereto, the Company would have been able to Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) or pursuant to clause (3) or (4) of this paragraph (b) or this clause (6); *provided, however,* that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (5) of this paragraph (b), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(7) Hedging Obligations entered into in the ordinary course of business and not for the purpose of speculation;

(8) Indebtedness incurred solely in respect of banker's acceptances, letters of credit, performance and surety bonds and completion guarantees (to the extent that such incurrence does not result in the Incurrence of any obligation for the payment of borrowed money of others), in each case Incurred in the ordinary course of business;

(9) Indebtedness (including Capitalized Lease Obligations) Incurred by Superior Energy, the Issuer or any Restricted Subsidiary to finance the purchase, lease or improvement of property, plant or equipment (as such terms are defined by GAAP) (whether through the direct purchase of assets or all of the Capital Stock of any Person owning such assets) in an aggregate principal amount outstanding after giving effect to that Incurrence not to exceed $10.0 million; *provided, however,* that the assets subject to any related capital lease are not owned or used by Superior Energy, the Issuer or any Restricted Subsidiary on the Issue Date;

(10) Indebtedness consisting of the Subsidiary Guaranties and the Superior Energy Guaranty and any Guarantee by Superior Energy or a Subsidiary Guarantor of Indebtedness Incurred pursuant to paragraph (a) of this covenant, pursuant to clause (1), (2), (3), (4), (5), (8), (9) or (11) of this paragraph (b), or pursuant to clause (6) of this paragraph (b) to the extent the Refinancing Indebtedness Incurred thereby directly or indirectly refinances Indebtedness Incurred pursuant to paragraph (a) of this covenant or pursuant to clauses (3) or (4) of this paragraph (b); and

(11) Indebtedness of Superior Energy, the Issuer and any Restricted Subsidiary in an aggregate principal amount which, together with all other Indebtedness of such Persons outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (1) through (10) of this paragraph (b) or paragraph (a) of this covenant) does not exceed $20.0 million.

(c) Notwithstanding the foregoing, each of Superior Energy and the Issuer will not, and will not permit any Subsidiary Guarantor to, Incur any Indebtedness pursuant to the foregoing paragraph (b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of Superior Energy, the Issuer or any Subsidiary Guarantor unless such Indebtedness shall be subordinated to the notes or the relevant Subsidiary Guaranty, as applicable, to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this covenant, (1) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above or is permitted to be incurred pursuant to paragraph (a) of this covenant, the Company, in its sole discretion, will classify such item of Indebtedness at the time of Incurrence and only be required to include the amount and type of such Indebtedness in one of the above clauses and (2) the Company may divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above. Accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares in the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of the limitation on incurrence in this covenant.

Limitation on Restricted Payments

(a) Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time Superior Energy, the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Issuer is not entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "--Limitation on Indebtedness;" or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter in which the Issue Date occurred to the end of the most recent fiscal quarter ending at least 45 days (or, if less, the number of days after the end of such fiscal quarter as the consolidated financial statements of Superior Energy and its Subsidiaries, consisting of, at least, the Issuer and the Restricted Subsidiaries, shall be provided to the Noteholders pursuant to the indenture) prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus

(B) 100% of the aggregate Net Cash Proceeds received by Superior Energy from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Issue Date (other than an issuance or sale to any of its Subsidiaries and other than an issuance or sale to an employee stock ownership plan or to a trust established by Superior Energy or any of its Subsidiaries for the benefit of their employees) and 100% of any capital cash contribution received by Superior Energy from its stockholders subsequent to the Issue Date; plus

(C) the amount by which Indebtedness of Superior Energy, the Issuer or any Restricted Subsidiary is reduced on Superior Energy's consolidated balance sheet, consisting of, at least, the Issuer and the Restricted Subsidiaries, upon the conversion or exchange (other than by any Subsidiary of Superior Energy) subsequent to the Issue Date of any Indebtedness of Superior Energy, the Issuer or any Restricted Subsidiary convertible or exchangeable for Capital Stock

(other than Disqualified Stock) of Superior Energy (less the amount of any cash, or the fair value of any other property, distributed by Superior Energy upon such conversion or exchange); plus

(D) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by Superior Energy, the Issuer or any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment, proceeds representing the return of capital (excluding dividends and distributions), in each case received by Superior Energy, the Issuer or any Restricted Subsidiary, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; *provided, however,* that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Issuer or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) The provisions of the foregoing paragraph (a) will not prohibit:

(1) any Restricted Payment (other than a Restricted Payment described in clause (1) of the definition of *"Restricted Payment"*) made by exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale of, Capital Stock of Superior Energy (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of Superior Energy or an employee stock ownership plan or to a trust established by Superior Energy, the Issuer or any Restricted Subsidiaries for the benefit of their employees) or a substantially concurrent capital cash contribution received by Superior Energy from its stockholders; *provided, however,* that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such capital cash contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness which is permitted to be Incurred pursuant to the covenant described under "-- Limitation on Indebtedness;" *provided, however,* that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(3) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; *provided, however,* that at the time of payment of such dividend, no other Default shall have occurred and be continuing (or result therefrom); *provided further, however,* that such dividend shall be included in the calculation of the amount of Restricted Payments;

(4) so long as no Default has occurred and is continuing, the repurchase or other acquisition of shares of Capital Stock of Superior Energy or any of its Subsidiaries, other than an Unrestricted Subsidiary, from employees, former employees, directors or former directors of Superior Energy or any of its Subsidiaries, other than an Unrestricted Subsidiary, (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; *provided, however,* that the aggregate amount of such repurchases and other acquisitions shall not exceed $1.5 million in any calendar year; *provided further, however,* that such repurchases and other acquisitions shall be excluded in the calculation of the amount of Restricted Payments;

(5) repurchase of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;

(6) Investments in the Special Purpose Vessel Entity in the form of one or more Vessel Guarantees in an aggregate amount not to exceed $45.0 million; *provided, however,* that such Investments shall be excluded in the calculation of the amount of Restricted Payments; and

(7) other Restricted Payments in an aggregate amount not to exceed $10.0 million; *provided, however,* that (A) at the time of such Restricted Payments, no Default shall have occurred and be continuing (or result therefrom) and (B) such Restricted Payments, when made and in the amount so made, shall thereafter be included in the calculation of the amount of Restricted Payments.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to Superior Energy, the Issuer or a Restricted Subsidiary or pay any Indebtedness owed to the Issuer, (b) make any loans or advances to the Issuer or (c) transfer any of its property or assets to the Issuer, except:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, including any such Credit Facility and the notes and the indenture;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by Superior Energy or the Issuer, as the case may be (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Issuer), and outstanding on such date;

(3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this covenant or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this covenant or this clause (3); *provided, however,* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no more restrictive than the encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements;

(4) any such encumbrance or restriction consisting of customary non-assignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(5) in the case of clause (c) above, restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages;

(6) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition; and

(7) restrictions imposed by customers on cash or other amounts deposited by them pursuant to contracts entered into in the ordinary course of business.

Superior Energy will not create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on its ability to (a) make capital contributions or other Investments in the Issuer or any Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any Restricted Subsidiary, (b) make any loans or advances to the Issuer or any Restricted Subsidiary or (c) transfer any of its property or assets to the Issuer or any Restricted Subsidiary, except:

(1) any encumbrance or restriction pursuant to any Credit Facilities and any agreement in effect at or entered into on the Issue Date; and

(2) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in the immediately preceding clause (1) of this covenant or this clause (2) or contained in any amendment to an agreement referred to in the immediately preceding clause (1) of this covenant of this clause (2); *provided, however,* that the encumbrances and restrictions with respect to Superior Energy contained in any such refinancing agreement or amendment are no more restrictive in any material respect than the encumbrances and restrictions with respect to Superior Energy contained in such predecessor agreements.

Limitation on Sales of Assets and Subsidiary Stock

(a) Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless:

(1) Superior Energy, the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the fair market value (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;

(2) in the case of an Asset Disposition for consideration exceeding $5.0 million, the fair market value is determined, in good faith, by the Board of Directors, and evidenced by a resolution of the Board of Directors set forth in an Officer's Certificate delivered to the Trustee;

(3) at least 75% of the consideration thereof received by Superior Energy, the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or cash equivalents; and

(4) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by Superior Energy, the Issuer or such Restricted Subsidiary, as the case may be, within 365 days after its receipt, at its option:

(A) to prepay, repay, redeem or purchase Senior Indebtedness of the Issuer or Senior Indebtedness (other than any Disqualified Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer or Superior Energy);

(B) to acquire Additional Assets; and

(C) to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an offer to the holders of the notes (and to holders of other Senior Indebtedness of the Issuer designated by it) to purchase notes (and such other Senior Indebtedness of the Issuer) pursuant to and subject to the conditions contained in the indenture;

provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Issuer or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment, if any, to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this covenant, Superior Energy, the Issuer and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this paragraph except to the extent that the aggregate Net Available Cash from all Asset Dispositions which are not applied in accordance with this covenant exceeds $10.0 million. Pending application of Net Available Cash pursuant to this covenant, such Net Available Cash shall be invested in Temporary Cash Investments or used to reduce loans outstanding under any revolving credit facility existing under a Credit Facility.

For the purposes of this covenant, the following are deemed to be cash or cash equivalents: (i) the assumption of Indebtedness of Superior Energy, the Issuer or any Restricted Subsidiary (other than any of their Subordinated Obligations) and the release of Superior Energy, the Issuer or such Restricted Subsidiary, as the case may be, from all liability on such Indebtedness in connection with such Asset Disposition and (ii) any securities received by the Issuer or any Restricted Subsidiary from the transferee that are promptly converted by the Issuer or such Restricted Subsidiary into cash on the maturity date thereof but in no event later than 180 days after the receipt thereof (to the extent of cash received).

(a) In the event of an Asset Disposition that requires the purchase of the notes (and other Senior Indebtedness of the Issuer) pursuant to clause (a)(4)(C) above, the Issuer will purchase notes tendered pursuant to an offer by the Issuer for the notes (and such other Senior Indebtedness of the Issuer) at a purchase price of 100% of their principal amount (or, in the event such other Senior Indebtedness of the Issuer was issued with significant original issue discount, 100% of the accreted value thereof), without premium, plus accrued but unpaid interest (or, in respect of such other Senior Indebtedness of the Issuer, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness of the Issuer) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the indenture. If the aggregate purchase price of the securities tendered exceeds the Net Available Cash allotted to their purchase, the Company will select the securities to be purchased on a *pro rata* basis but in denominations of $1,000 principal amount or multiples thereof.

(b) Each of Superior Energy and the Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, each of Superior Energy and the Issuer will comply with the

applicable securities laws and regulations and will not be deemed to have breached its obligations under this clause by virtue of its compliance with such securities laws or regulations.

Limitation on Affiliate Transactions

(a) Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer or Superior Energy (an *"Affiliate Transaction"*) unless:

(1) the terms of the Affiliate Transaction are no less favorable to Superior Energy, the Issuer or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate;

(2) if such Affiliate Transaction involves an amount in excess of $5.0 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the Board of Directors having no personal stake in such Affiliate Transaction have determined in good faith that the criteria set forth in clause (1) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and

(3) if such Affiliate Transaction involves an amount in excess of $10.0 million, the Board of Directors shall also have received a written opinion from a nationally recognized investment banking, appraisal or accounting firm that is not an Affiliate of the Issuer or Superior Energy to the effect that such Affiliate Transaction is fair, from a financial standpoint, to Superior Energy, the Issuer and the Restricted Subsidiaries, as the case may be.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(1) any Investment (other than a Permitted Investment) or other Restricted Payment, in each case permitted to be made pursuant to the covenant described under "-- Limitation on Restricted Payments;"

(2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors;

(3) loans or advances to employees in the ordinary course of business in accordance with the past practices of Superior Energy, the Company or any of the Restricted Subsidiaries, but in any event not to exceed $1.0 million in the aggregate outstanding at any one time;

(4) the payment of reasonable fees to directors, if any, of Superior Energy, the Company and any of the Restricted Subsidiaries, in each case who are not employees of Superior Energy, the Company or such Restricted Subsidiaries;

(5) any Affiliate Transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries;

(6) the Registration Rights Agreement dated as of July 15, 1999, by and among Superior Energy, First Reserve Fund VII, Limited Partnership and First Reserve Fund VIII, Limited Partnership, and any amendment thereto or any transaction contemplated thereby in any replacement agreement thereto as long as any such amendment or replacement agreement is not more disadvantageous to the Holders than such Registration Rights Agreement as in effect on the Issue Date;

(7) the issuance or sale of any Capital Stock (other than Disqualified Stock) of Superior Energy; and

(8) transactions where the rates or charges involved, and related terms of payment, are determined by competitive bids and the interest of the Affiliate arises solely from such Person's status as a non-employee member of the Board of Directors and which otherwise comply with clauses (1) and (2), as applicable, of the preceding paragraph (a).

Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries and Issuer

Each of Superior Energy and the Issuer will not sell or otherwise dispose of any Capital Stock of a Restricted Subsidiary, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any of its Capital Stock, except:

(1) to Superior Energy, the Issuer or a Wholly Owned Subsidiary;

(2) if, immediately after giving effect to such issuance, sale or other disposition, neither Superior Energy nor any of its Subsidiaries, including the Issuer, own any Capital Stock of such Restricted Subsidiary;

(3) if, immediately after giving effect to such issuance, sale or other disposition, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under the covenant described under "-- Limitation on Restricted Payments" if made on the date of such issuance, sale or other disposition; or

(4) directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Wholly Owned Subsidiary.

Superior Energy will not sell or otherwise dispose of any Capital Stock of the Company, and will not permit the Company, directly or indirectly, to issue or sell or otherwise dispose of any of its Capital Stock.

Limitation on Liens

Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien (the *"Initial Lien"*) of any nature whatsoever on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, or any income or profits therefrom, or assign or convey as security any right to receive income therefrom, other than Permitted Liens, without effectively providing that the notes shall be secured equally and ratably with (or prior to) the obligations so secured for so long as such obligations are so secured.

Any Lien created for the benefit of the Holders of the notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

Limitation on Sale/Leaseback Transactions

Each of Superior Energy and the Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale/Leaseback Transaction with respect to any property unless:

(1) Superior Energy, the Issuer or such Restricted Subsidiary, as the case may be, would be entitled to (A) Incur Indebtedness in an amount equal to the Attributable Debt with respect to such Sale/Leaseback Transaction pursuant to paragraph (a) of the covenant described under "-- Limitation on Indebtedness" and (B) create a Lien on such property securing such Attributable Debt without equally and ratably securing the notes pursuant to the covenant described under "-- Limitation on Liens;" *provided, however,* that clause (A) of this clause (1) shall be suspended during any period in which we, Superior Energy and our Restricted Subsidiaries are not subject to the Suspended Covenants;

(2) the gross proceeds of such Sale/Leaseback Transaction are at least equal to the fair market value (as determined by the Board of Directors) of such property; and

(3) the transfer of such property is permitted by, and the Issuer applies the proceeds of such transaction in compliance with, the covenant described under "-- Limitation on Sale of Assets and Subsidiary Stock."

Merger and Consolidation

Neither the Issuer will, nor will Superior Energy permit the Issuer to, consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the Issuer shall be the surviving Person, or the resulting, surviving or transferee Person (the *"Successor Company"*) shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Issuer) shall expressly assume, by an indenture supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Issuer under the notes, the indenture and the Registration Rights Agreement;

(2) immediately after giving *pro forma* effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by such Successor Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving *pro forma* effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "-- Limitation on Indebtedness;" *provided, however,* that this clause (3) shall be suspended during any period in which we, Superior Energy and our Restricted Subsidiaries are not subject to the Suspended Covenants; and

(4) the Company shall have delivered to the Trustee an Officers' Certificate of Superior Energy and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the indenture;

provided, however, that clause (3) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Issuer or (B) if determined in good faith by the Board of Directors (as evidenced by a resolution of such board), the Issuer merging with an Affiliate of the Company solely for the purpose and with the sole effect of reorganizing the Issuer in another jurisdiction, *provided* the surviving entity will assume all the obligations of the Issuer under the note, the indenture and the Registration Rights Agreement.

The Successor Company will be the successor to the Issuer and shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the indenture, but such Issuer in the case of a conveyance, transfer or lease shall not be released from the obligation to pay the principal of and interest on the notes.

Each of Superior Energy and the Issuer will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person (if not such Subsidiary) shall be a Person organized and existing under the laws of the jurisdiction under which such Subsidiary was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person shall expressly assume, by executing a Guaranty Agreement in a form satisfactory to the Trustee, all the obligations of such Subsidiary, if any, under its Subsidiary Guaranty;

(2) immediately after giving effect to such transaction or transactions on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company delivers to the Trustee an Officers' Certificate of Superior Energy and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with the indenture.

The provisions of clauses (1) and (2) above shall not apply to any one or more transactions that constitute an Asset Disposition if the Company has complied with the applicable provisions of the covenant described under "-- Limitation on Sales of Assets and Subsidiary Stock" above.

Pursuant to the indenture, Superior Energy will covenant not to merge with or into, or convey, transfer or lease, in one or a series of transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person, (if not Superior Energy) shall be a Person organized and existing under the laws of the jurisdiction under which Superior Energy was organized or under the laws of the United States of America or any State thereof or the District of Columbia, and such Person shall expressly assume, by executing a Guaranty Agreement in form satisfactory to the Trustee, all the obligations of Superior Energy, if any, under the Superior Energy Guaranty;

(2) immediately after giving effect to such transaction or transactions on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving *pro forma* effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "-- Limitation on Indebtedness;" *provided, however,* that this clause (3) shall be suspended during any period in which we, Superior Energy and our Restricted Subsidiaries are not subject to the Suspended Covenants; and

(4) the Company delivers to the Trustee an Officers' Certificate of Superior Energy and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with the indenture.

Future Guarantors

In the event that, after the Issue Date, (1) any Restricted Subsidiary (excluding an Exempt Foreign Subsidiary except under the circumstances described under the caption "-- Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries") (A) Incurs, directly or indirectly, any Indebtedness pursuant to clause (1) of paragraph (b) of the covenant described under "-- Limitation on Indebtedness" above and (B) until the termination of all Credit Facilities, either, directly or indirectly, has Guaranteed or encumbered any of its property to secure the payment or performance of, or will as a result of such Incurrence be required to Guarantee or encumber any of its property to secure the payment or performance of, any Obligations under the Credit Facilities, or (2) as of the end of any fiscal quarter, any Restricted Subsidiary (excluding an Exempt Foreign Subsidiary) has total assets or total revenues that are at least equal to 5% of the total assets or total revenues, as applicable, of the Company and its Restricted Subsidiaries, then each of Superior Energy and the Issuer will cause such Restricted Subsidiary, contemporaneously with the first to occur of such events described in the preceding clauses (1) and (2) (as applicable), to Guarantee the notes pursuant to a Subsidiary Guaranty on the terms and conditions set forth in the indenture and will cause all Indebtedness of such Restricted Subsidiary owing to Superior Energy, the Issuer or any other Subsidiary of the Company and not previously discharged to be converted into Capital Stock of such Restricted Subsidiary (other than Disqualified Stock).

Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries

Neither Superior Energy nor the Issuer will permit any Exempt Foreign Subsidiary to Guarantee any Indebtedness of Superior Energy, the Issuer or any Restricted Subsidiary unless such Exempt Foreign Subsidiary simultaneously Guarantees the notes pursuant to a Subsidiary Guaranty on the terms and conditions set forth in the indenture on a basis *pari passu* with (or if that Indebtedness is a Subordinated Obligation, prior to) that Indebtedness. Notwithstanding the preceding sentence, any such Guaranty Agreement of an Exempt Foreign Subsidiary will provide that by its terms that it will be automatically and unconditionally released and discharged under the circumstances described above under the caption "-- Guarantees."

SEC Reports

Whether or not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Issuer will file with the SEC and provide the Trustee and noteholders with such annual reports and such information, documents and other reports as are specified in Section 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filings of such information, documents and reports under such Sections; *provided, however,* this obligation can be satisfied by Superior Energy's filing and providing such information, documents and reports so long as Superior Energy owns all the Capital Stock of the Company. However, the Issuer will not be required to file any reports, documents or other information if the SEC will not accept such filing.

In addition, the Issuer shall furnish to the Holders of the notes and to prospective investors, upon the requests of such Holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the notes are not freely transferable under the Securities Act.

Defaults

Each of the following is an Event of Default:

(1) a default in the payment of interest on the notes when due, continued for 30 days;

(2) a default in the payment of principal of any note when due at its Stated Maturity, upon redemption, upon required purchase, upon declaration or otherwise;

(3) the failure by the Issuer or Superior Energy to comply with its obligation under "-- Certain Covenants -- Merger and Consolidation" above;

(4) the failure by the Issuer or Superior Energy to comply for 30 days after notice with any of its obligations in the covenants described above under "Change of Control" (other than a failure to purchase the notes) or under "-- Certain Covenants" under "-- Limitation on Indebtedness," "-- Limitation on Restricted Payments," "-- Limitation on Restrictions on Distributions from Restricted Subsidiaries," "-- Limitation on Sales of Assets and Subsidiary Stock" (other than a failure to purchase the notes), "-- Limitation on Affiliate Transactions," "-- Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries" or "-- Limitation on Liens," "-- Limitation on Sale/Leaseback Transactions," "-- Future Guarantors," "-- Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries," or "-- SEC Reports;"

(5) the failure by Superior Energy, the Issuer or a Restricted Subsidiary to comply for 60 days after notice with its other agreements contained in the indenture;

(6) Indebtedness of Superior Energy, the Issuer or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of default and the total amount of such Indebtedness unpaid or accelerated exceeds $5 million (the *"Cross Acceleration Provision"*);

(7) certain events of bankruptcy, insolvency or reorganization of the Issuer, Superior Energy or a Significant Subsidiary (the *"Bankruptcy Provisions"*);

(8) any judgment or decree for the payment of money in excess of $5 million is entered against the Issuer, Superior Energy or a Significant Subsidiary, remains outstanding for a period for 60 consecutive days following such judgment and is not discharged, waived or stayed within 10 days after notice (the *"Judgment Default Provision"*); or

(9) the Superior Energy Guaranty or a Subsidiary Guaranty ceases to be in full force and effect (other than in accordance with the terms of the Superior Energy Guaranty or such Subsidiary Guaranty, as the case may be), or Superior Energy or a Subsidiary Guarantor denies or disaffirms its obligations under the Superior Guaranty or its Subsidiary Guaranty, as the case may be.

However, a default under clauses (4), (5) and (8) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding notes notify the Company of the default and the Company does not cure such default within the time specified after receipt of such notice.

If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the notes then outstanding may declare the principal of and accrued but unpaid interest on all the notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs and is continuing, the principal of and interest on all the notes will *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders of the notes. Under certain circumstances, the holders of a majority in principal amount of the notes then outstanding may rescind any such acceleration with respect to the notes and its consequences.

Subject to the provisions of the indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders of the notes unless such holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder of a note may pursue any remedy with respect to the indenture or the notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in principal amount of the notes then outstanding have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) holders of a majority in principal amount of the notes then outstanding have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the notes then outstanding are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the Trustee determines is unduly prejudicial to the rights of any other holders of a note or that would involve the Trustee in personal liability.

If a Default occurs, is continuing and is known to the Trustee, the Trustee must mail to each holder of the notes notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any note, the Trustee may withhold notice if and so long as a committee of its trust officers determines that withholding notice is not opposed to the interest of the holders of the notes. In addition, we are required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. We are required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action we are taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the indenture may be amended with the consent of the holders of a majority in principal amount of the notes then outstanding (including consents obtained in connection with a tender offer or exchange for the notes) and any past default or compliance with any provisions may also be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding. However, without the consent of each holder of the notes then outstanding affected thereby, an amendment may not, among other things:

(1) reduce the amount of notes whose holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any note;

(3) reduce the principal of or extend the Stated Maturity of any note;

(4) reduce the amount payable upon the redemption of any note or change the time at which any note may be redeemed as described under "--Optional Redemption" above;

(5) make any note payable in money other than that stated in the note;

(6) impair the right of any holder of the notes to receive payment of principal of and interest on such holder's notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's notes;

(7) make any change in the amendment provisions which require each holder's consent or in the waiver provisions;

(8) make any change in the ranking or priority of any note that would adversely affect the Noteholders; or

(9) make any change in the Superior Energy Guaranty or any Subsidiary Guaranty that would adversely affect the Noteholders.

Without the consent of any holder of the notes, the Issuer and Trustee may amend the indenture:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to provide for the assumption by a successor corporation of the obligations of the Issuer under the indenture;

(3) to provide for uncertificated notes in addition to or in place of certificated notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated notes are described in Section 163(f)(2)(B) of the Code);

(4) to add guaranties with respect to the notes, including any Subsidiary Guaranties, and to release Superior Energy or a Subsidiary Guarantor when permitted by the indenture;

(5) to secure the notes;

(6) to add to the covenants of Superior Energy, the Issuer or a Subsidiary Guarantor for the benefit of the holders of the notes or to surrender any right or power conferred upon the Issuer, Superior Energy or a Subsidiary Guarantor;

(7) to make any change that does not adversely affect the rights of any holder of the notes; or

(8) to comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act.

The consent of the holders of the notes is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the indenture becomes effective, we are required to mail to holders of the notes a notice briefly describing such amendment. However, the failure to give such notice to all holders of the notes, or any defect therein, will not impair or affect the validity of the amendment.

Transfer

The notes are issued in registered form and are transferable only upon the surrender of the notes being transferred for registration of transfer. We may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection with certain transfers and exchanges.

Defeasance

At any time we may terminate all our obligations under the notes and the indenture *("Legal Defeasance"*), except for certain obligations, including those respecting the Defeasance Trust and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the notes.

In addition, at any time we may terminate our obligations under "-- Change of Control" and under the covenants described under "-- Certain Covenants" (other than the covenant described under "-- Merger and Consolidation"), the operation of the Cross Acceleration Provision, the Bankruptcy Provisions with respect to Significant Subsidiaries and the Judgment Default Provision described under "-- Defaults" above and the limitations contained in clause (3) of the first paragraph under "-- Certain Covenants -- Merger and Consolidation" above *("Covenant Defeasance"*).

We may exercise our Legal Defeasance option notwithstanding our prior exercise of our Covenant Defeasance option. If we exercise our Legal Defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect thereto. If we exercise our Covenant Defeasance option, payment of the notes may not be accelerated because of an Event of Default specified in clause (4), (6), (7) (with respect only to Significant Subsidiaries) or (8) under "-- Defaults" above or because of the failure of the Company to comply with clause (3) of the first paragraph under "-- Certain Covenants -- Merger and Consolidation" above or the failure of Superior Energy to comply with the limitation under the fifth paragraph under "-- Certain Covenants -- Merger and Consolidation" above. If we exercise our Legal Defeasance option or our Covenant Defeasance option, Superior Energy and each Subsidiary Guarantor will be released from all of its obligations with respect to the Superior Energy Guaranty and its Subsidiary Guaranty, as the case may be.

In order to exercise either of our defeasance options, we must irrevocably deposit in trust (the *"Defeasance Trust"*) with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of Legal Defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

Concerning the Trustee

The Bank of New York is the Trustee under the indenture. We have appointed The Bank of New York as Registrar and Paying Agent with regard to the notes.

The indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided, however,* if it acquires any conflicting interest it must either eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign.

The Holders of a majority in principal amount of the notes then outstanding will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. If an Event of Default occurs (and is not cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any Holder of notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, manager, employee, incorporator, organizer, stockholder or member of the Issuer, Superior Energy or any Subsidiary Guarantor, by virtue of such office, status or capacity, will have any liability for any obligations of the Issuer, Superior Energy or any Subsidiary Guarantor under the notes, the Superior Energy Guaranty, any Subsidiary Guaranty or the indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. For the avoidance of doubt, the foregoing does not diminish Superior Energy's obligations under the Superior Energy Guaranty. Each Holder of the notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. Such waiver and release may not be effective to waive liabilities under the U.S. Federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

Governing Law

The indenture and the notes are governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Book-Entry, Delivery and Form

We will initially issue the exchange notes in the form of one or more global notes (the *"Global Note"*). The Global Note will be deposited with, or on behalf of, the Depository and registered in the name of the Depository or its nominee. Except as set forth below, the Global Note may be transferred, in whole and not in part, only to the Depository or another nominee of the Depository. You may hold your beneficial interests in the Global Note directly through the Depository if you have an account with the Depository or indirectly through organizations which have accounts with the Depository.

The Depository has advised the Company as follows: the Depository is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and "a clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities of institutions that have accounts with the Depository *("participants"*) and to facilitate the clearance and settlement of securities transactions among its participants in such securities through

electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depository's participants include securities brokers and dealers (which may include the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to the Depository's book-entry system is also available to other such as banks, brokers, dealers and trust companies (collectively, the *"indirect participants"*) that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

Ownership of beneficial interests in the Global Note will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the Global Note will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by the Depository (with respect to participants' interests), the participants and the indirect participants (with respect to the owners of beneficial interests in the Global Note other than participants). The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and laws may impair the ability to transfer or pledge beneficial interests in the Global Note.

So long as the Depository, or its nominee, is the registered holder and owner of the Global Note, the Depository or such nominee, as the case may be, will be considered the sole legal owner and holder of any related notes evidenced by the Global Note for all purposes of such notes and the indenture. Except as set forth below, as an owner of a beneficial interest in the Global Note, you will not be entitled to have the exchange notes represented by the Global Note registered in your name, will not receive or be entitled to receive physical delivery of certificated exchange notes and will not be considered to be the owner or holder of any exchange notes under the Global Note. We understand that under existing industry practice, in the event an owner of a beneficial interest in the Global Note desires to take any action that the Depository, as the holder of the Global Note, is entitled to take, the Depository would authorize the participants to take such action, and the participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

We will make payments of principal of, premium, if any, and interest on exchange notes represented by the Global Note registered in the name of and held by the Depository or its nominee to the Depository or its nominee, as the case may be, as the registered owner and holder of the Global Note.

We expect that the Depository or its nominee, upon receipt of any payment of principal of, premium, if any, or interest on the Global Note will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Note as shown on the records of the Depository or its nominee. We also expect that payments by participants or indirect participants to owners of beneficial interests in the Global Note held through such participants or indirect participants will be governed by standing instructions and customary practices and will be the responsibility of such participants or indirect participants. We will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Note for any exchange note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between the Depository and its participants or indirect participants or the relationship between such participants or indirect participants and the owners of beneficial interests in the Global Note owning through such participants.

Although the Depository has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note among participants of the Depository, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Trustee nor the Company will have any responsibility or liability for the performance by the Depository or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

Subject to certain conditions, the exchange notes represented by the Global Note are exchangeable for certificated notes in definitive form of like tenor in denominations of $1,000 and integral multiples thereof if:

(1) the Depository notifies us that it is unwilling or unable to continue as Depository for the Global Note or the Depository ceases to be a clearing agency registered under the Exchange Act and, in either case, we are unable to locate a qualified successor within 90 days;

(2) we in our discretion at any time determine not to have all the exchange notes represented by the Global Note; or

(3) a default entitling the holders of the exchange notes to accelerate the maturity thereof has occurred and is continuing.

Any exchange note that is exchangeable as above is exchangeable for certificated exchange notes issuable in authorized denominations and registered in such names as the Depository shall direct. Subject to the foregoing, the Global Note is not exchangeable, except for a Global Note of the same aggregate denomination to be registered in the name of the Depository or its nominee.

Same Day Payment

The Indenture requires us to make payments in respect of notes (including principal, premium, if any, and interest) by wire transfers of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a check to each holder's registered address.

Certain Definitions

"Additional Assets" means any (1) property or assets (other than Indebtedness and Capital Stock) used or useful in a Related Business, (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Superior Energy, the Company or another Restricted Subsidiary or (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; *provided, however,* that any such Restricted Subsidiary described in clauses (2) and (3) above is primarily engaged in a Related Business.

"additional notes" has the meaning set forth above under the caption "-- Principal, Maturity and Interest."

"Affiliate" of any specified Person means (1) any other Person, directly or indirectly, controlling or controlled by, or (2) under direct or indirect common control with, such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of the covenants described under "-- Certain Covenants -- Limitation on Restricted Payments," "-- Certain Covenants -- Limitation on Affiliate Transactions" and "-- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" only, "Affiliate" shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of Superior Energy or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"Affiliate Transaction" has the meaning set forth above under the caption "-- Certain Covenants -- Limitation on Affiliate Transactions."

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by Superior Energy, the Issuer or any Restricted Subsidiary, including any disposition by means of a sale and leaseback or a merger, consolidation or similar transaction (each referred to

for the purposes of this definition as a "disposition"), of (1) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary), (2) all or substantially all the assets or rights of any division or line of business of Superior Energy, the Issuer or any Restricted Subsidiary or (3) any other assets or rights of Superior Energy, the Issuer or any Restricted Subsidiary outside of the ordinary course of business of Superior Energy, the Issuer or such Restricted Subsidiary (other than, in the case of clauses (1), (2) and (3) above, (A) a disposition by a Restricted Subsidiary to Superior Energy or the Issuer or by Superior Energy, the Issuer or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the covenant described under "-- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" only, a disposition that constitutes a Restricted Payment permitted by the covenant described under "-- Certain Covenants -- Limitation on Restricted Payments" or a Permitted Investment, (C) a disposition of assets in any single transaction or a series of related transaction that involve assets with a fair market value of less than $1,000,000 and (D) an exchange of assets by Superior Energy, the Issuer or any Restricted Subsidiaries for like or similar assets held by any Person, *provided* (i) the assets received by Superior Energy, the Issuer or such Restricted Subsidiaries, as the case may be, in any such exchange in the good faith reasonable judgment of the Board of Directors will immediately constitute, be a part of, or be used in, a Related Business of Superior Energy, the Issuer or such Restricted Subsidiaries, as the case may be, (ii) the Board of Directors has determined that the terms of such exchange are fair and reasonable and (iii) any such exchange shall be deemed to be an Asset Disposition to the extent of any cash or cash equivalents received by Superior Energy, the Issuer or any Restricted Subsidiaries, as the case may be, that exceed $1,000,000); *provided further, however,* that the sale, lease, transfer or other disposition of all or substantially all of the assets or rights of Superior Energy, the Issuer and the Restricted Subsidiaries taken as a whole will be governed by the provisions of the indenture described above under the caption "-- Change of Control" and "-- Certain Covenants -- Merger and Consolidation" and not by the provisions of the indenture described above under the caption "-- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock."

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"Bankruptcy Provisions" has the meaning set forth above under the caption "-- Defaults."

"Board of Directors" means the Board of Directors of Superior Energy or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law to close in New York City.

"Capital Lease Obligation" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Change of Control" has the meaning set forth above under the caption "-- Change of Control."

"Change of Control Offer" has the meaning set forth above under the caption "-- Change of Control."

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (a) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters ending at least 45 days (or, if less, the number of days after the end of such fiscal quarter as the consolidated financial statements of Superior Energy and its Subsidiaries, consisting of, at least, the Issuer and the Restricted Subsidiaries, shall be provided to the Noteholders pursuant to the indenture) prior to the date of such determination to (b) Consolidated Interest Expense for such four fiscal quarters; *provided, however,* that:

(1) if Superior Energy, the Issuer or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period;

(2) if Superior Energy, the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility existing under a Credit Facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and if the Issuer or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(3) if since the beginning of such period Superior Energy, the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to the EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of Superior Energy, the Issuer or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Superior Energy, the Issuer and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Issuer and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(4) if since the beginning of such period Superior Energy, the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially

all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period;

(5) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Issuer or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition occurred on the first day of such period; and

(6) any other transaction that may be given *pro forma* effect in accordance with Article 11 of Regulation S-X promulgated by the SEC, as such Regulation is in effect on the Issue Date, and thereafter, as in effect from time to time.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting Officer of Superior Energy. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest of such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months).

"Consolidated Current Liabilities" as of the date of determination means the aggregate amount of liabilities of Superior Energy and its consolidated Subsidiaries consisting of the Issuer and the Restricted Subsidiaries which may properly be classified as current liabilities (including taxes accrued as estimated), on a consolidated basis, after eliminating (1) all intercompany items between the Issuer and such Restricted Subsidiaries and (2) all current maturities of long-term Indebtedness, all as determined in accordance with GAAP consistently applied.

"Consolidated Interest Expense" means, for any period, the total interest expense of Superior Energy and its consolidated Subsidiaries consisting of the Issuer and the Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent incurred by Superior Energy, the Issuer or any Restricted Subsidiary, without duplication:

(1) interest expense attributable to Capital Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction;

(2) amortization of debt discount and debt issuance cost;

(3) capitalized interest;

(4) non-cash interest expenses;

(5) commission, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(6) net payments pursuant to, and other net costs associated with, Hedging Obligations (including amortization of fees);

(7) Preferred Stock dividends in respect of all Preferred Stock held by Persons other than the Company or a Wholly Owned Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the issuer of such Preferred Stock);

(8) interest incurred in connection with Investments in discontinued operations;

(9) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) Superior Energy, the Issuer or any of the Restricted Subsidiaries; and

(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than Superior Energy or the Issuer) in connection with Indebtedness Incurred by such plan or trust.

"Consolidated Net Income" means, for any period, the net income of Superior Energy and its consolidated Subsidiaries consisting of the Issuer and the Restricted Subsidiaries; *provided, however,* that there shall not be included in such Consolidated Net Income to the extent included in computing such net income (without duplication):

(1) any net income of any Person (other than the Issuer) if such Person is not a Restricted Subsidiary, except that (A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Superior Energy, the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below) and (B) Superior Energy's or the Issuer's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income;

(2) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(3) any net income of any Restricted Subsidiary to the extent that, directly or indirectly, the declaration or payment of dividends or the making of similar distributions by such Restricted Subsidiary, directly or indirectly, to the Company, of that net income (or loss) is not at the date of determination permitted without prior government approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its organizational documents and all agreements (other than those agreements permitted by clauses (1), (2), (3), (5) and (6) of the "-- Limitation on Restriction on Distributions from Restricted Subsidiaries" covenant except that Superior Energy's or the Issuer's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(4) any gain (or loss) realized upon the sale or other disposition of any assets of Superior Energy or its consolidated Subsidiaries consisting of the Issuer and the Restricted Subsidiaries (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(5) extraordinary gains or losses;

(6) any non-cash compensation charges in connection with stock options, restricted stock grants and similar employee benefit plans; and

(7) the cumulative effect of a change in accounting principles.

Notwithstanding the foregoing, for the purposes of the covenant described under "-- Certain Covenants -- Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of the Investments or return of capital to Superior Energy, the Issuer or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Tangible Assets" as of any date of determination, means the total amount of assets (less accumulated depreciation and amortization, allowances for doubtful receivables, other applicable reserves and other properly deductible items) which would appear on a consolidated balance sheet of Superior Energy and its consolidated Subsidiaries consisting of the Issuer and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, and after giving effect to purchase accounting and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of:

(1) minority interests in such consolidated Subsidiaries held by Persons other than Superior Energy, the Issuer or a Restricted Subsidiary;

(2) excess of cost over fair value of assets of businesses acquired, as determined in good faith;

(3) any revaluation or other write-up in book value of assets subsequent to the Issue Date as a result of a change in the method of valuation in accordance with GAAP consistently applied;

(4) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items;

(5) treasury stock;

(6) cash set apart and held in a sinking or other analogous fund established for the purpose of redemption or other retirement of Capital Stock to the extent such obligation is not reflected in Consolidated Current Liabilities; and

(7) Investments in and assets of Unrestricted Subsidiaries.

"Covenant Defeasance" has the meaning set forth above under the caption "-- Defeasance."

"Credit Agreement" means the First Amendment to Amended and Restated Credit Agreement dated as of May 2, 2001, by and among, the Company, Superior Energy, the lenders referred to therein, Bank One, Louisiana, National Association, as Agent, Wells Fargo Bank Texas, N.A., as Syndication Agent, and Whitney National Bank, as Documentation Agent, together with the related documents thereto (including the term loans and revolving loans thereunder, any guarantees and security documents), as amended, extended, renewed, restated, supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any agreement (and related document) governing Indebtedness incurred to Refinance, in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under such Credit Agreement or a successor Credit Agreement, whether by the same or any other lender or group of lenders.

"Credit Facilities" means one or more debt facilities (including the Credit Agreement) or commercial paper facilities for the benefit of Superior Energy, the Issuer and the Restricted Subsidiaries, or any of them, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Cross Acceleration Provision" has the meaning set forth above under the caption "-- Defaults."

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement or other similar agreement designed to protect such Person against fluctuations in currency values.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Defeasance Trust" has the meaning set forth above under the caption "-- Defeasance."

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (2) is convertible or exchangeable for Indebtedness or Disqualified Stock or (3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part, in each case on or prior to the first anniversary of the Stated Maturity of the notes; *provided, however,* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the notes shall not constitute Disqualified Stock if (i) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions described under "-- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" and "-- Change of Control" and (ii) any such requirement only becomes operative after compliance with such terms applicable to the notes, including the purchase of any notes tendered pursuant thereto.

"EBITDA" for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) all income tax expense of Superior Energy, the Issuer and their consolidated Restricted Subsidiaries;

(2) Consolidated Interest Expense;

(3) depreciation and amortization expense of Superior Energy, the Issuer and their consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period); and

(4) all other non-cash charges of Superior Energy, the Issuers and their consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period);

in each case for such period. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of

its charter and all agreements, instrument, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Effectiveness Date" has the meaning set forth above under the caption "-- Registered Exchange Offer; Registration Rights."

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"exchange notes" means the debt securities of the Issuer issued pursuant to the indenture in exchange for, and in an aggregate principal amount at maturity equal to, the outstanding notes, in compliance with the terms of the Registration Rights Agreement.

"Exempt Foreign Subsidiary" means a Foreign Subsidiary that is classified as a "controlled foreign corporation" under the Code and, on or subsequent to the Issue Date, is not required to guarantee the notes pursuant to the circumstances described under the caption "-- Certain Covenants -- Future Guarantors" or the caption "-- Limitation on Issuances of Guarantees by Exempt Foreign Subsidiaries."

"Foreign Subsidiary" means any Restricted Subsidiary not created or organized in the United States of America or any State thereof or the District of Columbia and that conducts all of its operations outside of the United States of America.

"GAAP" means generally accepted accounting principles in the United States of America, including those set forth in (1) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (2) statements and pronouncements of the Financial Accounting Standards Board, (3) such other statements by such other entity as approved by a significant segment of the accounting profession and (4) the rules and regulations of the SEC governing the inclusion of financial statements (including *pro forma* financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"Global Note" has the meaning set forth above under the caption "-- Book-Entry, Delivery and Form."

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise) or (2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however,* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Guaranty Agreement" means a supplemental indenture, in a form satisfactory to the Trustee, pursuant to which a Subsidiary Guarantor guarantees the Company's obligations with respect to the notes on the terms provided for in the indenture.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holder" or ***"Noteholder"*** means the Person in whose name a note is registered on the Registrar's books.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; *provided, however,* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(2) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/ Leaseback Transactions entered into by such Person;

(3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Subsidiary of such Person, the liquidation preference with respect to, any Preferred Stock (but excluding, in each case, any accrued dividends);

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(7) all obligations of the type referred to in clauses (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets and the amount of the obligation so secured; and

(8) any Hedging Obligations of such Person;

if and to the extent any of the preceding items (other than the items described in the preceding clauses (4), (6), (7) and (8)) would appear on the liability side of a balance sheet of the specified Person prepared in accordance with GAAP. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of

any contingent obligations at such date. Indebtedness shall not include obligations of any Person resulting from its endorsement of negotiable instruments for collection in the ordinary course of business.

"indenture" has the meaning set forth above in the initial paragraph under the heading "Description of the Notes."

"indirect participant" has the meaning set forth above under the caption "-- Book-Entry, Delivery and Form."

"Initial Lien" has the meaning set forth above under the caption "-- Certain Covenants -- Limitation on Liens."

"Interest Rate Agreement" means in respect of a Person any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement designed to protect such Person against fluctuations in interest rates.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary," the definition of "Restricted Payment" and the covenant described under "-- Certain Covenants -- Limitation on Restricted Payments":

(1) "Investment" shall include the portion (proportionate to Superior Energy's or the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of Superior Energy or the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Superior Energy or the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) Superior Energy's or the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to Superior Energy's or the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB-- (or the equivalent) by S&P.

"Issue Date" means May 2, 2001, the date on which the outstanding notes were originally issued.

"Judgment Default Provision" has the meaning set forth above under the caption "-- Defaults."

"Legal Defeasance" has the meaning set forth above under the caption "-- Defeasance."

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction).

"MARAD Financier" means each of (1) the Persons whose loans, whether evidenced by notes or bonds, to a Special Purpose Vessel Entity are guaranteed, in whole or part, by the Maritime Administration under Title XI of the Merchant Marine Act of 1936, as amended, and (2) the Maritime Administration as such guarantor of such loans.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Net Available Cash" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other noncash form), in each case net of:

(1) all legal, title and recording tax expenses, commission and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Disposition;

(2) taxes paid or payable after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangement;

(3) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(4) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(5) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by Superior Energy, the Issuer or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds" means, with respect to any issuance or sale of Capital Stock, the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net taxes paid or payable as a result thereof.

"Non-Recourse Debt" means Indebtedness:

(1) as to which neither the Issuer nor Superior Energy, nor any Restricted Subsidiary (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (B) is directly or indirectly liable (as a guarantor pursuant to a Guarantee or otherwise), in each case, other than under one or more unsecured Guarantees from time to time entered into by Superior Energy to Guarantee the payment of outstanding borrowed money Indebtedness and related interest, fees, expenses, indemnification and other costs of a Special Purpose Vessel Entity owed to MARAD Financiers that finance such Special Purpose Vessel Entity's acquisition (whether through outright purchase or the payment of periodic contractual construction costs) of liftboats and other marine equipment owned solely by such Special Purpose Vessel Entity, *provided* that all such Guarantees are incurred in compliance with the provisions under the captions "-- Certain Covenants --

Limitation on Indebtedness" and "-- Certain Covenants -- Limitation on Restricted Payments and such Guarantees solely Guarantee such obligations owed by a Special Purpose Vessel Entity to MARAD Financiers (each such Guarantee, a "Vessel Guarantee");"

(2) no default with respect to (other than with respect to a Vessel Guarantee, and in such regard, solely with respect to Superior Energy) which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Issuer, Superior Energy or any Restricted Subsidiary to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Issuer, Superior Energy or any Restricted Subsidiary.

"notes" means collectively the outstanding notes and the exchange notes.

"outstanding notes" means the outstanding 8 7/8% Senior Notes due May 15, 2001 issued on May 2, 2001 by the Issuer.

"Obligations" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursement and other amounts payable pursuant to the documentation governing such Indebtedness.

"participant" has the meaning set forth above under the caption "-- Book-Entry, Delivery and Form."

"Permitted Investment" means an Investment by Superior Energy, the Issuer or any Restricted Subsidiary in:

(1) the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however,* that the primary business of such Restricted Subsidiary is a Related Business;

(2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; *provided, however,* that such person's primary business is a Related Business;

(3) cash and Temporary Cash Investments;

(4) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however,* that such trade terms may include such concessionaire trade terms as the Company or any Such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary;

(7) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments;

(8) any Person to the extent such investment represents the non-cash portion of the consideration received for an Asset Disposition as permitted pursuant to the covenant described under "-- Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock;" and

(9) other Investments to the extent paid for with common stock of Superior Energy.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under worker's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided, however,* that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by Superior Energy, the Issuer or any Restricted Subsidiary in excess of those set forth by regulations promulgated by the Federal Reserve Board and (B) such deposit account is not intended by Superior Energy, the Issuer or any Restricted Subsidiary to provide collateral to the depository institution;

(3) Liens for property taxes not yet subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings;

(4) Liens in favor of issuers of surety bonds, letters of credit and similar instruments issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however,* that such surety bonds, letters of credit and similar instruments do not constitute Indebtedness, other than Indebtedness permitted by clause (8) of paragraph (b) under "-- Certain Covenants -- Limitation on Indebtedness;"

(5) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant or equipment of such Person; *provided, however,* that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto or the proceeds or products of such property, plant or equipment), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion or construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(7) Liens to secure Indebtedness permitted under the provisions described in clauses (1) and (9) of paragraph (b) under "-- Certain Covenants -- Limitation on Indebtedness" and Guarantees of such Indebtedness to the extent permitted by clause (10) of paragraph (b) under "-- Certain Covenants -- Limitation on Indebtedness;"

(8) Liens existing on the Issue Date;

(9) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however,* that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(10) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided, however,* that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(11) Liens securing Indebtedness or other obligations of a Subsidiary of such Person owing to such Person or a wholly owned Subsidiary of such Person;

(12) Liens securing Hedging Obligations so long as such Hedging Obligations relate to Indebtedness that is, and is permitted to be under the indenture, secured by a Lien on the same property securing such Hedging Obligations; and

(13) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (8), (9) or (10); *provided, however,* that:

(A) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (8), (9) or (10) at the time the original Lien became a permitted Lien and (y) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement.

Notwithstanding the foregoing, "Permitted Liens" will not include any Lien described in clauses (6), (9) or (10) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly from Net Available Cash pursuant to the covenant described under "-- Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock" and secures any portion of Indebtedness Incurred in connection with the acquisition or refinancing of such Additional Asset which exceeds the amount, and corresponding interest thereon, by which the purchase price of such asset exceeded such Net Available Cash utilized to acquire such asset. For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a note means the principal of the note plus the premium, if any, payable on the note which is due or overdue or is to become due at the relevant time.

"Public Equity Offering" means an underwritten primary public offering of Capital Stock of Superior Energy (other than Disqualified Stock) pursuant to an effective registration statement under the Securities Act, to the extent the Net Cash Proceeds are contributed to the Issuer.

"Rating Agency" means each of S&P and Moody's, or if S&P or Moody's or both shall not make a rating on the notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer (as certified by a resolution of the Board of Directors) which shall be substituted for S&P or Moody's, or both, as the case may be.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the indenture, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however,* that (1) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced and (3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; *provided further, however,* that Refinancing Indebtedness shall not include (A) Indebtedness of a Subsidiary that Refinances Indebtedness of the Issuer or (B) Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Registration Rights Agreement" means the Registration Rights Agreement dated April 27, 2001, among the Issuer, Superior Energy, the Subsidiary Guarantors, Credit Suisse First Boston Corporation, Bear, Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc.

"Reinstatement Date" has the meaning set forth above under the caption "-- Suspended Covenants."

"Related Business" means any business in which Superior Energy, the Issuer or any Restricted Subsidiary was engaged on the Issue Date and any business related, ancillary or complementary to any business of Superior Energy, the Issuer or any Restricted Subsidiary in which any of them was engaged on the Issue Date.

"Restricted Payment" with respect to any Person means:

(1) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and dividends or distributions payable solely to the Company or a Restricted Subsidiary, and other than *pro rata* dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

(2) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of Superior Energy or the Issuer held by an Person or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of Superior Energy or the Issuer (other than a Restricted Subsidiary), including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of Superior Energy that is not Disqualified Stock);

(3) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of such Person (other than the purchase, repurchase or other acquisition of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition); or

(4) the making of any Investment (other than a Permitted Investment) in any Person.

"Restricted Subsidiary" means, without duplication, any Subsidiary of Superior Energy or the Issuer which, at the relevant time of determination, is neither an Unrestricted Subsidiary nor a co-issuer of the notes.

"S&P" means Standard & Poor's Ratings Group, Inc., or any successor to the rating agency business thereof.

"Sale/Leaseback Transaction" means an arrangement relating to property owned by Superior Energy, the Issuer or a Restricted Subsidiary on the Issue Date or thereafter acquired by Superior Energy, the Issuer or a Restricted Subsidiary whereby Superior Energy, the Issuer or a Restricted Subsidiary transfers such property to a Person and Superior Energy, the Issuer or a Restricted Subsidiary leases it from such Person.

"SEC" means the Securities and Exchange Commission.

"Senior Indebtedness" means, with respect to any Person on any date of determination (1) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred and (2) accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person to the extent post-filing interest is allowed in such proceeding) in respect of (A) indebtedness of such Person for money borrowed, (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable and (C) Hedging Obligations, unless, in the case of clauses (1) and (2), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are subordinate in right of payment to the notes; *provided, however,* that Senior Indebtedness shall not include (i) any obligation of such Person to any Subsidiary of such Person, (ii) any liability for Federal, state, local or other taxes owed or owing by such Person, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instrument evidencing such liabilities), (iv) any Indebtedness of such Person (and any accrued and unpaid interest in respect thereof) which is subordinate or junior in any respect to any other Indebtedness or other obligation of such Person or (v) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the indenture.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as such Regulation is in effect on the date of the indenture.

"Special Purpose Vessel Entity" means a Wholly Owned Subsidiary (1) whose sole nature of business and purposes are (A) to purchase, construct or acquire liftboats, and related marine equipment, supplies and other provisions and to hold, charter and otherwise transfer to Superior Energy, the Issuer or any Restricted Subsidiary such liftboats, equipment, supplies and other provisions, (B) to provide (or arrange for the provision of) necessary services for holding or making available for charter or other transfer to Superior Energy, the Issuer or any Restricted Subsidiary such liftboats, equipment, supplies and other provisions, (C) to enter into agreements necessary to construct, acquire or finance the acquisition and maintenance of its liftboats and related marine equipment, supplies and other provisions and to hold, charter or otherwise transfer such liftboats, equipment, supplies and other provisions to Superior Energy, the Issuer or any Restricted Subsidiary, (D) to dividend, loan or otherwise divest proceeds from its ownership of liftboats and related marine equipment, supplies and other provisions and any other income as determined by its governing body, and in each case in compliance with the terms and agreements of its financing agreements entered into in the ordinary course of financing such liftboats, equipment, supplies and other provisions, including those required by any of its MARAD Financiers and (E) to engage in any lawful act or activity and to exercise any power under the statutory basis of its formation which are incidental to and necessary, suitable or convenient for the accomplishment of the purposes specified in the preceding clauses (A) through (D), and (2) that in fact, and during the time that it does in fact, charter its liftboats solely to Superior Energy, the Issuer or any Restricted Subsidiary, in each case as soon as reasonably and commercially possible following the time that such liftboats are, mechanically, ready and available for charter and on terms and provisions acceptable to such hirers based on a "bareboat" charter, which terms shall include charter payment terms that are fundamentally based on costs and expenses incurred by such Wholly Owned Subsidiary in connection with the performance of its business and purposes described in the preceding clause (1) and a base charter term period that ends no earlier than one year following the stated maturity date of the notes.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Obligation" means with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the notes or a Subsidiary Guaranty of such Person, as the case may be, pursuant to a written agreement to that effect.

"Subsidiary" means, with respect to any Person, (1) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of shares of Voting Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (A) such Person, (B) such Person and one or more Subsidiaries of such Person or (C) one or more Subsidiaries of such Person, and (2) any partnership (A) the sole general partner or the managing general partner of which is such

Person or a Subsidiary of such Person or (B) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"Subsidiary Guarantor" means 1105 Peters Road, L.L.C., Ace Rental Tools, L.L.C., Nautilus Pipe & Tool Rental, L.L.C., Connection Technology, L.L.C., Drilling Logistics, L.L.C., Environmental Treatment Investments, L.L.C., F&F Wireline Service, L.L.C., Fastorq, L.L.C., H.B. Rentals, L.C., Hydro-Dynamics Oilfield Contractors, Inc., International Snubbing Services, L.L.C., Non-Magnetic Rental Tools, L.L.C., Oil Stop, L.L.C., Production Management Industries, L.L.C., Stabil Drill Specialties, L.L.C., Sub-Surface Tools, L.L.C., Superior Energy Services, L.L.C., SELIM LLC, SEGEN LLC, SE Finance LP, Tong Rentals and Supply Co., LLC, Blowout Tools, Inc. and Wild Well Control, Inc., and any other Subsidiary of Superior Energy or the Issuer that Guarantees the Issuer's obligations with respect to the notes, and in each case, any successor Person; *provided* that any Person constituting a Subsidiary Guarantor as described above shall cease to constitute a Subsidiary Guarantor when its respective Subsidiary Guaranty is released in accordance with the terms of the indenture.

"Subsidiary Guaranty" means a Guarantee by a Subsidiary Guarantor of the Issuer's obligations with respect to the notes.

"Successor Company" has the meaning set forth above under the caption "-- Certain Covenants -- Merger and Consolidation."

"Superior Energy" means Superior Energy Services, Inc., a Delaware corporation, and any successor corporation.

"Superior Energy Guaranty" means the Guarantee by Superior Energy of the Company's obligations with respect to the notes contained in the indenture.

"Suspended Covenants" has the meaning set forth under the caption "-- Suspended Covenants."

"Temporary Cash Investments" means any of the following:

(1) any investment in direct obligations of the United States of America or any agency thereof or obligations guaranteed by the United States of America or any agency thereof;

(2) investments in time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50.0 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at lease on nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money-market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank meeting the qualifications described in clause (2) above;

(4) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of American with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard & Poor's Ratings Group; and

(5) investments in securities with maturities of six months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by Standard & Poor's Ratings Group or "A" by Moody's Investors Service, Inc.

"Trust Indenture Act" has the meaning set forth above in the initial paragraph under the heading "Description of the Notes."

"Trustee" has the meaning set forth above in the initial paragraph under the heading "Description of the Notes."

"Unrestricted Subsidiary" means (i) at any time that it is a Special Purpose Vessel Entity, Superior Energy Liftboats, L.L.C., and (ii) any other Subsidiary of the Company that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that each such Subsidiary described in the preceding clauses (i) and (ii):

(1) has no Indebtedness to any Person other than (A) Non-Recourse Debt or (B) Indebtedness owed to the Company, Superior Energy or any Restricted Subsidiary;

(2) is not party to any agreement, contract, arrangement or understanding with the Issuer, Superior Energy or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer, Superior Energy or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Issuer nor Superior Energy, nor any Restricted Subsidiary has any direct or indirect obligation (A) to subscribe for additional Capital Stock or (B) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer, Superior Energy or any Restricted Subsidiary.

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to such designation and an Officers' Certificate of Superior Energy certifying that such designation complied with the foregoing conditions and was permitted by the covenant described above under the caption "-- Certain Covenants -- Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary or, in addition to such referenced requirements, with respect to Superior Energy Liftboats, L.L.C. or any other Person that constitutes a Special Purpose Vessel Entity, Superior Energy Liftboats, L.L.C. or such other Person would at any time fail to constitute the Special Purpose Vessel Entity, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the indenture, and any Indebtedness of that Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under paragraph (a) of the covenant described above under the caption "-- Certain Covenants -- Limitation on Indebtedness," the Issuer shall be in default of such covenant).

The Board of Directors may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that the designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and the designation shall only be

permitted if:

(1) such Indebtedness is permitted under paragraph (a) of the covenant described above under the caption "-- Certain Covenants -- Limitation on Indebtedness," calculated on a *pro forma* basis as if such designation had occurred at the beginning of the four-quarter reference period; and

(2) no Default would occur or be in existence following such designation.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"Vessel Guarantee" has the meaning set forth in clause (1) of the defined term "Non-Recourse Debt."

"Voting Stock" of a Person means all classes of Capital Stock or other interest (including partnership interests) of such person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Wholly Owned Subsidiary) is owned by the Company or one or more Wholly Owned Subsidiaries.

DESCRIPTION OF OTHER INDEBTEDNESS

Bank Credit Facility

We have a term loan and revolving bank credit facility that was implemented in October 2000, and amended in December 2000 and again in May 2001 concurrently with the issuance of the outstanding notes, which provides a $50.0 million term loan and $70.0 million revolving credit facility. As of June 30, 2001, the amounts outstanding under our term loan and revolving credit facility were $47.5 million and $17.0 million, respectively. At June 30, 2001, the weighted average interest rate on our credit facility was 6.25% per annum. The term loan presently requires quarterly principal installments that commenced June 30, 2001 in the amount of $2.5 million per quarter with a balance of $10.0 million being due and payable when it matures on May 2, 2005. Our credit facility bears interest at a LIBOR rate plus margins that depend on our leverage ratio.

Our obligations under our credit facility are guaranteed on a joint and several basis by our parent company and our principal domestic subsidiaries. Indebtedness under our credit facility is secured by substantially all of our assets, including the pledge of the membership interests of our subsidiaries.

Our credit facility contains customary events of default and requires that we satisfy various financial covenants. It also limits our ability to make capital expenditures, pay dividends or make other distributions, make acquisitions, make changes to our capital structure, create liens or incur additional indebtedness. An event of default under our credit facility would allow the lenders to accelerate or, in certain cases, would automatically cause the acceleration of, the maturity of the indebtedness under our credit facility. Such acceleration would restrict our ability to meet our obligations with respect to the notes.

Accrued Contingent Payments

Most of our acquisitions have involved additional contingent consideration based upon the acquired companies attaining specified EBITDA levels over a period of time following the acquisition. Additional consideration for all of our other past acquisitions will be payable, if at all, within the next three years and will not exceed $46.0 million. As stated above, contingent consideration for these acquisitions are based upon the companies attaining specified average EBITDA during this period.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following general discussion of certain U.S. federal income tax considerations relating to the exchange notes applies to you if you acquired the outstanding notes at the original issue price within the meaning of Section 1273 of the Code and hold the outstanding notes and exchange notes as a "capital asset" within the meaning of Section 1221 of the Code. This discussion is based on the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, administrative positions of the Internal Revenue Service and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or to different interpretations.

We have not sought a ruling from the IRS with respect to the U.S. federal income tax consequences of the Exchange Offer or the acquiring, holding or disposing of an exchange note. There can be no assurance that the IRS will not challenge one or more of the conclusions described herein.

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of the holder's circumstances (for example, a person subject to the alternative minimum tax provisions of the Code). In addition, it is not intended to be wholly applicable to all categories of investors, some of which (like dealers in securities, banks, insurance companies, tax-exempt organizations, persons holding a note as part of a "straddle," hedge," conversion transaction" or other risk reduction transaction and persons who have a "functional currency" other than the U.S. dollar) may be subject to special rules.

This discussion does not address any aspect of state, local or foreign law, or U.S. federal estate and gift tax law other than U.S. federal estate tax law as applicable to a Non-U.S. Holder nor does it address exchange notes held through a partnership or other pass-through entity.

We advise you to consult with your tax advisers regarding the federal, state, local and foreign tax consequences of holding and disposing of the exchange notes.

Tax Consequences to U.S. Holders

The following general discussion is limited to certain United States federal income tax consequences to a holder of an exchange note that is a "U.S. Holder." For purposes of this discussion, a "U.S. Holder" is a beneficial owner of an exchange note that for U.S. federal income tax purposes is (i) a citizen or resident (as defined in Section 7701(b) of the Code) of the United States, (ii) a corporation (or an entity treated as a corporation) created or organized in the United States or under the law of the United States, any state or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of source or (iv) a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

Taxation of Stated Interest on the Notes. Generally, payments of stated interest on an exchange note will be includible in a U.S. Holder's gross income and taxable as ordinary income for U.S. federal income tax purposes at the time such interest is paid or accrued in accordance with the U.S. Holder's regular method of tax accounting.

Sale, Exchange or Retirement of an Exchange Note. Each U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or retirement of an exchange note measured by the difference, if any, between (i) the amount of cash and the fair market value of any property received (except to the extent that the cash or other property received in respect of an exchange note is attributable to the payment of accrued interest on the exchange note not previously included in income, which amount will be taxable as ordinary income) and (ii) the holder's adjusted tax basis in the exchange note. The gain or loss will be long-term capital gain or loss if the exchange note has been held for more than one year at the time of the sale, exchange or retirement. A U.S. Holder's initial basis in an exchange note generally will be the amount paid for the exchange note.

Prospective investors should be aware that the resale of an exchange note may be affected by the "market discount" rules of the Code, under which a portion of any gain realized on the retirement or other disposition of an exchange note by a subsequent holder that acquires the exchange note at a market discount generally would be treated as ordinary income to the extent of the market discount that accrues while that holder holds the exchange note.

Exchange Offer. The exchange of the exchange notes for the outstanding notes pursuant to the Exchange Offer will not constitute a material modification of the terms of the notes and therefore will not constitute a taxable event for U.S. federal income tax purposes. As such, the exchange will have no U.S. federal income tax consequences to a U.S. Holder, so that the U.S. Holder's holding period and adjusted tax basis for a note would not be affected, and the U.S. Holder would continue to take into account income in respect of an exchange note in the same manner as before the exchange.

Information Reporting and Backup Withholding. A U.S. Holder of an exchange note may be subject, under certain circumstances, to information reporting and "backup withholding" at a rate of 31% with respect to certain "reportable payments," including interest on or principal (and premium, if any) of a note and the gross proceeds from a disposition of an exchange note. The backup withholding rules apply if the holder, among other things, (i) fails to furnish a social security number or other taxpayer identification number ("TIN") certified under penalties of perjury within a reasonable time after the request therefor, (ii) furnishes an incorrect TIN, (iii) fails to properly report the receipt of interest or dividends or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN furnished is the correct number and that the holder is not subject to backup withholding. A U.S. Holder who does not provide us with its correct TIN also may be subject to penalties imposed by the IRS. Backup withholding will not apply with respect to payments made to certain holders, including corporations and tax-exempt organizations, provided their exemptions from backup withholding are properly established. We will report annually to the IRS and to each U.S. Holder of an exchange note the amount of any "reportable payments" and the amount of tax withheld, if any, with respect to those payments.

Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a refund or as a credit against that U.S. Holder's U.S. federal income tax liability, provided the requisite procedures are followed.

Tax Consequences to Non-U.S. Holders

The following general discussion is limited to certain United States federal income tax consequences to a holder of a note that is a "Non-U.S. Holder." As used herein, a "Non-U.S. Holder" is a beneficial owner of an exchange note, that, for U.S. federal income tax purposes, is (i) a nonresident alien individual, (ii) a corporation (or an entity treated as a corporation) created or organized in or under the law of a country (or a political subdivision thereof) other than the United States or (iii) a foreign estate or trust, which generally is an estate or trust that is not a U.S. Holder. For purposes of the withholding tax discussed below (other than backup withholding), a Non-U.S. Holder includes a nonresident fiduciary of an estate or trust. For purposes of the discussion below, interest and gain on the sale, exchange or other disposition of the exchange notes will be considered to be "U.S. trade or business income" if such income or gain is:

- effectively connected with the conduct of a U.S. trade or business; or
- in the case of a treaty resident, attributable to a U.S. permanent establishment (or, in the case of an individual, a fixed base) in the United States.

Interest. Generally, interest paid to a Non-U.S. Holder of an exchange note will not be subject to United States federal income or withholding tax if such interest is not U.S. trade or business income and is "portfolio interest." Generally, interest on the exchange notes will qualify as portfolio interest if the Non-U.S. Holder:

- does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock;
- is not a controlled foreign corporation with respect to which we are a "related person" within the meaning of the Code; and
- certifies, under penalties of perjury on a Form W-8BEN, that such holder is not a United States person and provides such holder's name and address.

The gross amount of payments of interest that do not qualify for the portfolio interest exception and that are not U.S. trade or business income will be subject to U.S. withholding tax at a rate of 30% unless a treaty applies to reduce or eliminate withholding. U.S. trade or business income will be taxed at regular graduated U.S. rates rather than the 30% gross rate. In the case of a Non-U.S. Holder that is a corporation, such U.S. trade or business income also may be subject to the branch profits tax. To claim an exemption from withholding, or to claim the benefits of a treaty, a Non-U.S. Holder must provide a properly executed Form W-8BEN (claiming treaty benefits) or W-8ECI (claiming exemption from withholding because income is U.S. trade or business income) (or such successor forms as the IRS designates), as applicable prior to the payment of interest. These forms must be periodically updated. A Non-U.S. Holder who is claiming the benefits of a treaty may be required, in certain instances, to obtain a U.S. taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. Also, under these regulations special procedures are provided for payments through qualified intermediaries.

Disposition of the exchange notes. A Non-U.S. Holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a disposition of the exchange notes unless:

- the gain is U.S. trade or business income in which case the branch profits tax may also apply to a corporate Non-U.S. Holder;
- the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the disposition and meets other requirements; or
- the Non-U.S. Holder is subject to U.S. tax under provisions applicable to certain U.S. expatriates (including certain former citizens or residents of the United States).

United States Federal Estate Tax. Exchange notes held (or treated as held) by an individual who is a Non-U.S. Holder at the time of his or her death will not be subject to United States federal estate tax, provided that the interest on such exchange notes would be exempt as portfolio interest when received by the

Non-U.S. Holder at the time of his or her death.

Information Reporting Requirements and Backup Withholding Tax

We must report annually to the IRS and to each Non-U.S. Holder any interest that is paid to the Non-U.S. Holder. Copies of these information returns also may be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

The 31% backup withholding tax and certain information reporting will not apply to such payments of interest with respect to which either the requisite certification, as described above, has been received or an exemption otherwise has been established, provided that neither we nor our paying agent have actual knowledge that the holder is a United States person or that the conditions of any other exemption are not, in fact, satisfied.

The payment of the proceeds from the disposition of the exchange notes to or through the United States office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless the owner certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge that the holder is a United States person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of the exchange notes to or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a "U.S. related person"). In the case of the payment of the proceeds from the disposition of the exchange notes to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the Treasury Regulations require information reporting (but not back-up withholding) on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge to the contrary.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded or credited against the holder's U.S. federal income tax liability, if any, if the holder provides the required information to the IRS.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the Expiration Date we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2001, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

We will not receive any proceeds from any sales of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the Exchange Offer and any broker-dealer that participates in a distribution of such exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of exchange notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. We have agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The validity of the exchange notes will be passed upon for us by Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., New Orleans, Louisiana. Certain matters will be passed upon for the Initial Purchasers by Fulbright & Jaworski L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of Superior Energy Services, Inc. and subsidiaries as of December 31, 2000 and 1999, and for each of the years in the two-year period ended December 31, 2000, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, included herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Superior Energy Services, Inc. (formerly Cardinal Holding Corp.) for the year ended December 31, 1998, appearing and incorporated by reference in this prospectus and registration statement, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon appearing and incorporated by reference elsewhere herein, and are included and incorporated by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for the years then ended. In connection with our audit of the consolidated financial statements, we also have audited the accompanying financial statement schedule, "Valuation and Qualifying Accounts," for the years ended December 31, 2000 and 1999. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Superior Energy Services, Inc. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

New Orleans, Louisiana
February 23, 2001, except as
to note 16, which is as
of May 2, 2001

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows of Superior Energy Services, Inc. and subsidiaries (formerly Cardinal Holding Corp.) for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated results of operations and cash flows of Superior Energy Services, Inc. and subsidiaries for the year ended December 31, 1998 in conformity with accounting principles generally accepted in the United States.

ERNST & YOUNG LLP

New Orleans, Louisiana
March 2, 1999

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2000 and 1999
(In thousands, except share data)

	2000	1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,254	$ 8,018
Accounts receivable -- net of allowance for doubtful accounts of $2,292 in 2000 and $2,892 in 1999	74,010	41,878
Deferred income taxes	3,506	1,437
Prepaid insurance and other	7,000	4,789
Total current assets	88,770	56,122
Property, plant and equipment -- net	202,498	134,723
Goodwill -- net of accumulated amortization of $4,758 in 2000 and $1,706 in 1999	114,650	78,641
Notes receivable	19,213	8,898
Other assets -- net of accumulated amortization of $1,221 in 2000 and $675 in 1999	5,545	3,871
Total assets	$ 430,676	$ 282,255
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 22,670	$ 9,196
Accrued expenses	14,660	15,473
Current maturities of long-term debt	16,402	2,579
Notes payable	--	3,669
Total current liabilities	53,732	30,917
Deferred income taxes	24,304	12,392
Long-term debt	146,393	117,459
Stockholders' equity:		
Preferred stock of $.01 par value. Authorized, 5,000,000 shares; none issued	--	--
Common stock of $.001 par value. Authorized, 125,000,000 shares; issued and outstanding 67,803,304 and 59,810,789 at December 31, 2000 and 1999, respectively	68	60
Additional paid-in capital	315,304	248,934
Accumulated other comprehensive income	58	--
Accumulated deficit	(109,183)	(127,507)
Total stockholders' equity	206,247	121,487

Total liabilities and stockholders' equity	$ 430,676	$ 282,255

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31, 2000, 1999 and 1998
(In thousands, except per share data)

	2000	1999	1998
Revenues	$ 257,502	$ 113,076	$ 82,223
Costs and expenses:			
Cost of services	147,601	67,364	43,938
Depreciation and amortization	22,255	12,625	6,522
General and administrative	44,287	23,071	16,205
Total costs and expenses	214,143	103,060	66,665
Income from operations	43,359	10,016	15,558
Other income (expense):			
Interest expense, net of amounts capitalized	(12,078)	(12,969)	(13,206)
Interest income	1,898	308	--
Income (loss) before income taxes and extraordinary losses	33,179	(2,645)	2,352
Income taxes	(13,298)	611	(1,149)
Income (loss) before extraordinary losses	19,881	(2,034)	1,203
Extraordinary losses, net of income tax benefit of $996 in 2000, $2,124 in 1999, and $214 in 1998	(1,557)	(4,514)	(10,885)
Net income (loss)	$ 18,324	$ (6,548)	$ (9,682)
Basic earnings (loss) per share:			
Earnings (loss) before extraordinary losses	$ 0.30	$ (0.11)	$ 0.06
Extraordinary losses	(0.02)	(0.14)	(1.33)
Earnings (loss) per share	$ 0.28	$ (0.25)	$ (1.27)
Diluted earnings (loss) per share:			
Earnings (loss) before extraordinary losses	$ 0.30	$ (0.11)	$ 0.06
Extraordinary losses	(0.02)	(0.14)	(1.33)
Earnings (loss) per share	$ 0.28	$ (0.25)	$ (1.27)
Weighted average common shares used in computing earnings (loss) per share:			
Basic	64,991	31,131	8,190
Diluted	65,921	31,131	8,190

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
Years Ended December 31, 2000, 1999 and 1998
(In thousands, except share data)

	Preferred Stock Shares	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total
Balances, December 31, 1997	25,917	$ 250	20,394,983	$ 20	$ 1,580		$ 3,795	$ 5,645
Net loss	--	--	--	--	--	--	(9,682)	(9,682)
Recapitalization	(12,250)	(249)	(15,053,318)	(15)	55,767	--	(113,004)	(57,501)
Stock issued under subordinated debt agreement	404	--	146,771	--	2,300	--	--	2,300
Stock awarded to management	137	--	49,895	--	800	--	--	800
Stock issued subsequent to recapitalization	5,484	1	441,770	--	17,099	--	--	17,100
Stock issued to sellers of acquired businesses	308	--	92,505	--	1,398	--	--	1,398
Dividends on preferred stock	252	--	--	--	738	--	(738)	--
Balances, December 31, 1998	20,252	2	6,072,606	5	79,682	--	(119,629)	(39,940)
Net loss	--	--	--	--	--	--	(6,548)	(6,548)
Stock issued for cash	2,312	--	15,515,437	16	54,984	--	--	55,000
Dividends on preferred stock	1,084	--	--	--	1,330	--	(1,330)	--
Stock issued under subordinated debt agreement	54	--	19,167	--	130	--	--	130
Merger with Superior Energy Services, Inc	--	--	28,849,523	29	109,052	--	--	109,081
Preferred stock conversion -- Merger with Superior Energy Services, Inc	(23,702)	(2)	8,632,356	9	(9)	--	--	(2)
Acquisition of Production Management Companies, Inc	--	--	610,000	1	3,452	--	--	3,453
Exercise of stock options	--	--	111,700	--	313	--	--	313
Balances, December 31, 1999	--	--	59,810,789	60	248,934	--	(127,507)	121,487
Comprehensive income:								
Net income	--	--	--	--	--	--	18,324	18,324
Other comprehensive income -- Foreign currency translation adjustment	--	--	--	--	--	58	--	58
Total comprehensive income	--	--	--	--	--	58	18,324	18,382
Stock issued for cash	--	--	7,300,000	7	63,240	--	--	63,247
Exercise of stock options	--	--	705,476	1	3,203	--	--	3,204
Acquisition of common stock	--	--	(12,961)	--	(73)	--	--	(73)
Balances, December 31, 2000	--	$ --	67,803,304	$ 68	$ 315,304	$ 58	$ (109,183)	$206,247

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2000, 1999 and 1998
(In thousands)

	2000	1999	1998
Cash flows from operating activities:			
Net income (loss)	$ 18,324	$ (6,548)	$ (9,682)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Extraordinary losses	1,557	4,514	10,885
Gain on disposal of assets	--	--	(732)
Stock compensation awards	--	--	800
Deferred income taxes	8,348	(1,868)	(44)
Depreciation and amortization	22,255	12,625	6,522
Amortization of debt acquisition costs	377	593	565
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(22,938)	3,312	(3,913)
Other -- net	(1,172)	1,628	(1,090)
Accounts payable	7,463	(4,620)	3,871
Accrued expenses	(4,151)	4,009	(2,178)
Income taxes	504	820	(1,410)
Net cash provided by operating activities	30,567	14,465	3,594
Cash flows from investing activities:			
Payments for purchases of property and equipment	(57,257)	(9,179)	(19,039)
Proceeds from sales of assets	--	--	2,700
Businesses acquired, net of cash acquired	(40,827)	(4,114)	(22,373)
Increase in notes receivable	(10,315)	--	--
Other	(2,315)	--	--
Net cash used in investing activities	(110,714)	(13,293)	(38,712)
Cash flows from financing activities:			
Net borrowings (payments) on notes payable	(3,713)	(4,440)	2,117
Net decrease in bank overdraft	--	--	(1,370)
Proceeds from long-term debt	148,100	125,000	133,500
Principal payments on long-term debt	(133,331)	(165,786)	(40,615)
Debt acquisition costs	(1,124)	(2,827)	(4,371)

Payment of premium on subordinated debt	--	(855)	--
Redemption of stock warrants	--	--	(13,320)
Proceeds from issuance of stock	63,247	55,000	74,353
Proceeds from exercise of stock options	3,204	313	--
Payments to redeem stock	--	--	(114,755)
Net cash provided by financing activities	76,383	6,425	35,539
Net increase (decrease) in cash and cash equivalents	(3,764)	7,597	421
Cash and cash equivalents at beginning of year	8,018	421	--
Cash and cash equivalents at end of year	$ 4,254	$ 8,018	$ 421

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000, 1999 and 1998

(1) Merger

On July 15, 1999, Superior consummated a subsidiary merger (the "Merger") whereby it acquired all of the outstanding capital stock of Cardinal Holding Corp. ("Cardinal") from the stockholders of Cardinal. Due to the fact that the former Cardinal shareholders received 51% of the outstanding common stock at the date of the Merger, among other factors, the Merger has been accounted for as a reverse acquisition (i.e., a purchase of Superior by Cardinal) under the purchase method of accounting. As such, the Company's consolidated financial statements and other financial information reflect the historical operations of Cardinal for periods and dates prior to the Merger. The net assets of Superior, at the time of the Merger, have been reflected at their estimated fair value pursuant to the purchase method of accounting at the date of the Merger.

As used in the consolidated financial statements for Superior Energy Services, Inc., the term "Superior" refers to the Company as of dates and periods prior to the Merger and the term "Company" refers to the combined operations of Superior and Cardinal after the consummation of the Merger.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include the accounts of the Company. All significant intercompany accounts and transactions are eliminated in consolidation.

(b) Business

The Company is a leading provider of specialized oilfield services and equipment focusing on serving the production-related needs of oil and gas companies in the Gulf of Mexico. The Company believes it is one of the few service providers in the Gulf of Mexico capable of providing most of the post wellhead products and services necessary to operate and maintain offshore producing wells as well as plug and abandonment services at the end of their life cycle. The Company believes that its ability to provide its customers with multiple services and to coordinate and integrate their delivery allows it to maximize efficiency, reduce lead time and provide cost-effective services for its customers. A majority of the Company's business is conducted with major and independent oil and gas exploration companies. The Company continually evaluates the financial strength of its customers but does not require collateral to support the customer receivables.

The Company's well services, wireline, marine and tank cleaning services are contracted for specific projects on either a day rate or turnkey basis. Rental tools are leased to customers on an as-needed basis on a day rate basis. The Company derives a significant amount of its revenue from a small number of major and independent oil and gas companies. In 2000, one customer accounted for approximately 10.3% of the Company's total revenue primarily in the well services, field management, wireline and environmental segments. No single customer represented 10% or more of the Company's total revenue in 1999 or 1998. The inability of the Company to continue to perform services for a number of its large existing customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Company's business and financial condition.

(c) Use of Estimates

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

(d) Property, Plant and Equipment

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

Buildings and improvements	15 to 30 years
Marine vessels and equipment	5 to 18 years
Machinery and equipment	5 to 15 years
Automobiles, trucks, tractors and trailers	2 to 5 years
Furniture and fixtures	3 to 7 years

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. For 2000, the Company capitalized approximately $242,000 of interest for various capital expansion projects. No interest was capitalized in 1999 or 1998.

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

Change in Accounting Estimate

Effective October 1, 1999, the Company changed the estimated useful lives on its marine vessels from fifteen years to eighteen years. The Company believes the revised estimated useful lives more appropriately reflect its financial results by better matching costs over the estimated useful lives of these assets. As a result of this change, 1999 net income was increased approximately $350,000.

(e) Goodwill

The Company amortizes costs in excess of fair value of the net assets of businesses acquired using the straight-line method over a period not to exceed 30 years. Recoverability is reviewed by comparing the future net of cash flows of the assets to which the goodwill applies, to the net book value, including goodwill, of such assets. Goodwill amortization expense recorded for the years ended December 31, 2000, 1999 and 1998 was $3,052,000, $1,480,000 and $226,000, respectively.

(f) Other Assets

Other assets consist primarily of a deposit, long-term receivables, debt acquisition costs and covenants not to compete. Debt acquisition costs are being amortized over the term of the related debt, which is approximately five years. The amortization of debt acquisition costs, which is classified as interest expense, was $377,000, $593,000, and $565,000 for the years ended December 31, 2000, 1999 and 1998, respectively. The covenants not to compete are being amortized over the terms of the agreements, which is four years. Amortization expense recorded on the covenants not to compete for the years ended December 31, 2000, 1999 and 1998 was $386,000, $265,000, and $163,000, respectively.

(g) Cash Equivalents

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

(h) Revenue Recognition

For the Company's marine, well services, wireline, rental tool operations and environmental cleaning services, revenue is recognized when services or equipment are provided. The Company contracts for marine, well services, wireline and environmental projects either on a day rate or turnkey basis, with a majority of its projects conducted on a day rate basis. The Company's rental tools are leased on a day rate basis, and revenue from the sale of equipment is recognized when the equipment is shipped. Reimbursements from customers for the cost of rental tools that are damaged or lost downhole are reflected as revenue at the time of the incident.

(i) Income Taxes

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

(j) Earnings per Share

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

On July 15, 1999, the Company affected an approximate 364 to 1 stock issuance as a result of the Merger. All earnings per common share amounts, references to common stock, and stockholders' equity amounts have been restated as if the stock issuance had occurred as of the earliest period presented. The effect of the preferred dividends on arriving at the income available to common stockholders was zero in 2000, $1,330,000 in 1999, and $738,000 in 1998. The number of dilutive stock options used in computing diluted earnings per share was 930,000 in 2000, and these securities were anti-dilutive in 1999 and 1998.

(k) Financial Instruments

The Company uses interest rate swap agreements to manage its interest rate exposure. The Company specifically designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differentials occur. Under interest rate swap agreements,

the Company agrees with other parties to exchange, at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(l) Foreign Currency Translation

The Company acquired foreign subsidiaries in October 2000. Assets and liabilities of the Company's foreign subsidiaries are translated at current exchange rates, while income and expense are translated at average rates for the period. Translation gains and losses are reported as the foreign currency translation component in stockholders' equity.

(3) Supplemental Cash Flow Information (in thousands)

	2000	1999	1998
Cash paid for:			
Interest	$ 12,135	$ 12,019	$ 10,329
Income taxes	$ 4,368	$ 251	$ 2,846
Details of acquisitions:			
Fair value of assets	$ 65,373	$ 173,737	$ 25,626
Fair value of liabilities	(19,658)	(55,679)	(1,541)
Common stock issued	--	(112,531)	(1,398)
Cash paid	45,715	5,527	22,687
Less cash acquired	(4,888)	(1,413)	(314)
Net cash paid for acquisitions	$ 40,827	$ 4,114	$ 22,373
Non-cash investing activity:			
Additional consideration due on two 1997 acquisitions	$ 18,449	$ --	$ --
Retainage payable due on vessel construction	$ 1,000	$ --	$ --
Amounts due under covenant not-to-compete	$ --	$ 893	$ --
Non-cash financing activity:			
Stock dividends issued on preferred stock	$ --	$ 1,330	$ 738
Stock issued under subordinated debt agreement	$ --	$ 130	$ 2,300

(4) Business Combinations

In the year ended December 31, 2000, the Company acquired businesses for a total of $42.5 million in cash consideration. Additional consideration, if any, will be based upon the respective company's average EBITDA (earnings before interest, income taxes, depreciation and amortization expense) less certain adjustments. The total additional consideration, if any, will not exceed $22.1 million. These acquisitions have been accounted for as purchases and the acquired companies' assets and liabilities have been valued at their estimated fair market value at the date of acquisition. The purchase price allocated to net assets was approximately $26.1 million, and the excess purchase price over the fair value of the net assets of approximately $16.4 million was allocated to goodwill. The results of operations have been included from the respective company's acquisition date.

Effective November 1, 1999, the Company acquired Production Management Companies, Inc. ("PMI") for aggregate consideration consisting of approximately $2.9 million in cash and 597,000 shares of the Company's common stock at an approximate trading price of $5.66. The acquisition was accounted for as a purchase, and PMI's results of operations have been included from November 1, 1999.

On July 15, 1999, the Company acquired Cardinal through a merger by issuing 30,239,568 shares of the Company's common stock (see note 1). The valuation of Superior's net assets is based upon the 28,849,523 common shares outstanding prior to the Merger at the approximate trading price of $3.78 at the time of the negotiation of the Merger on April 21, 1999. The acquisition was accounted for as a purchase, and Superior's results of operations have been included from July 15, 1999.

Effective July 1, 1999, Superior sold two subsidiaries for a promissory note having an aggregate principal amount of $8.9 million, which bears interest of 7.5% per annum. As part of the sale, the purchasers were granted the right to resell the capital stock of the two companies to the Company in 2002 subject to certain terms and conditions.

The following unaudited pro forma information for the years ended December 31, 2000 and 1999, presents a summary of consolidated results of operations as if the Merger, the business acquisitions and the sales of the subsidiaries described above had occurred on January 1, 1999, with pro forma adjustments to give effect to amortization of goodwill, depreciation and certain other adjustments, together with related income tax effects (in thousands, except per share amounts):

	2000	1999
Revenues	$ 290,656	$ 230,486
Income before extraordinary losses	$ 20,273	$ 1,073
Basic earnings per share before extraordinary losses	$ 0.31	$ 0.02
Diluted earnings per share before extraordinary losses	$ 0.31	$ 0.02

The above pro forma financial information is not necessarily indicative of the results of operations as they would have been had the acquisitions been effected on January 1, 1999.

Most of the Company's acquisitions have involved additional contingent consideration based upon a multiple of the acquired companies' respective average EBITDA over a three-year period from the respective date of acquisition. In 2000, the Company capitalized additional consideration of $21.7 million related to three of its 1997 acquisitions, of which $18.4 million was paid in January 2001 from borrowings under its revolving credit facility. Additional consideration for the Company's other acquisitions will not exceed $53.5 million, but will be materially less than this amount if current performance levels continue for certain of these companies. Once determined, additional consideration will be capitalized as additional purchase price.

(5) Property, Plant and Equipment

A summary of property, plant and equipment at December 31, 2000 and 1999 (in thousands) is as follows:

	2000	1999
Buildings and improvements	$ 13,079	$ 10,076
Marine vessels and equipment	78,872	57,416
Machinery and equipment	137,271	87,982
Automobiles, trucks, tractors and trailers	8,459	5,427
Furniture and fixtures	4,015	3,088
Construction-in-progress	6,795	881
Land	3,404	2,730
	251,895	167,600
Accumulated depreciation	(49,397)	(32,877)

Property, plant and equipment, net	$ 202,498	$ 134,723

The cost of property, plant and equipment leased to third parties was $6.9 million at December 31, 2000 and $7.1 million at December 31, 1999.

(6) Debt

Notes Payable

The Company's notes payable as of December 31, 2000 and 1999 consist of the following (in thousands):

	2000	1999
Notes payable -- bear interest at 7.25%, paid March 15, 2000	$ --	$ 3,669

The notes payable outstanding at December 31, 1999 represent the additional contingent consideration that was earned by two of Superior's 1997 acquisitions and were paid according to their terms in 2000.

Long-Term Debt

The Company's long-term debt as of December 31, 2000 and 1999 consist of the following (in thousands):

	2000	1999
Term Loan -- interest payable monthly at floating rate (8.65% at December 31, 2000), due in quarterly installments from December 2000 through October 2005	$ 127,500	$ --
Revolver -- interest payable monthly at floating rate (8.49% at December 31, 2000), due in October 2005	16,500	--
Notes payable -- bear interest at 7.25%, paid January 2, 2001 with Revolver	18,449	--
Previous Term Loan A -- paid in October 2000	--	21,551
Previous Term Loan B -- paid in October 2000	--	97,930
Other installment notes payable (interest rates ranging from 9% to 11.4%), due in 2001	346	557
	162,795	120,038
Less current portion	16,402	2,579
Long-term debt	$ 146,393	$ 117,459

On October 17, 2000, the Company implemented a term loan and revolving credit facility to provide a $110 million term loan to refinance the Company's long-term debt and a $60 million revolving credit facility. The credit facility was amended in December 2000 to increase the term loan to $130 million. Under the amended credit facility, the term loan requires quarterly principal installments that commenced December 31, 2000 in the amount of $2.5 million a quarter and then increasing up to an aggregate of approximately $10 million a quarter for the last year until the facility matures on October 31, 2005. The credit facility bears interest at a LIBOR rate plus margins that depend on the Company's leverage ratio. Indebtedness under the credit facility is secured by substantially all of the Company's assets, including the pledge of the stock of the Company's subsidiaries. The credit facility contains customary events of default and requires that the Company satisfy various financial covenants. It also limits the Company's ability to make capital expenditures, pay dividends or make other distributions, make acquisitions, make changes to the Company's capital structure, create liens or incur additional indebtedness. At December 31, 2000, the Company was in compliance with all such covenants.

Extraordinary Losses

The early extinguishment of the Company's indebtedness in October 2000 resulted in an extraordinary loss of $1.6 million, net of a $1.0 million income tax benefit, which resulted from the write-off of unamortized debt acquisition costs related to the prior credit facility. The early extinguishment of the Cardinal and Superior indebtedness in July 1999 resulted in an extraordinary loss of $4.5 million, net of a $2.1 million income tax benefit, which included the premium on the subordinated debt and the write-off of unamortized debt acquisition costs.

Annual maturities of long-term debt for each of the five fiscal years following December 31, 2000 are as follows (in thousands):

2001	$ 16,402
2002	26,362
2003	26,274
2004	28,770
2005	64,987
Total	$ 162,795

(7) Income Taxes

The components of income tax expense (benefit), before the income tax effect of the extraordinary losses, for the years ended December 31, 2000, 1999 and 1998 are as follows (in thousands):

	2000	1999	1998
Current			
Federal	$ 3,851	$ (3,101)	$ 1,127
State	1,099	(150)	66
	4,950	(3,251)	1,193
Deferred			
Federal	8,125	2,354	(42)
State	223	286	(2)
	8,348	2,640	(44)
	$ 13,298	$ (611)	$ 1,149

Income tax expense (benefit) differs from the amounts computed by applying the US. Federal income tax rate of 35% in 2000 and 34% in 1999 and 1998 to income before income taxes as follows (in thousands):

	2000	1999	1998
Computed expected tax expense (benefit)	$ 11,613	$ (899)	$ 800
Increase (decrease) resulting from:			
Goodwill amortization	1,025	502	89
Interest related to warrants	--	--	130
State income taxes	481	136	75
Other	179	(350)	55
Income tax expense (benefit)	$ 13,298	$ (611)	$ 1,149

The significant components of deferred income taxes at December 31, 2000 and 1999 are as follows (in thousands):

	2000	1999

	2000	1999
Deferred tax assets:		
Allowance for doubtful accounts	$ 894	$ 1,187
Alternative minimum tax credit and net operating loss carryforward	5,385	7,777
Other	1,061	854
	7,340	9,818
Valuation allowance	(255)	(1,198)
Net deferred tax assets	7,085	8,620
Deferred tax liabilities:		
Property, plant and equipment	26,795	18,647
Other	1,088	928
	27,883	19,575
	$ 20,798	$ 10,955

The net change in the valuation allowance was a decrease of $0.9 million for the year ended December 31, 2000 and an increase of $1.2 million for the year ended December 31, 1999. There was no valuation allowance at December 31, 1998. The net deferred tax assets reflect management's estimate of the amount that will be realized from future profitability and the reversal of taxable temporary differences that can be predicted with reasonable certainty.

As of December 31, 2000, the Company had a net operating loss carryforward of an estimated $2.0 million, which is available to reduce future Federal taxable income through 2011, and an alternative minimum tax credit carryforward of an estimated $2.5 million. The Company also had various state net operating loss carryforwards of an estimated $25.9 million.

(8) Stockholders' Equity

In July 1999, the Company's stockholders approved the 1999 Stock Incentive Plan ("1999 Incentive Plan") to provide long-term incentives to its key employees, including officers and directors, consultants and advisers to the Company ("Eligible Participants"). Under the 1999 Incentive Plan, the Company may grant incentive stock options, non-qualified stock options, restricted stock, stock awards or any combination thereof to Eligible Participants for up to 5,929,327 shares of the Company's common stock. The Compensation Committee of the Board of Directors establishes the term and the exercise price of any stock options granted under the 1999 Incentive Plan, provided the exercise price may not be less than the fair market value of the common share on the date of grant.

In addition to the 1999 Incentive Plan, Superior maintains its 1995 Stock Incentive Plan ("1995 Incentive Plan"), as amended. Under the 1995 Incentive Plan, as amended, the Company may grant incentive stock options, non-qualified stock options, restricted stock, stock awards or any combination thereof to Eligible Employees which consists of its key employees, including officers and directors who are employees of the Company for up to 1,900,000 shares of the Company's common stock. All of the Company's 1995 Stock Incentive Plan's options which have been granted are vested.

Prior to the Merger, Cardinal had no stock option plan.

A summary of stock options granted under the incentive plans for the years ended December 31, 2000 and 1999 is as follows:

	2000		1999	
	Number of Shares	Weighted Average Price	Number of Shares	Weighted Average Price
Outstanding at beginning of year	4,134,917	$ 5.56	1,696,500	$ 4.49
Granted	917,500	$ 7.78	2,612,617	$ 5.74
Exercised	(658,800)	$ 4.96	(148,700)	$ 2.87

Forfeited	(45,000)	$ 6.47	(25,500)	$ 6.19
Outstanding at end of year	4,348,617	$ 6.11	4,134,917	$ 5.56
Exercisable at end of year	2,400,559	$ 5.70	1,522,300	$ 5.26
Available for future grants	2,546,210		3,406,210	

A summary of information regarding stock options outstanding at December 31, 2000 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Shares**	**Remaining Contractual Life**	**Weighted Average Price**	**Shares**	**Weighted Average Price**
$2.50 - $3.43	313,500	4 - 6 years	$ 2.99	313,500	$ 2.99
$4.75 - $9.25	4,035,117	6.5 -- 10 years	$ 6.35	2,087,059	$ 6.10

The Company accounts for its stock based compensation under the principles prescribed by the Accounting Principles Board's Opinion No. 25, *Accounting for Stock Issued to Employees* (Opinion No. 25). However, Statement of Financial Accounting Standards (FAS) No. 123, *Accounting for Stock-Based Compensation* permits the continued use of the value based method prescribed by Opinion No. 25 but requires additional disclosures, including pro forma calculations of earnings and net earnings per share as if the fair value method of accounting prescribed by FAS No. 123 had been applied. The pro forma data presented below is not representative of the effects on reported amounts for future years (in thousands, except per share amounts).

	As Reported 2000	**Pro forma 2000**	**As Reported 1999**	**Pro forma 1999**
Net income (loss)	$ 18,324	$14,488	$ (6,548)	$ (9,552)
Basic income (loss) per share	$ 0.28	$ 0.22	$ (0.25)	$ (0.35)
Diluted income (loss) per share	$ 0.28	$ 0.22	$ (0.25)	$ (0.35)
Average fair value of grants during the year	$ --	$ 5.35	$ --	$ 3.64
Black-Scholes option pricing model assumptions:				
Risk free interest rate		5.2%		5.8%
Expected life (years)		3		2
Volatility		128.75%		125.7%
Dividend yield		--		--

In 1999 and 1998, pursuant to the stock awards plan adopted by Cardinal, shares of Class A common stock and Class C preferred stock were awarded to certain members of management. Compensation expense was recorded for fair value of these awards, as estimated based on sales of similar stock. The stock awards plan was eliminated as a result of the Merger.

In February 1998, Cardinal completed a recapitalization and refinancing which was funded through a combination of senior secured debt, subordinated debt and equity investments. As a result of the recapitalization, Cardinal recorded an increase in equity of $57.5 million from the issuance of Class A common stock and Class C preferred stock; incurred $7.1 million of costs associated with the debt acquisition and reduction to net proceeds from the issuance of stock; recorded a reduction in equity of $114.8 million from the redemption of Class A common stock and Class C preferred stock; and recorded an extraordinary loss of $10.9 million for the estimated value of warrants of $10.5 million and unamortized debt acquisition costs of $379,000 (net of $214,000 income tax benefit).

(9) Profit-Sharing Plan

The Company maintains various defined contribution profit-sharing plans for employees who have satisfied minimum service and age requirements. Employees may contribute up to 15% of their earnings to the plans. The Company matches employees' contributions up to 2.5% of an employee's salary. The Company made contributions of $729,000, $142,000 and $299,000 in 2000, 1999 and 1998, respectively.

(10) Financial Instruments

The Company utilizes derivative instruments on a limited basis to manage risks related to interest rates. The Company designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differential occurs. At December 31, 2000, 1999 and 1998, the Company had interest rate swap agreements with notional amounts totaling $44 million, $46.2 million and $48.4 million, respectively, to convert an equal amount of variable rate long-term debt to fixed rates. The swaps mature in March of 2001 and October of 2002. The swaps require the Company to pay a weighted-average interest rate of 5.82% in 2000 and 5.81% in 1999 and 1998 and to receive a variable rate, which averaged 6.4%, 5.2% and 5.5% in 2000, 1999 and 1998, respectively. As a result of these swap agreements, interest expense was decreased by $265,000 in 2000, and increased by $299,000 in 1999 and $107,000 in 1998. The effect to the Company to terminate these swap agreements at December 31, 2000 is estimated to be a gain of approximately $62,000.

With the exception of derivative instruments, the Company's financial instruments of cash and cash equivalents, accounts receivable, accounts payable and long-term debt have carrying values, which approximate their fair market value.

(11) Commitments and Contingencies

The Company leases certain office, service and assembly facilities under operating leases. The leases expire at various dates over the next several years. Total rent expense was $1,865,000 in 2000, $683,000 in 1999 and $749,000 in 1998. Future minimum lease payments under non-cancelable leases for the five years ending December 31, 2001 through 2005 and thereafter are as follows: $961,000, $523,000, $850,000, $635,000, $536,000 and $670,000, respectively.

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

(12) Related Party Transactions

The Company provides field management and other services to an independent oil and gas exploration and production company, of which a member of the Company's Board of Directors is Chief Executive Officer. The Company billed this customer approximately $4.0 million in 2000, $1.5 million in 1999 and $0.8 million in 1998 for these services, on terms that the Company believes are customary in the industry. The Company expects to continue providing services to this customer.

(13) Segment Information

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

The accounting policies of the reportable segments are the same as those described in Note 2 of the Notes to the Consolidated Financial Statements. The Company evaluates the performance of its operating segments based on operating profits or losses. Segment revenues reflect direct sales of products and services for that segment, and each segment records direct expenses related to its employees and its operations. Identifiable assets are primarily those assets directly used in the operations of each segment.

Summarized financial information concerning the Company's segments as of December 31, 2000, 1999 and 1998 and for the years then ended is shown in the following tables (in thousands):

2000	Well Services	Wireline	Marine	Rental Tools	Environmental	Field Management	Other	Unallocated Amount	Consolidated Total
Identifiable assets	$ 81,297	$ 31,835	$ 74,055	$ 200,694	$ 20,345	$ 17,307	$ 4,069	$ 1,074	$ 430,676
Capital expenditures	8,751	1,493	23,676	22,641	702	950	44	--	58,257
Revenues	$ 56,515	$ 33,516	$ 34,390	$ 75,814	$ 16,738	$ 36,493	$ 4,036	$ --	$ 257,502
Costs of services	34,553	22,907	18,929	25,840	10,756	32,704	1,912	--	147,601
Depreciation and amortization	4,123	2,327	3,428	10,472	818	950	137	--	22,255
General and administrative	9,835	5,559	3,554	16,337	3,533	4,066	1,403	--	44,287
Operating income (loss)	8,004	2,723	8,479	23,165	1,631	(1,227)	584	--	43,359
Interest expense	--	--	--	--	--	--	--	(12,078)	(12,078)
Interest income	--	--	--	--	--	--	--	1,898	1,898
Income (loss) before income taxes and extraordinary loss	$ 8,004	$ 2,723	$ 8,479	$ 23,165	$ 1,631	$ (1,227)	$ 584	$ (10,180)	$ 33,179

1999	Well Services	Wireline	Marine	Rental Tools	Environmental	Field Management	Other	Unallocated Amount	Consolidated Total
Identifiable assets	$ 39,878	$ 30,961	$ 48,655	$ 134,287	$ 8,525	$ 12,768	$ 4,533	$ 2,648	$ 282,255
Capital expenditures	2,297	652	1,417	4,209	579	13	12	--	9,179
Revenues	$ 29,862	$ 28,264	$ 23,822	$ 21,302	$ 3,480	$ 4,340	$ 2,006	$ --	$ 113,076
Costs of services	19,394	19,692	14,649	6,518	2,241	3,848	1,022	--	67,364
Depreciation and amortization	2,474	2,465	3,605	3,688	180	150	63	--	12,625
General and administrative	5,690	5,490	4,366	5,194	1,171	584	576	--	23,071
Operating income (loss)	2,304	617	1,202	5,902	(112)	(242)	345	--	10,016
Interest expense	--	--	--	--	--	--	--	(12,969)	(12,969)
Interest income	--	--	--	--	--	--	--	308	308
Income (loss) before income taxes and extraordinary loss	$ 2,304	$ 617	$ 1,202	$ 5,902	$ (112)	$ (242)	$ 345	$ (12,661)	$ (2,645)

1998	Well Services	Wireline	Marine	Unallocated Amount	Consolidated Total
Identifiable assets	$ 21,175	$ 28,920	$ 53,844	$ 4,022	$ 107,961
Capital expenditures	5,925	1,104	12,010	--	19,039
Revenues	$ 18,794	$ 26,315	$ 37,114	$ --	$ 82,223
Cost of services	12,777	16,470	14,691	--	43,938
Depreciation and amortization	1,794	1,296	3,432	--	6,522
General and administrative	4,592	5,803	5,810	--	16,205
Operating income (loss)	(369)	2,746	13,181	--	15,558
Interest expense	--	--	--	(13,206)	(13,206)
Income (loss) before income taxes and extraordinary loss	$ (369)	$ 2,746	$ 13,181	$ (13,206)	$ 2,352

(14) Interim Financial Information (Unaudited)

The following is a summary of consolidated interim financial information for the years ended December 31, 2000 and 1999 (amounts in thousands, except per share data):

	Three Months Ended			
	March 31	June 30	September 30	December 31
2000				
Revenues	$ 47,274	$ 57,592	$ 71,251	$ 81,385
Gross profit	19,512	23,661	31,048	35,680
Income before extraordinary loss	1,588	3,843	5,985	8,465
Net income	1,588	3,843	5,985	6,908
Earnings before extraordinary loss per share:				
Basic	$ 0.03	$ 0.06	$ 0.09	$ 0.12
Diluted	0.03	0.06	0.09	0.12
Earnings per share:				

Basic	$ 0.03	$ 0.06	$ 0.09	$ 0.10
Diluted	0.03	0.06	0.09	0.10

	Three Months Ended			
	March 31	June 30	September 30	December 31
1999				
Revenues	$ 18,978	$ 16,267	$ 33,729	$ 44,102
Gross profit	8,472	2,838	15,037	19,365
Income (loss) before extraordinary loss	(453)	(4,361)	978	1,802
Net income (loss)	(453)	(4,361)	(3,536)	1,802
Earnings (loss) before extraordinary loss per share:				
Basic	$ (0.18)	$ (0.75)	$ 0.02	$ 0.03
Diluted	(0.18)	(0.75)	0.02	0.03
Earnings (loss) per share:				
Basic	$ (0.18)	$ (0.75)	$ (0.07)	$ 0.03
Diluted	(0.18)	(0.75)	(0.07)	0.03

(15) Accounting for Derivative Instruments and Hedging Activities

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities.* FAS No. 133, as amended, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000 and establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. FAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are to be recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction.

The Company will adopt FAS 133 effective January 1, 2001. The Company expects its interest rate swaps to qualify for cash flow hedge accounting treatment under FAS 133, whereby changes in fair value will be recognized in other comprehensive income (a component of stockholders' equity) until settled, when the resulting gains and losses will be recorded in earnings. Any hedge ineffectiveness will be charged currently to earnings; however, the Company believes that this will be immaterial. The effect on the Company's earnings and other comprehensive income as the result of the adoption of FAS 133 will vary from period to period and will be dependent upon prevailing interest rates. The Company estimates that the transition adjustment resulting from the new accounting treatment will be a receivable of approximately $62,000 and a corresponding credit of approximately $36,000, net of income tax, in other comprehensive income.

(16) Financial Information Related to Guarantor Subsidiaries

On May 2, 2001, SESI, L.L.C., a wholly-owned finance subsidiary of the Company ("SESI"), issued $200 million of 8-7/8% Senior Notes (the "Senior Notes"). The Company, along with substantially all of its direct and indirect subsidiaries, fully and unconditionally guaranteed the Senior Notes and such guarantees are joint and several. All of the guarantor subsidiaries are wholly-owned, direct or indirect, subsidiaries of SESI. Neither the Company or SESI has any independent assets or operations, other than their interests in the stock or membership interests in their subsidiaries. The following consolidated financial information related to the guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2000 and 1999 and for each of the years in the three-year period ended December 31, 2000 is presented to comply with the reporting requirements of Rule 3-10 of Regulation S-X:

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 2000
(Dollars in Thousands, except share data)

	Guarantors	Non-Guarantors	Inter- company Eliminations	Consolidated
ASSETS				
Current assets:				

Cash and cash equivalents	$	3,743	511	-	4,254
Accounts receivable -- net of allowance for doubtful accounts		72,063	2,441	(494)	74,010
Deferred income taxes		3,506	-	-	3,506
Prepaid insurance and other		4,782	2,933	(715)	7,000
Total current assets		84,094	5,885	(1,209)	88,770
Property, plant and equipment, net		198,575	3,923	-	202,498
Goodwill -- net of accumulated amortization		114,650	-	-	114,650
Notes receivable		19,213	-	-	19,213
Other assets -- net of accumulated amortization		11,778	-	(6,228)	5,545
	$	428,305	9,808	(7,437)	430,676
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$	22,243	751	(324)	22,670
Accrued expenses		14,272	995	(607)	14,660
Current maturities of long-term debt		16,402	-	-	16,402
Notes payable		-	-	-	-
Total current liabilities		52,917	1,746	(931)	53,732
Deferred income taxes		24,304	-	-	24,304
Long-term debt		146,393	278	(278)	146,393
Stockholders' equity:					
Preferred stock of $.01 par value. Authorized 5,000,000 shares; none issued		-	-	-	-
Common stock of $.01 par value. Authorized 125,000,000 shares; issued and outstanding 67,803,304		68	95	(95)	68
Additional paid-in capital		315,304	897	(897)	315,304
Accumulated other comprehensive income		-	58	-	58
Retained earnings (deficit)		(110,681)	6,734	(5,236)	(109,183)
Total stockholders' equity		204,691	7,784	(6,228)	206,247
Total liabilities and stockholders' equity	$	428,305	9,808	(7,437)	430,676

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 31, 1999

(Dollars in Thousands, except share data)

		Guarantors	Non-Guarantors	Inter- company Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$	7,949	69	-	8,018
Accounts receivable -- net of allowance for doubtful accounts		41,408	470	-	41,878

Deferred income taxes		1,437	-	-	1,437
Prepaid insurance and other		5,222	12	(445)	4,789
Total current assets		56,016	551	(445)	56,122
Property, plant and equipment, net		134,043	680	-	134,723
Goodwill -- net of accumulated amortization		78,641	-	-	78,641
Notes receivable		8,898	-	-	8,898
Other assets -- net of accumulated amortization		3,871	-	-	3,871
	$	281,469	1,231	(445)	282,255
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$	9,040	440	(284)	9,196
Accrued expenses		15,473	156	(156)	15,473
Current maturities of long-term debt		2,579	-	-	2,579
Notes payable		3,669	-	-	3,669
Total current liabilites		30,761	596	(440)	30,917
Deferred income taxes		12,236	-	-	12,392
Long-term debt		117,459	-	-	117,459
Stockholders' equity:					
Preferred stock of $.01 par value.					
Authorized 5,000,000 shares; none issued		-	-	-	-
Common stock of $.01 par value.					
Authorized 125,000,000 shares; issued and outstanding 67,803,304		60	5	(5)	60
Additional paid-in capital		248,934	-	-	248,934
Accumulated other comprehensive income		-	-	-	-
Retained earnings (deficit)		(128,137)	630	-	(127,507)
Total stockholders' equity		120,857	635	(5)	121,487
Total liabilities and stockholders' equity	$	281,469	1,231	(445)	282,255

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Year Ended December 31, 2000
(Dollars in Thousands)

		Guarantors	Non-Guarantors	Inter-company Eliminations	Consolidated
Revenues	$	253,869	3,633	-	257,502
Costs and expenses:					
Cost of services		145,696	1,905	-	147,601
Depreciation and amortization		22,045	210	-	22,255
General and administrative		43,920	367	-	44,287
Total costs and		211,661	2,482		214,143

Total costs and expenses	211,661	2,482	-	214,143
Income from operations	42,208	1,151	-	43,359
Other income (expense):				
Interest expense, net of amounts capitalized	(12,078)	-	-	(12,078)
Interest income	1,866	32	-	1,898
Income (loss) before income taxes and extraordinary losses	31,996	1,183	-	33,179
Income taxes	(12,987)	(311)	-	(13,298)
Income (loss) before extraordinary losses	19,009	872	-	19,881
Extraordinary losses, net of income tax benefit of $996	(1,557)	-	-	(1,557)
Net income (loss)	$ 17,452	872	-	18,324

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Year Ended December 31, 1999
(Dollars in Thousands)

	Guarantors	Non-Guarantors	Inter-company Eliminations	Consolidated
Revenues	$ 112,774	302	-	113,076
Costs and expenses:				
Cost of services	67,220	144	-	67,364
Depreciation and amortization	12,659	(34)	-	12,625
General and administrative	22,966	105	-	23,071
Total costs and expenses	102,845	215	-	103,060

Income from operations	9,929	87	-	10,016
Other income (expense):				
Interest expense, net of amounts capitalized	(12,969)	-	-	(12,969)
Interest income	308	-	-	308
Income (loss) before income taxes and extraordinary losses	(2,732)	87	-	(2,645)
Income taxes	608	3	-	611
Income (loss) before extraordinary losses	(2,124)	90	-	(2,034)
Extraordinary losses, net of income tax benefit of $2,124	(4,514)	-	-	(4,514)
Net income (loss)	$ (6,638)	90	-	(6,548)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Year Ended December 31, 1998
(Dollars in Thousands)

	Guarantors	Non-Guarantors	Inter-company Eliminations	Consolidated
Revenues	$ 82,223	-	-	82,223
Costs and expenses:				
Cost of services	43,938	-	-	43,938
Depreciation and amortization	6,522	-	-	6,522
General and administrative	16,205	-	-	16,205
Total costs and expenses	66,665	-	-	66,665
Income from operations	15,558	-	-	15,558

Other income (expense):				
Interest expense, net of amounts capitalized	(13,206)	-	-	(13,206)
Interest income	-	-	-	-
Income (loss) before income taxes and extraordinary losses	2,352	-	-	(2,352)
Income taxes	(1,149)	-	-	(1,149)
Income (loss) before extraordinary losses	1,203	-	-	1,203
Extraordinary losses, net of income tax benefit of $214	(10,885)	-	-	(10,885)
Net income (loss)	$ (9,682)	-	-	(9,682)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31, 2000
(Dollars in Thousands)

	Guarantors	Non-Guarantors	Inter- company Eliminations	Consolidated
Cash flows from operating activities:				
Net income	$ 17,452	872	-	18,324
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Extraordinary losses	1,557	-	-	1,557
Deferred income taxes	8,348	-	-	8,348
Depreciation and amortization	22,045	210	-	22,255
Amortization of debt acquisition costs	377	-	-	377
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	(21,834)	(1,104)	-	(22,938)
Other -- net	1,750	(2,922)	-	(1,172)
Accounts payable	7,487	(24)	-	7,463
Accrued expenses	(4,061)	(90)	-	(4,151)
Income taxes	391	113	-	504
Net cash provided by (used in) operating activities	38,512	(2,945)	-	30,567
Cash flows from investing activities:				
Payments for purchases of property and equipment	(56,431)	(826)	-	(57,257)
Businesses acquired, net of cash acquired	(44,890)	4,063	-	(40,827)

Increase in notes receivable	(10,315)	-	-	(10,315)
Other	(2,315)	-	-	(2,315)
Net cash (used in) provided by investing activities	(113,951)	3,237	-	(110,714)
Cash flows from financing activities:				
Net payments on notes payable	(3,713)	-	-	(3,713)
Proceeds from long-term debt	147,950	150	-	148,100
Principal payments on long-term debt	(133,331)	-	-	(133,331)
Debt acquisition costs	(1,124)	-	-	(1,124)
Proceeds from issuance of stock	63,247	-	-	63,247
Proceeds from exercise of stock options	3,204	-	-	3,204
Net cash provided by financing activities	76,233	150	-	76,383
Net increase (decrease) in cash and cash equivalents	(4,206)	442	-	(3,764)
Cash and cash equivalents at beginning of year	7,949	69	-	8,018
Cash and cash equivalents at end of year	$ 3,743	511	-	4,254

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31, 1999
(Dollars in Thousands)

	Guarantors	Non-Guarantors	Inter-company Eliminations	Consolidated
Cash flows from operating activities:				
Net income (loss)	$ (6,638)	90	-	(6,548)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Extraordinary losses	4,514	-	-	4,514
Deferred income taxes	(1,868)	-	-	(1,868)
Depreciation and amortization	12,659	(34)	-	12,625
Amortization of debt acquisition costs	593	-	-	593
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	3,274	38	-	3,312
Other - net	1,602	26	-	1,628
Accounts payable	(4,871)	251	-	(4,620)
Accrued expenses	4,009	-	-	4,009
Income taxes	828	(8)	-	820
Net cash provided by operating activities	14,102	363	-	14,465
Cash flows from investing activities:				
Payments for purchases of property and equipment	(8,840)	(339)	-	(9,179)
Businesses acquired, net of cash acquired	(4,114)	-	-	(4,114)
Net cash used in investing activities	(12,954)	(339)	-	(13,293)
Cash flows from financing activities:				
Net payments on notes payable	(4,440)	-	-	(4,440)
Proceeds from long-term debt	125,000	-	-	125,000
Payment of premium on subordinated debt	(835)			(835)

Principal payments on long-term debt	(165,786)	-	-	(165,786)
Debt acquisition costs	(2,827)	-	-	(2,827)
Proceeds from issuance of stock	55,000	-	-	55,000
Proceeds from exercise of stock options	313	-	-	313
Net cash provided by financing activities	6,425	-	-	6,425
Net increase (decrease) in cash and cash equivalents	7,573	24	-	7,597
Cash and cash equivalents at beginning of year	376	45	-	421
Cash and cash equivalents at end of year	$ 7,949	69	-	8,018

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31, 1998
(Dollars in Thousands)

	Guarantors	Non-Guarantors	Inter-company Eliminations	Consolidated
Cash flows from operating activities:				
Net loss	$ (9,682)	-	-	(9,682)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Extraordinary losses	10,885	-	-	10,885
Gain on disposal of assets	(732)	-	-	(732)
Stock compensation awards	800	-	-	800
Deferred income taxes	(44)	-	-	(44)
Depreciation and amortization	6,522	-	-	6,522
Amortization of debt acquisition costs	565	-	-	565
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	(3,913)	-	-	(3,913)
Other - net	(1,090)	-	-	(1,090)
Accounts payable	3,871	-	-	3,871
Accrued expenses	(2,178)	-	-	(2,178)
Income taxes	(1,410)	-	-	(1,410)
Net cash provided by operating activities	3,594	-	-	3,594
Cash flows from investing activities:				
Payments for purchases of property and equipment	(19,039)	-	-	(19,039)
Proceeds from sales of assets	2,700	-	-	2,700
Businesses acquired, net of cash acquired	(22,373)	-	-	(22,373)
Net cash used in investing activities	(38,712)	-	-	(38,712)
Cash flows from financing activities:				
Net borrowings on notes payable	2,117	-	-	2,117
Net decrease in bank overdraft	(1,370)	-	-	(1,370)
Proceeds from long-term debt	133,500	-	-	133,500
Principal payments on long-term debt	(40,615)	-	-	(40,615)
Debt acquisition costs	(4,371)	-	-	(4,371)
Redemption of stock warrants	(13,320)	-	-	(13,320)
Proceeds from issuance of stock	74,353	-	-	74,353
Payments to redeem stock	(114,755)	-	-	(114,755)
Net cash provided by financing activities	35,539	-	-	35,539

Net increase (decrease) in cash and cash equivalents	421	-	-	421
Cash and cash equivalents at beginning of year	-	-	-	-
Cash and cash equivalents at end of year	$ 421	-	-	421

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2001 And December 31, 2000
(In Thousands, Except Share Data)

	03/31/2001 (Unaudited)	12/31/2000 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,880	$ 4,254
Accounts receivable - net	84,567	74,010
Deferred income taxes	3,506	3,506
Prepaid insurance and other	8,473	7,000
Total current assets	98,426	88,770
Property, plant and equipment - net	216,814	202,498
Goodwill - net	114,552	114,650
Notes receivable	20,597	19,213
Other assets - net	4,076	5,545
Total assets	$ 454,465	$ 430,676
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 21,585	$ 22,670
Accrued expenses	13,229	14,660
Income tax payable	9,986	-
Current maturities of long-term debt	20,098	16,402
Total current liabilities	64,898	53,732
Deferred income taxes	24,304	24,304
Long-term debt	144,118	146,393
Stockholders' equity:		
Preferred stock of $.01 par value. Authorized, 5,000,000 shares; none issued	-	-
Common stock of $.001 par value. Authorized, 125,000,000 shares; issued and outstanding 68,104,004 at March 31, 2001, 67,803,304 at December 31, 2000	68	68
Additional paid-in capital	316,842	315,304
Accumulated other comprehensive income (loss)	(51)	58
Accumulated deficit	(95,714)	(109,183)

Total stockholders' equity	221,145	206,247
Total liabilities and stockholders' equity	$ 454,465	$ 430,676

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2001 and 2000
(in thousands, except per share data)
(unaudited)

	Three Months	
	2001	2000
Revenues	$ 91,256	$ 47,274
Costs and expenses:		
Cost of services	48,318	27,762
Depreciation and amortization	6,769	4,737
General and administrative	14,618	9,311
Total costs and expenses	69,705	41,810
Income from operations	21,551	5,464
Other income (expense):		
Interest expense	(3,570)	(2,920)
Interest income	460	193
Income before income taxes and cumulative effect of change in accounting principle	18,441	2,737
Income taxes	7,561	1,149
Income before cumulative effect of change in accounting principle	10,880	1,588
Cumulative effect of change in accounting principle, net of income tax expense of $1,655	2,589	-
Net income	$ 13,469	$ 1,588
Basic earnings per share:		
Earnings before cumulative effect of change in accounting principle	$ 0.16	$ 0.03
Cumulative effect of change in accounting principle	0.04	-
Earnings per share	$ 0.20	$ 0.03
Diluted earnings per share:		
Earnings before cumulative effect of change in accounting principle	$ 0.16	$ 0.03
Cumulative effect of change in accounting principle	0.04	-
Earnings per share	$ 0.20	$ 0.03
Weighted average common shares used in computing earnings per share:		
Basic	67,943	59,856
Incremental common shares from stock options	1,074	445
Diluted	69,017	60,301

Pro forma amounts assuming the new depreciation method is applied retroactively:		
Net income	$ 10,880	$ 1,695
Basic earnings per share	$ 0.16	$ 0.03
Diluted earnings per share	$ 0.16	$ 0.03

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2001 and 2000
(in thousands)
(unaudited)

	2001	2000
Cash flows from operating activities:		
Net income	$ 13,469	$ 1,588
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	(2,589)	-
Depreciation and amortization	6,769	4,737
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(10,557)	1,668
Other - net	783	999
Accounts payable	(1,085)	546
Accrued expenses	(2,024)	(3,715)
Income taxes	8,330	1,196
Net cash provided by operating activities	13,096	7,019
Cash flows from investing activities:		
Payments for purchases of property and equipment	(19,023)	(8,587)
Acquisitions of business, net of cash acquired	(337)	-
Increase in notes receivable	(1,384)	-
Other	2,315	-
Net cash used in investing activities	(18,429)	(8,587)
Cash flows from financing activities:		
Net payments on notes payable	-	(3,713)
Proceeds from long-term debt	3,921	643
Principal payments on long-term debt	(2,500)	(519)
Proceeds from exercise of stock options	1,538	414
Net cash provided by (used in) financing activities	2,959	(3,175)
Net decrease in cash	(2,374)	(4,743)
Cash and cash equivalents at beginning of period	4,254	8,018
Cash and cash equivalents at end of period	$ 1,880	$ 3,275

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2001 and 2000

(1) Basis of Presentation

Certain information and footnote disclosures normally in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission; however, management believes the disclosures which are made are adequate to make the information presented not misleading. These financial statements and footnotes should be read in conjunction with the financial statements and notes thereto included in Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000 and Management's Discussion and Analysis of Financial Condition and Results of Operations.

The financial information for the three months ended March 31, 2001 and 2000 has not been audited. However, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the periods presented have been included therein. The results of operations for the first three months of the year are not necessarily indicative of the results of operations that might be expected for the entire year. Certain previously reported amounts have been reclassified to conform to the 2001 presentation.

(2) Change in Accounting Principle

On January 1, 2001, the Company changed depreciation methods from the straight-line method to the units-of-production method on our liftboat fleet to more accurately reflect the wear and tear of normal use. Management believes that the units-of-production method is best suited to reflect the actual depreciation of the liftboat fleet. Depreciation expense calculated under the units-of-production method may be different than depreciation expense calculated under the straight-line method in any period. The annual depreciation based on utilization of each liftboat will not be less than 25% of annual straight-line depreciation, and the cumulative depreciation based on utilization of each liftboat will not be less than 50% of cumulative straight-line depreciation. For the quarter ended March 31, 2001, we recorded the cumulative effect of the change in accounting principle of $2.6 million, net of taxes of $1.7 million, or $0.04 per share. The pro forma amounts reflect the effect of retroactive application on depreciation that would have been made in the first quarter of 2000 had the new method been in effect net of related income taxes.

(3) Earnings per Share

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

(4) Financial Instruments

The Company adopted FAS 133 effective January 1, 2001. The Company uses interest rate swap agreements to manage its interest rate exposure. Under interest rate swap agreements, the Company agrees with other parties to exchange, at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount. As of March 31, 2001, the Company was party to an interest rate swap with an approximate notional amount of $3.7 million designed to convert a similar amount of variable-rate debt to fixed rates. The swap matures October 2002, and the weighted average interest rate was 5.675%.

The Company's interest rate swaps qualify for cash flow hedge accounting treatment under FAS 133, whereby changes in fair value have been recognized in other comprehensive income (loss) (a component of stockholders' equity) until settled, when the resulting gains and losses will be recorded in earnings. The effect on the Company's earnings and other comprehensive income as the result of the adoption of FAS 133 will vary from period to period and will be dependent upon prevailing interest rates. FAS 133 did not have a material impact on the consolidated financial statements since the adoption of FAS 133 resulted in a receivable of approximately $2,000 and a corresponding credit to other comprehensive income of approximately $1,000, net of income tax.

(5) Business Combinations.

In the year ended December 31, 2000, the Company acquired businesses for a total of $42.5 million in cash consideration. Additional consideration, if any, will be based upon the respective company's average EBITDA (earnings before interest, income taxes, depreciation and amortization expense) less certain adjustments. The total additional consideration, if any, will not exceed $22.1 million. These acquisitions have been accounted for as purchases and the acquired companies' assets and liabilities have been valued at their estimated fair market value. The purchase price allocated to net assets was approximately $26.1 million, and the excess purchase price over the fair value of the net assets of approximately $16.4 million was allocated to goodwill. The results of operations have been included from the respective company's acquisition date.

The following unaudited pro forma information for the three months ended March 31, 2000 presents a summary of the consolidated results of operations as if the business acquisitions described above had occurred on January 1, 2000, with pro forma adjustments to give effect to amortization of goodwill, depreciation and certain other adjustments, together with related income tax effects (in thousands, except per share amounts):

	Three Months Ended March 31, 2000
Revenues	$ 63,178
Net income	$ 3,492
Basic earnings per share	$ 0.06
Diluted earnings per share	$ 0.06

The above pro forma information is not necessarily indicative of the results of operations that would have been achieved had the acquisitions been effected on January 1, 2000.

Most of the Company's acquisitions have involved additional contingent consideration based upon a multiple of the acquired companies' respective average EBITDA over a three-year period from the respective dates of acquisition. In the first quarter of 2001, the Company capitalized additional consideration of $933,000 related to two of its acquisitions. Additional consideration for the Company's acquisitions will not exceed $38.4 million, but will be materially less than this amount if current performance levels continue for certain of these companies. Once determined, additional consideration will be capitalized as additional purchase price.

(6) Segment Information

Beginning January 1, 2001, the Company modified its segment disclosure by combining the wireline services segment with the well services segment and the other services segment with the environmental services segment in order to better reflect how the chief operating decision maker of the Company evaluates the Company's results of operations. The Company's reportable segments are as follows: well services, marine, rental tools, field management and environmental and other. Each segment offers products and services within the oilfield services industry. The well services segment provides plug and abandonment services, coiled tubing services, well pumping and stimulation services, data acquisition services, gas lift services, electric wireline services, hydraulic drilling and workover services and mechanical wireline services that perform a variety of ongoing maintenance and repairs to producing wells, as well as modifications to enhance the production capacity and life span of the well. The marine segment operates liftboats for oil and gas production facility maintenance and construction operations as well as production service activities. The rental tools segment rents and sells specialized equipment for use with onshore and offshore oil and gas well drilling, completion, production and workover activities. The field management segment provides contract operations and maintenance services, interconnect piping services, sandblasting and painting maintenance services, and transportation and logistics services. The environmental and other segment provides offshore oil and gas cleaning services, dockside cleaning of items, including supply boats, cutting boxes, and process equipment, and manufactures and sells drilling instrumentation and oil spill containment equipment. All the segments operate primarily in the Gulf Coast Region.

Summarized financial information concerning the Company's segments for the three months ended March 31, 2001 and 2000 is shown in the following tables (in thousands). Prior period information has been restated to reflect the Company's current segments:

Three Months Ended March 31, 2001

	Well Services	Marine	Rental Tools	Field Mgmt.	Environ. Other	Unallocated Amount	Consolidated Total
Revenues	$32,066	$13,007	$27,339	$ 13,124	$ 5,720	$ -	$ 91,256
Cost of services	18,054	6,150	9,762	11,204	3,148	-	48,318
Depreciation and amortization	2,039	850	3,373	257	250	-	6,769
General and administrative	5,299	1,139	5,745	1,344	1,091	-	14,618
Operating income	6,674	4,868	8,459	319	1,231	-	21,551
Interest expense	-	-	-	-	-	(3,570)	(3,570)
Interest income	-	-	-	-	-	460	460
Income (loss) before income taxes and cumulative effect of change in accounting principle	$ 6,674	$ 4,868	$ 8,459	$ 319	$ 1,231	$ (3,110)	$ 18,441

Three Months Ended March 31, 2000

	Well Services	Marine	Rental Tools	Field Mgmt.	Environ. Other	Unallocated Amount	Consolidated Total
Revenues	$ 17,295	$ 5,255	$ 13,433	$ 6,083	$ 5,208	$ -	$ 47,274
Cost of services	11,457	3,541	4,076	5,661	3,027	-	27,762
Depreciation and amortization	1,351	811	2,099	225	251	-	4,737
General and administrative	3,276	863	2,997	913	1,262	-	9,311
Operating income (loss)	1,211	40	4,261	(716)	668	-	5,464
Interest expense	-	-	-	-	-	(2,920)	(2,920)
Interest income	-	-	-	-	-	193	193
Income (loss) before income taxes and cumulative effect of change in accounting principle	$ 1,211	$ 40	$ 4,261	$ (716)	$ 668	$ (2,727)	$ 2,737

(7) Commitments and Contingencies

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

(8) Subsequent Events

On May 2, 2001, the Company issued $200 million of 8 7/8% senior notes due 2011 pursuant to an indenture to provide funds for the Company's proposed acquisition of substantially all the assets of Power Offshore Services, L.L.C. and Reeled Tubing, L.L.C., reduce the Company's bank term loan to $50 million, repay all borrowings under the Company's revolving credit facility, and provide additional working capital. The indenture requires semi-annual interest payments which commence November 15, 2001 and continue thru the maturity date of May 15, 2011. The Company also amended the existing bank credit facility to provide for a $120 million term loan and revolving credit facility consisting of a $50 million term loan and $70 million revolving credit facility. The term loan requires quarterly principal installments commencing June 30, 2001 in the amount of $2.5 million a quarter thru March 31, 2005 and a balance of $10 million due on the facility maturity date of May 2, 2005.

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Superior Energy's Certificate of Incorporation (the "Certificate") contains provisions eliminating the personal liability of the directors to Superior Energy and its stockholders for monetary damages for breaches of their fiduciary duties as directors to the fullest extent permitted by the Delaware General Corporation Law. By virtue of these provisions, under current Delaware law a director of Superior Energy will not be personally liable for monetary damages for a breach of his or her fiduciary duty except for liability for (a) a breach of his or her duty of loyalty to Superior Energy or to its stockholders, (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (c) dividends or stock repurchases or redemptions that are unlawful under Delaware law and (d) any transaction from which he or she receives an improper personal benefit. In addition, the Certificate provides that if Delaware law is amended to authorize the further elimination or limitation of the liability of a director, then the liability of the directors shall be eliminated or limited to the fullest extent permitted by Delaware law, as amended. These provisions pertain only to breaches of duty by directors as directors and not in any other corporate capacity, such as officers, and limit liability only for breaches of fiduciary duties under Delaware corporate law and not for violations of other laws such as the federal securities laws.

The Certificate also requires Superior Energy to indemnify its directors, officers, employees and agents to the fullest extent permitted by the Delaware General Corporation Law against certain expenses and costs, judgments, settlements and fines incurred in the defense of any claim, including any claim brought by or in the right of Superior Energy, to which they were made parties by reason of being or having been directors, officers, employees and agents.

Under Section 9 of Superior Energy's bylaws, Superior Energy is required to defend and indemnify each person who is involved in any threatened or actual claim, action or proceeding by reason of the fact that such person is or was a director or officer of Superior Energy or serving in a similar position with respect to another entity at the request of Superior Energy if (i) the director or officer is successful in defending the claim on its merits or otherwise or (ii) the director or officer meets the standard of conduct described in Section 9 of Superior Energy's bylaws. However, the director or officer is not entitled to indemnification if (i) the claim is brought by the director or officer against Superior Energy or (ii) the claim is brought by the director or officer as a derivative action by Superior Energy or in its right, and the action has not been authorized by the Board of Directors. The rights conferred by Section 9 of Superior Energy's bylaws are contractual rights and include the right to be paid expenses incurred in defending the action, suit or proceeding in advance of its final disposition.

In addition, each of Superior Energy's directors has entered into an indemnity agreement with Superior Energy, pursuant to which Superior Energy has agreed under certain circumstances to purchase and maintain directors' and officers' liability insurance. The agreements also provide that Superior Energy will indemnify the directors against any costs and expenses, judgments, settlements and fines incurred in connection with any claim involving a director by reason of his position as a director that are in excess of the coverage provided by such insurance (provided that the director meets certain standards of conduct). Under the indemnity agreements, Superior Energy is not required to purchase and maintain directors' and officers' liability insurance if the Board of Directors unanimously determines in good faith that there is insufficient benefit to Superior Energy from the insurance.

Item 21. Exhibits.

1.1* Purchase Agreement dated April 27, 2001, by and among Superior Energy, SESI, L.L.C., each of the Subsidiary Guarantors named therein, Credit Suisse First Boston Corporation, Bear, Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc.

3.1 Certificate of Incorporation of Superior Energy (incorporated herein by reference to Superior Energy's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996).

3.2 Certificate of Amendment to Superior Energy's Certificate of Incorporation (incorporated herein by reference to Superior Energy's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).

3.3 Amended and Restated By-laws of Superior Energy (incorporated herein by reference to Superior Energy's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).

4.1* Indenture dated May 2, 2001, by and among SESI, L.L.C., Superior Energy, the Subsidiary Guarantors named therein and The Bank of New York as trustee (incorporated herein by reference to Superior Energy's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001), as amended by First Supplemental Indenture, dated as of July 9, 2001, by and among SESI, L.L.C., Wild Well Control, Inc., Blowout Tools, Inc. and The Bank of New York, as trustee.

4.2 Form of 8 7/8% Senior Note due May 15, 2001 (included in Exhibit 4.1).

4.3* Registration Rights Agreement dated April 27, 2001, by and among SESI, L.L.C., Superior Energy, the Subsidiary Guarantors named therein and Credit Suisse First Boston Corporation, Bear, Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc.

4.4 Specimen of Common Stock certificate of Superior Energy (incorporated herein by reference to Amendment No. 1 to Superior Energy's Registration Statement on Form SB-2 (Registration No. 33-94454)).

4.5 Registration Rights Agreement (incorporated herein by reference to Exhibit 4.2 to Superior Energy's Form 10-Q for the quarter ended June 30, 1999).

4.6* Form of Letter of Transmittal.

4.7* Form of Notice of Guaranteed Delivery.

4.8	Form of exchange note (included as part of Exhibit 4.1).
5.1*	Opinion of Jones, Walker, Waechter, Poitevent, Carrère, & Denègre, L.L.P. regarding the validity of the exchange notes.
10.1	Credit Agreement dated as of October 17, 2000 by and among Superior Energy, Bank One, Louisiana, National Association, as agent, and the other lenders specified therein (incorporated by reference to Superior Energy's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
10.2	Superior Energy Services, Inc. 1999 Stock Incentive Plan as amended (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 1999).
10.3	Amended and Restated Credit Agreement dated as of December 31, 2000 by and among SESI, L.L.C., Superior Energy, Bank One, Louisiana, National Association, as agent, and other lenders specified therein (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 2000).
10.4	First Amendment to Amended and Restated Credit Agreement dated as of May 2, 2001, among SESI, L.L.C., Superior Energy, Bank One, NA, as agent, and other lenders specified therein (incorporated herein by reference to Superior Energy's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001).
10.5	Employment Agreement between Superior Energy and Terence E. Hall (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 1999).
10.6	Employment Agreement between Superior Energy and Kenneth Blanchard (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 1999).
10.7	Employment Agreement between Superior Energy and Robert Taylor (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 1999).
10.8	Employment Agreement between Superior Energy and James Holleman (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 1999).
21.1	Subsidiaries of Superior Energy (incorporated herein by reference to Superior Energy's Annual Report on Form 10-K for the year ended December 31, 2000).
23.1*	Consent of KPMG LLP.
23.2*	Consent of Ernst & Young LLP.
23.3*	Consent of Jones, Walker, Waechter, Poitevent, Carrère, & Denègre, L.L.P. (included in Exhibit 5.1).
24.1*	Power of Attorney (included on the signature page of this Registration Statement).
25.1*	Statement of eligibility of trustee.

*Filed herein

Item 22. Undertakings.

The undersigned registrants hereby undertake:

(1) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(2) To supply by means of a post-effective amendment all information concerning a transaction, and Superior Energy being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(3) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Terence E. Hall
Terence E. Hall
President and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Terence E. Hall Terence E. Hall	Chairman of the Board, President Chief Executive Officer (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Chief Financial Officer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Justin L. Sullivan Justin L. Sullivan	Director	July 12, 2001
/s/ William E. Macaulay William E. Macaulay	Director	July 12, 2001
/s/ Ben A. Guill Ben A. Guill	Director	July 12, 2001
/s/ Robert E. Rose Robert E. Rose	Director	July 12, 2001
/s/ Richard A. Bachmann Richard A. Bachmann	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SESI, L.L.C.

By: SUPERIOR ENERGY SERVICES, INC.
its sole member

By: /s/ Terence E. Hall
Terence E. Hall
President and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Terence E. Hall Terence E. Hall	Chairman of the Board, President Chief Executive Officer (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Chief Financial Officer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Justin L. Sullivan Justin L. Sullivan	Director	July 12, 2001
/s/ William E. Macaulay William E. Macaulay	Director	July 12, 2001
/s/ Ben A. Guill Ben A. Guill	Director	July 12, 2001
/s/ Robert E. Rose Robert E. Rose	Director	July 12, 2001
/s/ Richard A. Bachmann Richard A. Bachmann	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SUPERIOR ENERGY SERVICES, L.L.C.
H. B. RENTALS, L.C.
ACE RENTAL TOOLS, L.L.C.
TONG RENTALS AND SUPPLY CO., L.L.C.
1105 PETERS ROAD, L.L.C.
NAUTILUS PIPE & TOOL RENTAL, L.L.C.
CONNECTION TECHNOLOGY, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Terence E. Hall Terence E. Hall	Director and President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

FASTORQ, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Phillip D. Jaudon Phillip D. Jaudon	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

ENVIRONMENTAL TREATMENT INVESTMENTS, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Julie N. Isacks Julie N. Isacks	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

DRILLING LOGISTICS, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ashley M. Lane Ashley M. Lane	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

F. & F. WIRELINE SERVICE, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall

Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Mike E. Fournet Mike E. Fournet	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

PRODUCTION MANAGEMENT INDUSTRIES, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Fred Roth, III Fred Roth, III	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

OIL STOP, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Richard E. Lazes Richard E. Lazes	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

STABIL DRILL SPECIALTIES, L.L.C.
NON-MAGNETIC RENTAL TOOLS, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Sammy Joe Russo Sammy Joe Russo	President (Principal Executive Officer)	July 12, 2001

/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SUB-SURFACE TOOLS, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Kay S. Vinson Kay S. Vinson	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

HYDRO-DYNAMICS OILFIELD CONTRACTORS, INC.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

INTERNATIONAL SNUBBING SERVICES, L.L.C.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jack Hardy Jack Hardy	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SEGEN LLC
SELIM LLC

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Terence E. Hall Terence E. Hall	Manager (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Manager (Principal Financial and Accounting Officer)	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

SE FINANCE LP

By: SEGEN LLC
its general partner

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Terence E. Hall Terence E. Hall	Manager (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Manager (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the registrants certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Harvey, State of Louisiana, on July 12, 2001.

WILD WELL CONTROL, INC.
BLOWOUT TOOLS, INC.

By: */s/ Terence E. Hall*
Terence E. Hall
Authorized Representative

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Terence E. Hall and Robert S. Taylor, or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Patrick Campbell Patrick Campbell	President (Principal Executive Officer)	July 12, 2001
/s/ Robert S. Taylor Robert S. Taylor	Treasurer (Principal Financial and Accounting Officer)	July 12, 2001
/s/ Terence E. Hall Terence E. Hall	Director	July 12, 2001

Exhibit 1.1

$200,000,000

SESI, L.L.C.

8 7/8% Senior Notes Due May 15, 2011

PURCHASE AGREEMENT

April 27, 2001

Credit Suisse First Boston Corporation
Bear, Stearns & Co. Inc.
Raymond James & Associates, Inc.
Banc One Capital Markets, Inc.,
As Representatives of the Several Purchasers,
c/o Credit Suisse First Boston Corporation,
Eleven Madison Avenue,
New York, N.Y. 10010-3629

Dear Sirs:

1. *Introductory.* SESI, L.L.C., a Delaware limited liability company (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell to the several initial purchasers named in Schedule A hereto (the "**Purchasers**") U.S.$200,000,000 principal amount of its 8 7/8% Senior Notes Due May 15, 2011 (including the guaranties of such notes granted pursuant to the Parent Guaranty and the Subsidiary Guaranties (each as hereinafter defined), the "**Offered Securities**") to be issued under an indenture, to be dated as of May 2, 2001 (the "**Indenture**"), between the Company and The Bank of New York, as Trustee. The United States Securities Act of 1933 is herein referred to as the "**Securities Act**."

The Company, Superior Energy Services, Inc., a Delaware corporation and the sole member of the Company (the "**Parent**"), and the subsidiaries of the Parent identified as the Guarantor Subsidiaries on Schedule B hereto (the "**Guarantor Subsidiaries**"), hereby agree with the several Purchasers as follows:

2. *Representations and Warranties of the Parent and the Company.* The Parent, the Company and the Guarantor Subsidiaries jointly and severally represent and warrant to, and agree with, the several Purchasers that:

(a) A preliminary offering circular and an offering circular relating to the Offered Securities to be offered by the Purchasers have been prepared by the Parent and the Company. Such preliminary offering circular (the "**Preliminary Offering Circular**") and offering circular (the "**Offering Circular**"), in both cases, including all information incorporated therein by reference and as supplemented as of the date of this Agreement, together with any other document approved by the Company or the Parent for use in connection with the contemplated resale of the Offered Securities are hereinafter collectively referred to as the "**Offering Document**". On the date of this Agreement, the Offering Document does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Offering Document based upon written information furnished to the Company or the Parent by any Purchaser through Credit Suisse First Boston Corporation ("**CSFBC**") specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof. Except as disclosed in the Offering Document, on the date of this Agreement, the Parent's Annual Report on Form 10-K most recently filed with the Securities and Exchange Commission (the "**Commission**") and all subsequent reports (collectively, the "**Exchange Act Reports**") which have been filed by the Parent with the Commission or sent to stockholders pursuant to the Securities Exchange Act of 1934 (the "**Exchange Act**") do not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such documents, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder.

(b) The Parent has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and the Parent is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification. The Company has been duly organized and is an existing limited liability company in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification.

(c) Each subsidiary of the Parent has been duly incorporated or organized and is an existing corporation, limited liability company or limited partnership in good standing under the laws of the jurisdiction of its formation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and each subsidiary of the Parent is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except to the extent that the failure to be so qualified or be in good standing, individually or in the aggregate, would not have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Parent, the Company and the subsidiaries of the Parent taken as a whole ("**Material Adverse Effect**"); all of the issued and outstanding capital stock or similar ownership interest of each subsidiary of the Parent has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock or similar ownership interest of each subsidiary owned by the Parent is owned free from liens, encumbrances and defects other than Permitted Liens (as defined in the Indenture). For purposes of this Agreement, a "subsidiary" of the Parent shall mean any corporation, limited liability company, limited partnership or other business entity in which the Parent owns, directly or indirectly, 50% or more of the voting or economic equity interest. Attached hereto on Schedule B is a list of all subsidiaries of the Parent indicating their jurisdiction of incorporation or organization, the Parent's direct or indirect ownership therein and whether they are Guarantor Subsidiaries.

(d) The Indenture has been duly authorized; the Offered Securities have been duly authorized; the guaranty by the Parent dated the date hereof (the "**Parent Guaranty**") and the guaranties by the Guarantor Subsidiaries dated the date hereof (the "**Subsidiary Guaranties**") have been duly authorized; and when the Offered Securities are delivered and paid for pursuant to this Agreement on the Closing Date (as defined below), the Indenture, the Parent Guaranty and the Subsidiary Guaranties each will have been duly executed and delivered, such Offered Securities will have been duly executed,

authenticated, issued and delivered and will conform to the description thereof contained in the Offering Document and the Indenture, the Parent Guaranty and the Subsidiary Guaranties and such Offered Securities will constitute valid and legally binding obligations of the Parent, the Company, and the Guarantor Subsidiaries, as the case may be, enforceable in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and (ii) general equity principles.

(e) Except as disclosed in the Offering Document, there are no contracts, agreements or understandings between the Company or the Parent or any subsidiaries of the Parent and any person that would give rise to a valid claim against the Company, the Parent, the subsidiaries of the Parent or any Purchaser for a brokerage commission, finder's fee or other like payment in connection with the Offered Securities.

(f) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement, the Registration Rights Agreement dated the date hereof, between the Company, the Parent, the Guarantor Subsidiaries and the Purchasers (the "**Registration Rights Agreement**"), the Indenture, the Parent Guaranty and the Subsidiary Guaranties in connection with the issuance and sale of the Offered Securities by the Company, the Parent and the Guarantor Subsidiaries except (i) as may be required under the Securities Act, the United States Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"), and the rules and regulations of the Commission thereunder with respect to the Exchange Offer Registration Statement or the Shelf Registration Statement (each as defined in the Registration Rights Agreement) and (ii) as may be required under state securities or "Blue Sky" laws in connection with the resale of the Offered Securities by the Purchasers.

(g) The execution, delivery and performance of the Indenture, this Agreement, the Registration Rights Agreement, the Parent Guaranty and the Subsidiary Guaranties and the issuance and sale of the Offered Securities to the Purchasers in the manner contemplated herein and compliance with the terms and provisions thereof by the Company, the Parent and the Guarantor Subsidiaries will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Parent, the Company or any subsidiary of the Parent or any of their properties, or any agreement or instrument to which the Parent, the Company or any subsidiary of the Parent is a party or by which the Parent, the Company or any subsidiary of the Parent is bound or to which any of the properties of the Parent, the Company or any subsidiary of the Parent is subject, or the charter or by-laws of the Parent or the Company or any subsidiary of the Parent, and the Company, the Parent and the Guarantor Subsidiaries each have full power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement.

(h) This Agreement and the Registration Rights Agreement have each been duly authorized, executed and delivered by the Parent, the Company and the Guarantor Subsidiaries, as applicable.

(i) Except as disclosed in the Offering Document, the Parent, the Company and the subsidiaries of the Parent have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them other than Permitted Liens; and except as disclosed in the Offering Document, the Parent, the Company and the subsidiaries of the Parent hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them other than Permitted Liens.

(j) The Parent, the Company and the subsidiaries of the Parent possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Parent, the Company or any of the subsidiaries of the Parent, would individually or in the aggregate have Material Adverse Effect.

(k) No labor dispute with the employees of the Parent, the Company or any subsidiary of the Parent exists or, to the knowledge of the Parent, the Company or the subsidiaries of the Parent, is imminent that might reasonably be expected to have a Material Adverse Effect.

(l) The Parent, the Company and the subsidiaries of the Parent own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "**intellectual property rights**") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Parent, the Company or any of the subsidiaries of the Parent, would individually or in the aggregate have a Material Adverse Effect.

(m) Except as disclosed in the Offering Document, none of the Parent, the Company nor any of the subsidiaries of the Parent is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**environmental laws**"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and neither the Parent nor the Company is aware of any pending investigation which might lead to such a claim.

(n) Except as disclosed in the Offering Document, there are no pending actions, suits or proceedings against or affecting the Parent, the Company, any of the subsidiaries of the Parent or any of their respective properties that, if determined adversely to the Parent, the Company or any of the subsidiaries of the Parent, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Parent, the Company or any of the subsidiaries of the Parent to perform their obligations under the Indenture, this Agreement, the Registration Rights Agreement, the Parent Guaranty or the Subsidiary Guaranties, as applicable, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Parent or the Company's knowledge, contemplated.

(o) The financial statements included in the Offering Document (including the related notes and supporting schedules) present fairly the financial position of the Parent and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis; and the assumptions used in preparing the pro forma financial statements included in the Offering Document provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(p) Except as disclosed in the Offering Document, since the date of the latest audited financial statements included in the Offering Document there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Parent, the Company and the subsidiaries of the Parent taken as a whole, and, except as disclosed

in or contemplated by the Offering Document, there has been no dividend or distribution of any kind declared, paid or made by the Parent on any class of its capital stock.

(q) Neither the Parent nor the Company is an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940 (the "**Investment Company Act**") ; and neither the Parent nor the Company is nor, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Offering Document, will be an "investment company" as defined in the Investment Company Act.

(r) The Parent, the Company and each of the subsidiaries of the Parent is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary in the businesses in which they are engaged; and none of the Parent, the Company nor any of the subsidiaries of the Parent has any reason to believe that any of them will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business.

(s) The Parent, the Company and each of the subsidiaries of the Parent has filed on a timely basis all material foreign, federal, state and local tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it to the extent due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or would not a Material Adverse Effect.

(t) Subject to such exceptions, if any, as could not reasonably be expected to have a Material Adverse Effect, the Parent and the Company maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and, none of the Parent, the Company, the subsidiaries of the Parent, or any employee or agent thereof, has made any payment of funds of the Parent, the Company or the subsidiaries of the Parent, or received or retained any funds, and no funds of the Parent, the Company or the subsidiaries of the Parent have been set aside to be used for any payment, in each case in violation of any law, rule or regulation.

(u) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Offered Securities are listed on any national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

(v) Assuming the accuracy of the representations and warranties and performance by the Purchasers of the agreements made herein, the offer and sale of the Offered Securities in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof, Regulation D thereunder and Regulation S thereunder; and it is not necessary to qualify an indenture in respect of the Offered Securities under the Trust Indenture Act.

(w) None of the Parent, the Company, nor any of their affiliates, nor any person acting on their behalf (i) has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act) the Offered Securities or any security of the same class or series as the Offered Securities or (ii) has offered or will offer or sell the Offered Securities (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or (B) with respect to any such securities sold in reliance on Rule 903 of Regulation S ("**Regulation S**") under the Securities Act, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Parent, the Company, their affiliates and any person acting on their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Neither the Parent nor the Company has entered or will enter into any contractual arrangement with respect to the distribution of the Offered Securities except for this Agreement.

(x) The Parent is subject to Section 13 or 15(d) of the Exchange Act.

3. *Purchase, Sale and Delivery of Offered Securities.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Purchasers, and the Purchasers agree, severally and not jointly, to purchase from the Company, at a purchase price of 97 1/2% of the principal amount thereof, the respective principal amounts of the Offered Securities set forth opposite the names of the several Purchasers in Schedule A hereto.

The Company will deliver against payment of the purchase price the Offered Securities in the form of one or more permanent global Securities in definitive form (the "**Global Securities**") deposited with the Trustee as custodian for The Depository Trust Company ("**DTC**") and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Offering Document. Payment for the Offered Securities shall be made by the Purchasers in Federal (same day) funds by wire transfer to an account at a bank designated by the Company and acceptable to CSFBC, at 10:00 A.M. (New York time), on May 2, 2001, or at such other time not later than seven full business days thereafter as CSFBC and the Company determine, such time being herein referred to as the "**Closing Date**", against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Offered Securities. The Global Securities will be made available for checking at the above office at least 24 hours prior to the Closing Date.

4. *Representations by Purchasers; Resale by Purchasers.*

(a) Each Purchaser severally represents and warrants to the Parent and the Company that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(b) Each Purchaser severally acknowledges that the Offered Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Purchaser severally represents and agrees that it has offered and sold the Offered Securities, and will offer and sell the Offered Securities only in accordance with Rule 903 or Rule 144A under the Securities Act ("**Rule 144A**"). Accordingly, neither such Purchaser nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts with respect to the Offered Securities, and such Purchaser, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S and Rule 144A.

(c) Each Purchaser severally agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities except for any such arrangements with the other Purchasers or affiliates of the other Purchasers, for the Intersyndicate Agreement or with the prior written consent of the Parent or the Company.

(d) Each Purchaser severally agrees that it and each of its affiliates will not offer or sell the Offered Securities in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. Each Purchaser severally agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Securities, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Offered Securities has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(f) Each of the Purchasers severally represents and agrees that (i) it has not offered or sold and prior to the date six months after the date of issue of the Offered Securities will not offer or sell any Offered Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Offered Securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Offered Securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

5. *Certain Agreements of the Parent, the Company and the Guarantor Subsidiaries.* The Parent, the Company and the Guarantor Subsidiaries agree with the several Purchasers that:

(a) The Parent or the Company will advise CSFBC promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without CSFBC's consent, which shall not be unreasonably withheld or delayed. If, at any time prior to the completion of the resale of the Offered Securities by the Purchasers, any event occurs as a result of which the Offering Document as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any such time to amend or supplement the Offering Document to comply with any applicable law, the Parent or the Company promptly will notify CSFBC of such event and promptly will prepare, at their own expense, an amendment or supplement which will correct such statement or omission or effect such compliance. Neither CSFBC's consent to, nor the Purchasers' delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Parent or the Company will furnish to CSFBC copies of any preliminary offering circular, the Offering Document and all amendments and supplements to such documents, in each case as soon as available and in such quantities as CSFBC requests, and the Parent or the Company will furnish to CSFBC on the date hereof five copies of the Offering Document signed by a duly authorized officer of the Company, one of which will include the independent accountants' reports therein manually signed by such independent accountants. At any time when the Parent is not subject to Section 13 or 15(d) of the Exchange Act, the Parent or the Company will promptly furnish or cause to be furnished to CSFBC (and, upon request, to each of the other Purchasers) and, upon request of holders and prospective purchasers of the Offered Securities, to such holders and purchasers, copies of the information required to be delivered to holders and prospective purchasers of the Offered Securities pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Offered Securities. The Parent and the Company will pay the expenses of printing and distributing to the Purchasers all such documents.

(c) The Parent and the Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States and Canada as CSFBC designates and will continue such qualifications in effect so long as required for the resale of the Offered Securities by the Purchasers, provided that neither the Parent nor the Company will be required to qualify as a foreign corporation or to file a general consent to service of process or to subject itself to taxation in respect of doing business in any such state or province where it is not then so qualified or subject to taxation.

(d) During the period of five years hereafter, the Parent or the Company will furnish to CSFBC and, upon request, to each of the other Purchasers, as soon as practicable after the end of each fiscal year, a copy of the Parent's annual report to stockholders for such year; and the Parent or the Company will furnish to CSFBC and, upon request, to each of the other Purchasers (i) as soon as available, a copy of each report and any definitive proxy statement of the Parent filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Parent or the Company as CSFBC may reasonably request.

(e) During the period of two years after the Closing Date, the Parent or the Company will, upon request, furnish to CSFBC, each of the other Purchasers and any holder of Offered Securities a copy of the restrictions on transfer applicable to the Offered Securities.

(f) During the period of two years after the Closing Date, none of the Parent, the Company nor the Guarantor Subsidiaries will, nor will any of them permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Securities that have been reacquired by any of them.

(g) During the period of two years after the Closing Date, none of the Parent, the Company nor the Guarantor Subsidiaries will be or become, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(h) The Parent, the Company and the Guarantor Subsidiaries will pay all expenses incidental to the performance of their obligations under this Agreement, the Indenture, the Parent Guaranty, the Subsidiary Guaranties and the Registration Rights Agreement, including (i) the fees and expenses of the Trustee and its professional advisers; (ii) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities and, as applicable, the Exchange Securities (as defined in the Registration Rights Agreement), the preparation and printing of this Agreement, the Registration Rights Agreement, the Offered Securities, the Indenture, the Parent Guaranty, the Subsidiary Guaranties, the Offering Document and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Offered Securities and as applicable, the Exchange Securities; (iii) the cost of listing the Offered Securities and qualifying the Offered Securities for trading in The PortalSM Market ("PORTAL") and any expenses incidental thereto; (iv) the cost of any advertising approved by the Parent or the Company in connection with the issue of the Offered Securities, (v) for any expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities or the Exchange Securities for sale under the laws of such jurisdictions in the United States and Canada as CSFBC designates and the printing of memoranda relating thereto, (vi) for any fees charged by investment rating agencies for the rating of the Securities or the Exchange Securities, and (vii) for expenses incurred in distributing preliminary offering circulars and the Offering Document (including any amendments and supplements thereto) to the Purchasers. Each party will pay its own expenses in connection with attending or hosting meetings with prospective purchasers of the Offered Securities from the Purchasers, except that the Parent and the Company shall be responsible for all expenses related to the charter of an airplane to transport the representatives of the Parent, the Company and the Purchasers to and from such meetings.

(i) In connection with the offering, until CSFBC shall have notified the Parent, the Company and the other Purchasers of the completion of the resale of the Offered Securities, none of the Parent, the Company nor any Guarantor Subsidiary nor any of their affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and neither it nor any of its affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities.

(j) For a period from the date of the initial offering of the Offered Securities by the Purchasers through the Closing Date, none of the Parent, the Company nor any Guarantor Subsidiary will offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any United States dollar-denominated debt securities issued or guaranteed by the Parent, the Company or a Guarantor Subsidiary and having a maturity of more than one year from the date of issue. None of the Parent, the Company nor a Guarantor Subsidiary will at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Regulation S thereunder to cease to be applicable to the offer and sale of the Offered Securities.

6. *Conditions of the Obligations of the Purchasers.* The obligations of the several Purchasers to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Parent, the Company and the Guarantor Subsidiaries herein, to the accuracy of the statements of officers of the Parent and the Company made pursuant to the provisions hereof, to the performance by the Parent, the Company and the Guarantor Subsidiaries of their obligations hereunder and to the following additional conditions precedent:

(a) The Purchasers shall have received letters, dated the date of this Agreement, of KPMG LLP and Ernst & Young LLP in agreed form confirming that they are independent public accountants within the meaning of the Securities Act and the applicable published rules and regulations thereunder ("**Rules and Regulations**") and to the effect that:

(i) in their opinion the financial statements examined by them and included in the Offering Document and in the Exchange Act Reports comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the related published Rules and Regulations;

(ii) in the case of KPMG LLP, they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 71, Interim Financial Information, on the unaudited financial statements included in the Exchange Act Reports;

(iii) in the case of KPMG LLP, on the basis of the review referred to in clause (ii) above, a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included in the Exchange Act Reports do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principles;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of this Agreement, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Parent and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net current assets or net assets, as compared with amounts shown on the latest balance sheet included in the Offering Document; or

(C) for the period from the closing date of the latest income statement included in the Offering Document to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year, in consolidated net sales, net operating income consolidated income before extraordinary items or net income or in the ratio of earnings to fixed charges;

except in all cases set forth in clauses (B) and (C) above for changes, increases or decreases which the Offering Document disclose have occurred or may occur or which are described in such letter; and

(iii) in the case of KPMG LLP, they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Offering Document and the Exchange Act Reports (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Parent and its subsidiaries subject to the internal controls of the Parent's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

The Parent and the Company shall have received from KPMG LLP (and furnished to the Purchasers) an examination report with respect to Management's Discussion and Analysis of Financial Condition and Results of Operations of the Parent for the three fiscal years ending December 31, 2000, in accordance with Statement on Standards for Attestation Engagement No. 8 issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, and such examination report shall be included in the Offering Circular.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) a change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of CSFBC, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market, or (ii) (A) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Parent, the Company or the subsidiaries of the Parent which, in the judgment of a majority in interest of the Purchasers including CSFBC, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (B) any downgrading in the rating of any debt securities of the Parent or the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Parent or the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (C) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Parent or the Company on any exchange or in the over-the-counter market; (D) any banking moratorium declared by U.S. Federal or New York authorities; or (E) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Purchasers including CSFBC, the effect of any such outbreak,

escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Securities.

(c) The Purchasers shall have received the Indenture, the Parent Guaranty and the Subsidiary Guaranties, each duly executed by the Parent, the Company and the Guarantor Subsidiaries, as the case may be.

(d) The Purchasers shall have received an opinion, dated the Closing Date, of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., counsel for the Parent and the Company, that:

(i) The Parent has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Offering Document; and the Parent is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification;

(ii) The Company has been duly organized and is an existing limited liability company in good standing under the laws of the State of Delaware, with power and authority (corporate or otherwise) to own its properties and conduct its business as described in the Offering Document; and the Company is duly qualified to do business as a foreign limited liability company in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification;

(iii) Each subsidiary of the Parent has been duly incorporated or organized and is an existing corporation, limited liability company or limited partnership in good standing under the laws of the jurisdiction of its formation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and each subsidiary of the Parent is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; all of the issued and outstanding capital stock or similar ownership interest of each subsidiary of the Parent has been duly authorized and validly issued and is fully paid and nonassessable; and, to such counsel's knowledge, the capital stock or similar ownership interest of each subsidiary owned by the Parent, directly or through subsidiaries, is owned free from liens, encumbrances and defects other than Permitted Liens;

(iv) The Indenture, the Parent Guaranty and the Subsidiary Guaranties have been duly authorized, executed and delivered by the Company, the Parent and the Guarantor Subsidiaries, as the case may be; the Offered Securities have been duly authorized, executed, authenticated, issued and delivered by the Company, the Parent and the Guarantor Subsidiaries and conform to the description thereof contained in the Offering Document; and the Indenture, the Parent Guaranty, the Subsidiary Guaranties and the Offered Securities, assuming that the internal laws of the State of Louisiana were to be applied thereto, constitute valid and legally binding obligations of the Company, the Parent and the Guarantor Subsidiaries, as the case may be, enforceable in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and (ii) general equity principles;

(v) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement, the Indenture, the Parent Guaranty, the Subsidiary Guaranties or the Registration Rights Agreement in connection with the issuance or sale of the Offered Securities by the Company, the Parent or the Guarantor Subsidiaries, except (i) as may be required under the Securities Act, the Trust Indenture Act and the rules and regulations of the Commission thereunder with respect to the Exchange Offer Registration Statement or the Shelf Registration Statement and (ii) as may be required under state securities or "Blue Sky" laws in connection with the resale of the Offered Securities by the Purchasers;

(vi) To such counsel's knowledge after due inquiry, there are no pending actions, suits or proceedings against or affecting the Parent, the Company, any of the subsidiaries of the Parent or any of their respective properties that, if determined adversely to the Parent, the Company or any of the subsidiaries of the Parent, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Parent, the Company or the subsidiaries of the Parent to perform their obligations under the Indenture, this Agreement, the Registration Rights Agreement, the Parent Guaranty or the Subsidiary Guaranties, as applicable, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to such counsel's knowledge, contemplated;

(vii) The execution, delivery and performance of the Indenture, this Agreement, the Registration Rights Agreement, the Parent Guaranty and the Subsidiary Guaranties and the issuance and sale of the Offered Securities to the Purchasers in the manner contemplated herein and compliance with the terms and provisions thereof by the Company, the Parent and the Guarantor Subsidiaries will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Parent, the Company or any of the subsidiaries of the Parent or any of their properties, or any agreement or instrument to which the Parent, the Company or any subsidiary of the Parent is a party or by which the Parent, the Company or any subsidiary of the Parent is bound or to which any of the properties of the Parent, the Company or any subsidiary of the Parent is subject, or the charter or by-laws (or similar document) of the Parent, the Company or any subsidiary of the Parent, and the Company, the Parent and the Guarantor Subsidiaries each have full power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement;

(viii) Such counsel have no reason to believe that the Offering Circular, or any amendment or supplement thereto, or any Exchange Act Report as of the date hereof and as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading; the descriptions in the Offering Circular and the Exchange Act Reports of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Offering Circular and the Exchange Act Reports;

(ix) This Agreement and the Registration Rights Agreement have each been duly authorized, executed and delivered by the Parent, the Company and the Guarantor Subsidiaries, as applicable;

(x) Assuming the accuracy of the representations, warranties and covenants of the parties to this Agreement contained herein, it is not necessary in connection with (i) the offer, sale and delivery of the Offered Securities by the Company, the Parent and the Guarantor Subsidiaries to the several Purchasers pursuant to this Agreement or (ii) the resales of the Offered Securities by the several Purchasers in the manner contemplated by this Agreement, to register the Offered Securities under the Securities Act or to qualify an indenture in respect thereof under the Trust Indenture Act; and

(xi) The Purchase Agreement, the Registration Rights Agreement, the Indenture, the Parent Guaranty and the Subsidiary Guaranties specify a choice of New York law as each of their governing law. Such counsel is of the opinion that a Louisiana court would give effect to the choice of law stipulations therein, unless a Louisiana court finds that (a) there is not a significant relationship between the agreement in question

and the chosen jurisdiction, (b) there are public policy considerations justifying the refusal to honor the choice of law stipulation as written, or (c) New York's own conflict of laws principles dictate the application of another body of law. The questions of whether a significant relationship exists and whether a matter contravenes public policy are necessarily decided on a case-by-case basis. As the result of the foregoing factors, such counsel is unable to render an unqualified opinion on the effectiveness of the described choice of law stipulations under Louisiana law. It is, however, such counsel's view that a Louisiana court would probably find (i) a sufficient relationship between the Purchase Agreement, the Registration Rights Agreement, the Indenture, the Parent Guaranty and the Subsidiary Guaranties and New York to satisfy the requirement of clause (a) above and (ii) that there are no public policy considerations justifying the refusal to have the choice of New York law.

(e) The Purchasers shall have received from Fulbright & Jaworski L.L.P., counsel for the Purchasers, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Parent and the organization of the Company, the validity of the Offered Securities, the Offering Circular, the exemption from registration for the offer and sale of the Offered Securities by the Company, the Parent and the Guarantor Subsidiaries to the several Purchasers and the resales by the several Purchasers as contemplated hereby and other related matters as CSFBC may require, and the Parent and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters with reference to same in the Offering Circular. In rendering such opinion, Fulbright & Jaworski L.L.P. may rely as to the incorporation of the Parent and the Company and all other matters governed by Louisiana law upon the opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P. referred to above.

(f) The Purchasers shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Parent in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Parent, the Company and the Guarantor Subsidiaries in this Agreement are true and correct, that the Parent, the Company and the Guarantor Subsidiaries have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date, and that, subsequent to the respective dates of the most recent financial statements in the Offering Document, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Parent, the Company and the subsidiaries of the Parent taken as a whole except as set forth in or contemplated by the Offering Document or as described in such certificate.

(g) The Purchasers shall have received a letter, dated the Closing Date, of KPMG, LLP and Ernst & Young LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

The Parent or the Company will furnish the Purchasers with such conformed copies of such opinions, certificates, letters and documents as the Purchasers reasonably request. CSFBC may in its sole discretion waive on behalf of the Purchasers compliance with any conditions to the obligations of the Purchasers hereunder, whether in respect of an Optional Closing Date or otherwise.

7. *Indemnification and Contribution*. (a) The Parent, the Company and the Guarantor Subsidiaries will, jointly and severally, indemnify and hold harmless each Purchaser, its partners, directors and officers and each person, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Purchaser may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular or the Exchange Act Reports, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Parent's, the Company's or the Guarantor Subsidiaries' failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse each Purchaser for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that none of the Parent, the Company nor the Guarantor Subsidiaries will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Parent, the Company or any of the Guarantor Subsidiaries by any Purchaser through CSFBC specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from any preliminary offering circular the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Purchaser that sold the Securities concerned to the person asserting any such losses, claims, damages or liabilities, to the extent that such sale was an initial resale by such Purchaser and any such loss, claim, damage or liability of such Purchaser results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the Offering Document (exclusive of any material included therein but not attached thereto) if the Company, the Parent or the Guarantor Subsidiaries had previously furnished copies thereof to such Purchaser.

(b) Each Purchaser will severally and not jointly indemnify and hold harmless the Parent, the Company, the Guarantor Subsidiaries, their directors, managers, partners and officers and each person, if any, who controls the Parent, the Company or any of the Guarantor Subsidiaries within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Parent, the Company or the Guarantor Subsidiaries may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Parent, the Company or any of the Guarantor Subsidiaries by such Purchaser through CSFBC specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Parent, the Company or the Guarantor Subsidiaries in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Purchaser consists of the following information in the Offering Document furnished on behalf of CSFBC and Banc One Capital Markets, Inc. related to material relationship disclosures under the caption "Plan of Distribution"; provided, however, that the Purchasers shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Parent's, the Company's or the Guarantor Subsidiaries' failure to perform their obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in

connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Purchasers on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Parent, the Company or the Guarantor Subsidiaries on the one hand and the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Parent, the Company and the Guarantor Subsidiaries on the one hand and the Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Parent, the Company or the Guarantor Subsidiaries bear to the total discounts and commissions received by the Purchasers from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Parent, the Company or the Guarantor Subsidiaries or the Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities purchased by it were resold exceeds the amount of any damages which such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Purchasers' obligations in this subsection (d) to contribute are several in proportion to their respective purchase obligations and not joint.

(e) The obligations of the Parent, the Company and the Guarantor Subsidiaries under this Section shall be in addition to any liability which the Parent, the Company or the Guarantor Subsidiaries may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of the Purchasers under this Section shall be in addition to any liability which the respective Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Parent, the Company or any of the Guarantor Subsidiaries within the meaning of the Securities Act or the Exchange Act.

8. *Default of Purchasers.* If any Purchaser or Purchasers default in their obligations to purchase Offered Securities hereunder and the aggregate principal amount of Offered Securities that such defaulting Purchaser or Purchasers agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities, CSFBC may make arrangements satisfactory to the Parent and the Company for the purchase of such Offered Securities by other persons, including any of the Purchasers, but if no such arrangements are made by such Closing Date, the non-defaulting Purchasers shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Purchasers agreed but failed to purchase. If any Purchaser or Purchasers so default and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities and arrangements satisfactory to CSFBC and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Purchaser, the Parent or the Company, except as provided in Section 9. As used in this Agreement, the term "Purchaser" includes any person substituted for a Purchaser under this Section. Nothing herein will relieve a defaulting Purchaser from liability for its default.

9. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Parent, the Company, the Guarantor Subsidiaries or their officers and of the several Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Purchaser, the Parent, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Purchasers is not consummated, the Parent, the Company and the Guarantor Subsidiaries shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Parent, the Company and the Guarantor Subsidiaries and the Purchasers pursuant to Section 7 shall remain in effect. If the purchase of the Offered Securities by the Purchasers is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (C), (D) or (E) of Section 6(b)(ii), the Parent, the Company and the Guarantor Subsidiaries will reimburse the Purchasers for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. *Notices.* All communications hereunder will be in writing and, if sent to the Purchasers will be mailed, delivered or telegraphed and confirmed to the Purchasers, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Investment Banking Department - Transactions Advisory Group, or, if sent to the Parent, the Company or the Guarantor Subsidiaries, will be mailed, delivered or telegraphed and confirmed to it at 1105 Peters Road, Harvey, Louisiana 70058, Attention: Terence Hall; provided, however, that any notice to a Purchaser pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Purchaser.

11. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of Offered Securities shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Company as if such holders were parties thereto.

12. *Representation of Purchasers.* The Representatives will act for the several Purchasers in connection with this purchase, and any action under this Agreement taken by the Representatives jointly or by CSFBC will be binding upon all the Purchasers.

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

14. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

The Parent, the Company and the Guarantor Subsidiaries hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

[SIGNATURES ON FOLLOWING PAGES]

If the foregoing is in accordance with the Purchasers' understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Purchasers in accordance with its terms.

Very truly yours,

PARENT:

Superior Energy Services, Inc.

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

COMPANY:

SESI, L.L.C.

By: Superior Energy Services, Inc.,
as sole member
By /s/ Terence E. Hall
Name: Terence E. Hall
Title: Chairman of the Board, President and Chief Executive Officer

GUARANTOR SUBSIDIARIES:

1105 Peters Road, L.L.C.
Ace Rental Tools, L.L.C.
Nautilus Pipe & Tool Rental, L.L.C.
Connection Technology, L.L.C.
Drilling Logistics, L.L.C.
Environmental Treatment Investments, L.L.C.
F. & F. Wireline Service, L.L.C.
Fastorq, L.L.C.
H.B. Rentals, L.C
International Snubbing Services, L.L.C.
Non-Magnetic Rental Tools, L.L.C.
Oil Stop, L.L.C.
Production Management Industries, L.L.C.
Stabil Drill Specialties, L.L.C.
Sub-Surface Tools, L.L.C.
Superior Energy Services, L.L.C.
SELIM LLC
Tong Rentals and Supply Co., L.L.C.
SEGEN LLC

By /s/ Terence E. Hall
Name: Terence E. Hall
Title: Authorized Representative

Hydro-Dynamics Oilfield Contractors, Inc.

By /s/ Terence E. Hall
Name: Terence E. Hall
Title: Authorized Representative

SE FINANCE LP

By: SEGEN LLC, as general partner

By /s/ Terence E. Hall
Name: Terence E. Hall
Title: Authorized Representative

The foregoing Purchase Agreement
is hereby confirmed and accepted
as of the date first above written.

Credit Suisse First Boston Corporation
Bear, Stearns & Co. Inc.
Raymond James & Associates, Inc.
Banc One Capital Markets, Inc.

Acting on behalf of themselves
and as the Representatives of
the several Purchasers

By: Credit Suisse First Boston Corporation

By /s/ Osmar Abib
Name: Osmar Abib
Title: Managing Director

SCHEDULE A

Manager	Principal Amount of Offered Securities
Credit Suisse First Boston Corporation	$137,000,000
Bear, Stearns & Co. Inc.	34,000,000
Raymond James & Associates, Inc.	17,000,000
Banc One Capital Markets, Inc.	12,000,000
Total	$ 200,000,000

SCHEDULE B

Subsidiary of Parent	Jurisdiction of Incorporation/Organization	Ownership
1105 Peters Road, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Ace Rental Tools, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Connection Technology, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Drilling Logistics, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Environmental Treatment Investments, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
F. & F. Wireline Service, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Fastorq, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
H.B. Rentals, L.C.*	Louisiana	SESI, L.L.C. is sole member
Hydro-Dynamics Oilfield Contractors, Inc.*	Louisiana	All issued and outstanding shares held by SESI, L.L.C.
Imperial Snubbing Services Limited	Trinidad/Tobago	All issued and outstanding shares held by SESI, L.L.C.

International Snubbing Services, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Nautilus Pipe & Tool Rental, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Non-Magnetic Rental Tools, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Oil Stop, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Production Management Industries, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
SE Finance LP*	Delaware	SEGEN LLC is sole General Partner and SELIM LLC is sole Limited Partner
SEGEN LLC*	Delaware	SELIM LLC is sole member
SELIM LLC*	Delaware	SESI, L.L.C. is sole member
SESI, L.L.C.*	Delaware	Parent is sole member
Southeast Australian Services Pty., Ltd.	Victoria, Australia	All issued and outstanding shares held by SESI, L.L.C.
Stabil Drill Specialties, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Sub-Surface Tools, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Superior Energy de Venezuela, C.A.	Venezuela	All issued and outstanding shares held by SESI, L.L.C.
Superior Energy Liftboats, L.L.C.	Louisiana	SESI, L.L.C. is sole member
Superior Energy Services, L.L.C.*	Louisiana	SESI, L.L.C. is sole member
Tong Rentals and Supply Co., L.L.C.*	Louisiana	SESI, L.L.C. is sole member

*Guarantor Subsidiaries

FIRST SUPPLEMENTAL INDENTURE

This FIRST SUPPLEMENTAL INDENTURE, dated as of July 9, 2001 (the "First Supplemental Indenture"), is made and entered into by and among SESI, L.L.C., a Delaware limited liability company (the "Company"), Wild Well Control, Inc., a Texas corporation ("Wild Well"), Blowout Tools, Inc., a Texas corporation ("Blowout"), and The Bank of New York, as trustee (the "Trustee"), pursuant to an Indenture, dated as of May 2, 2001, among the Company, Superior Energy Services, Inc., the Subsidiary Guarantors named therein and the Trustee (the "Indenture"). All capitalized terms used in this First Supplemental Indenture that are not otherwise defined herein shall have the respective meanings assigned to them in the Indenture.

RECITALS

WHEREAS, Wild Well and Blowout desire to Guarantee the Company's obligations with respect to the Notes on the terms provided for in the Indenture;

WHEREAS, Section 9.01 of the Indenture provides, among other things, that the Company and the Trustee may amend the Indenture and the Notes without the consent of any Holder of a Note to add Guarantees with respect to the Notes, including any Subsidiary Guaranties;

WHEREAS, the Company desires to amend the Indenture and the Notes to add Wild Well and Blowout as Guarantees with respect to the Notes; and

WHEREAS, the Company, Wildwell, Blowout and the Trustee are executing and delivering this First Supplemental Indenture in order to provide that Wild Well and Blowout shall Guarantee the Company's obligations with respect to the Notes on the terms provided for in the Indenture.

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, it is mutually agreed, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE ONE
AMENDMENT TO INDENTURE

Section 1.1 Addition of Subsidiary Guarantors. Wild Well and Blowout each hereby agree to Guarantee the Company's obligations with respect to the Notes on the terms provided for in the Indenture for the benefit of the Holders of the (i) Initial Notes, (ii) if and when issued pursuant to a registered exchange offer for Initial Notes, the Exchange Notes and (iii) if and when issued, any Additional Notes that the Company may from time to time choose to issue pursuant to the Indenture.

Section 1.2 Definition. The definition of "Subsidiary Guarantor" contained in Section 1.01 of the Indenture is hereby amended to include Blowout Tools, Inc. and Wild Well Control, Inc. as Subsidiary Guarantors.

ARTICLE TWO
GENERAL PROVISIONS

Section 2.1. Effectiveness of Amendment. This First Supplemental Indenture is effective as of the date first written above.

Section 2.2. Ratification of Indenture. The Indenture is in all respects acknowledged, ratified and confirmed, and shall continue in full force and effect in accordance with the terms thereof and as supplemented by this First Supplemental Indenture. The Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 2.3. Certificate and Opinion as to Conditions Precedent. Simultaneously with and as a condition to the execution of this First Supplemental Indenture, the Company is delivering to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, the First Supplemental Indenture is permitted by the indenture and all conditions precedent and covenants, if any, provided for in the indenture relating to the amendment and supplement of the Indenture have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee meeting the requirements set forth in Section 9.06 of the Indenture.

Section 2.4. Effect of Headings. The Article and Section headings in this First Supplemental Indenture are for convenience only and shall not affect the construction of this First Supplemental Indenture.

Section 2.5. Governing Law. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS FIRST SUPPLEMENTAL INDENTURE, WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 2.6. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute the same instrument. Delivery of an executed counterpart of a signature page of this First Supplemental Indenture by facsimile transmission shall be effective as delivery of a manually executed counterpart of this First Supplemental Indenture.

[The Remainder of this Page is Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the day and year first above written.

SESI, L.L.C.,
a Delaware limited liability company

By: Superior Energy Services, Inc.
as sole member

By: /s/ Robert S. Taylor
Robert S. Taylor
Vice President, Treasurer and
Chief Executive Officer

THE BANK OF NEW YORK
as Trustee

By: /s/ Robert A. Massimillo
Robert A. Massimillo
Assistant Vice President

BLOWOUT TOOLS, INC.

By: /s/ Robert S. Taylor
Robert S. Taylor
Treasurer

WILD WELL CONTROL, INC.

By: /s/ Robert S. Taylor
Robert S. Taylor
Treasurer

$200,000,000
SESI, L.L.C.
8 7/8% Senior Notes Due May 15, 2011

REGISTRATION RIGHTS AGREEMENT

April 27, 2001

Credit Suisse First Boston Corporation
Bear, Stearns & Co. Inc.
Raymond James & Associates, Inc.
Banc One Capital Markets, Inc.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010-3629

Dear Sirs:

SESI, L.L.C., a Delaware limited liability company (the "**Issuer**"), proposes to issue and sell to Credit Suisse First Boston Corporation, Bear, Stearns & Co. Inc., Raymond James & Associates, Inc. and Banc One Capital Markets, Inc. (collectively, the "**Initial Purchasers**"), upon the terms set forth in a purchase agreement of even date herewith (the "**Purchase Agreement**"), $200,000,000 aggregate principal amount of its 8 7/8% Senior Notes Due May 15, 2011 (including the Guaranties (as defined herein), the "**Initial Securities**") to be guaranteed (the "**Guaranties**") by Superior Energy Services, Inc., a Delaware corporation (the "**Parent**") and the subsidiaries of the Parent listed on the signature pages hereto (the "**Guarantor Subsidiaries**", together with the Parent, the "**Guarantors**" and, collectively with the Parent and the Issuer, the "**Company**"). The Initial Securities will be issued pursuant to an Indenture, to be dated as of May 2, 2001 (the "**Indenture**"), among the Company and The Bank of New York, as trustee (the "**Trustee**"). As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company agrees with the Initial Purchasers, for the benefit of the Initial Purchasers and the holders of the Securities (as defined below) (collectively the "**Holders**"), as follows:

1. *Registered Exchange Offer*. Unless not permitted by applicable law (after the Company has complied with the last paragraph of this Section 1), the Company shall prepare and, not later than 90 days (such 90th day being a "**Filing Deadline**") after the date on which the Initial Purchasers purchase the Initial Securities pursuant to the Purchase Agreement (the "**Closing Date**"), file with the Securities and Exchange Commission (the "**Commission**") a registration statement (the "**Exchange Offer Registration Statement**") on an appropriate form under the Securities Act of 1933, as amended (the "**Securities Act**"), with respect to a proposed offer (the "**Registered Exchange Offer**") to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Company issued under the Indenture, identical in all material respects to the Initial Securities and registered under the Securities Act (the "**Exchange Securities**"). The Company shall use its best efforts to (i) cause such Exchange Offer Registration Statement to become effective under the Securities Act within 180 days after the Closing Date (such 180th day being an "**Effectiveness Deadline**") and (ii) keep the Exchange Offer Registration Statement effective for not less than 30 days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "**Exchange Offer Registration Period**").

If the Company commences the Registered Exchange Offer, the Company (i) will be entitled to consummate the Registered Exchange Offer 30 days after such commencement (provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer) and (ii) will be required to consummate the Registered Exchange Offer no later than 40 days after the date on which the Exchange Offer Registration Statement is declared effective (such 40th day being the "**Consummation Deadline**").

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "**Exchanging Dealer**"), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Securities (as defined below) acquired in exchange for Initial Securities constituting any portion of an unsold allotment, is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided, however, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "**Private Exchange**") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company issued under the Indenture and identical in all material respects to the Initial Securities (the "**Private Exchange**

Securities"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "**Securities**".

In connection with the Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 30 days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;

(c) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If following the date hereof there has been announced a change in Commission policy with respect to exchange offers that in the reasonable opinion of counsel to the Company raises a substantial question as to whether the Registered Exchange Offer is permitted by applicable federal law, the Company will seek a no-action letter or other favorable decision from the Commission allowing the Company to consummate the Registered Exchange Offer. The Company will pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company will take all such other actions as may be requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (i) participating in telephonic conferences with the Commission, (ii) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that the Registered Exchange Offer should be permitted and (iii) diligently pursuing a resolution (which need not be favorable) by the Commission staff.

2. *Shelf Registration*. If, (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, the Company is not permitted to effect a Registered Exchange Offer, as contemplated by Section 1 hereof, (ii) the Registered Exchange Offer is not consummated by the 210th day after the Closing Date, (iii) any Initial Purchaser so requests with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iv) any Holder (other than an Exchanging Dealer) is not eligible to participate in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange and any such Holder so requests, the Company shall take the following actions (the date on which any of the conditions described in the foregoing clauses (i) through (iv) occur, including in the case of clauses (iii) or (iv) the receipt of the required notice, being a "**Trigger Date**"):

(a) The Company shall promptly (but in no event more than 60 days after the Trigger Date (such 60th day being a "**Filing Deadline**")) file with the Commission and thereafter use its reasonable best efforts to cause to be declared effective no later than 140 days after the Trigger Date (such 140th day being an "**Effectiveness Deadline**") a registration statement (the "**Shelf Registration Statement**" and, together with the Exchange Offer Registration Statement, a "**Registration Statement**") on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the "**Shelf Registration**"); provided, however, that no Holder (other

than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). The Company shall be deemed not to have used its best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. *Registration Procedures*. In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "**Participating Broker-Dealer**"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchasers based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell Securities pursuant to the Shelf Registration Statement as selling securityholders.

(b) The Company shall give written notice to the Initial Purchasers, the Holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection

with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities pursuant to any Registration Statement the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) The Company shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as any Holder of the Securities shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(p) In the case of any Shelf Registration, the Company shall (i) make reasonably available for inspection by the Holders of the Securities, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by the Holders of the Securities or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and (ii) cause the Company's officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by the Holders of the Securities or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Initial Purchasers by you and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4 hereof.

(q) In the case of any Shelf Registration, the Company, if requested by any Holder of Securities covered thereby, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the due incorporation and good standing of the Company and its subsidiaries; the qualification of the Company and its subsidiaries to transact business as foreign corporations; the due authorization, execution and delivery of the

relevant agreement of the type referred to in Section 3(o) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; the absence of material legal or governmental proceedings involving the Company and its subsidiaries; the absence of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(o) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by reference therein and of the Indenture with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent public accountants to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(r) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form set forth in Section 6(d) of the Purchase Agreement with such changes as are customary in connection with the preparation of a Registration Statement and (ii) its independent public accountants to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form, meeting the requirements as to the substance thereof as set forth in Section 6(a) of the Purchase Agreement, with appropriate date changes.

(s) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(t) The Company will use its best efforts to (a) if the Initial Securities have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the Securities covered by a Registration Statement, or (b) if the Initial Securities were not previously rated, cause the Securities covered by a Registration Statement to be rated with the appropriate rating agencies, if so requested by Holders of a majority in aggregate principal amount of Securities covered by such Registration Statement, or by the managing underwriters, if any.

(u) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "**Rules**") of the National Association of Securities Dealers, Inc. ("**NASD**")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(v) The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. *Registration Expenses*. (a) All expenses incident to the Company's performance of and compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement is ever filed or becomes effective, including without limitation;

(i) all registration and filing fees and expenses;

(ii) all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;

(iii) all expenses of printing (including printing certificates for the Securities to be issued in the Registered Exchange Offer and the Private Exchange and printing of Prospectuses), messenger and delivery services and telephone;

(iv) all fees and disbursements of counsel for the Company; and

(v) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

(b) In connection with any Registration Statement required by this Agreement, the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities who are tendering Initial Securities in the Registered Exchange Offer and/or selling or reselling Securities pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be Fulbright & Jaworski L.L.P. unless another firm shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

5. *Indemnification*. (a) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "**Indemnified Parties**") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases

and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer; provided further, however, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. *Additional Interest Under Certain Circumstances*. (a) Additional interest (the "**Additional Interest**") with respect to the Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "**Registration Default**"):

(i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the applicable Filing Deadline;

(ii) any Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the applicable

Effectiveness Deadline;

(iii) the Registered Exchange Offer has not been consummated on or prior to the Consummation Deadline; or

(iv) any Registration Statement required by this Agreement has been declared effective by the Commission but (A) such Registration Statement thereafter ceases to be effective or (B) such Registration Statement or the related prospectus ceases to be usable in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Each of the foregoing will constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or pursuant to operation of law or as a result of any action or inaction by the Commission.

Additional Interest shall accrue on the Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.50% per annum (the "**Additional Interest Rate**") for the first 90-day period immediately following the occurrence of such Registration Default (without duplication in the event of multiple Registration Defaults). The Additional Interest Rate shall increase by an additional 0.50% per annum with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum Additional Interest Rate of 2.0% per annum.

(b) A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; provided, however, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to Section 6(a) will be payable in cash on the regular interest payment dates with respect to the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest Rate by the principal amount of the Securities and further multiplied by a fraction, the numerator of which is the number of days such Additional Interest Rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) "**Transfer Restricted Securities**" means each Security until (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Security, the date on which such Exchange Security is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. *Rules 144 and 144A*. The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8. *Underwritten Registrations*. If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("**Managing Underwriters**") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. *Miscellaneous*.

(a) *Remedies*. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under Section 1 and 2 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Sections 1 and 2 hereof. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) *No Inconsistent Agreements*. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(c) *Amendments and Waivers*. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the

Securities affected by such amendment, modification, supplement, waiver or consents.

(d) *Notices*. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchasers:

Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, NY 10010-3629
Fax No.: (212) 325-8278
Attention: Transactions Advisory Group

with a copy to:

Fulbright & Jaworski L.L.P.
1301 McKinney, Suite 5100
Houston, Texas 77010
Fax No.: (713) 651-5246
Attention: Michael W. Conlon and Frank T. Garcia

(3) if to the Company:

Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058
Fax No.: (504) 362-1818
Attention: Terence Hall

with a copy to:

Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.
201 St. Charles Avenue
New Orleans, Louisiana 70170-5100
Fax No.: (504) 582-8583
Attention: Bill Masters

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(e) *Third Party Beneficiaries*. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

(f) *Successors and Assigns*. This Agreement shall be binding upon the Company and its successors and assigns.

(g) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) *Governing* Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(j) *Severability*. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) *Securities Held by the Company*. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

[SIGNATURES ON FOLLOWING PAGES]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers and the Company in accordance with its terms.

Very truly yours,

PARENT:

Superior Energy Services, Inc.

By /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Vice President, Treasurer and
Chief Financial Officer

COMPANY:

SESI, L.L.C.

By: Superior Energy Services, Inc.,
as sole member

By /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Vice President, Treasurer and
Chief Financial Officer

GUARANTOR SUBSIDIARIES:

1105 Peters Road, L.L.C.
Ace Rental Tools, L.L.C.
Nautilus Pipe & Tool Rental, L.L.C.
Connection Technology, L.L.C.
Drilling Logistics, L.L.C.
Environmental Treatment Investments, L.L.C.
F. & F. Wireline Service, L.L.C.
Fastorq, L.L.C.
H.B. Rentals, L.C
International Snubbing Services, L.L.C.
Non-Magnetic Rental Tools, L.L.C.
Oil Stop, L.L.C.
Production Management Industries, L.L.C.
Stabil Drill Specialties, L.L.C.
Sub-Surface Tools, L.L.C.
Superior Energy Services, L.L.C.
SELIM LLC
Tong Rentals and Supply Co., L.L.C.
SEGEN LLC

By /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

Hydro-Dynamics Oilfield Contractors, Inc.

By /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

SE FINANCE LP

By: SEGEN LLC, as general partner

By /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

The foregoing Registration
Rights Agreement is hereby confirmed
and accepted as of the date first
above written.

Credit Suisse First Boston Corporation
Bear, Stearns & Co. Inc.
Raymond James & Associates, Inc.
Banc One Capital Markets, Inc.
By: Credit Suisse First Boston Corporation

By /s/ Osmar Abib
Name: Osmar Abib
Title: Managing Director

ANNEX A

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented

from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution."

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2001, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.(1)

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

ANNEX D

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____
Address: _____

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2001
UNLESS EXTENDED (THE "EXPIRATION DATE").

SESI, L.L.C.

LETTER OF TRANSMITTAL
FOR

OFFER TO EXCHANGE
$200,000,000 REGISTERED SENIOR NOTES DUE MAY 15, 2011
FOR
ALL OUTSTANDING UNREGISTERED SENIOR NOTES DUE MAY 15, 2011

THE EXCHANGE AGENT
FOR THE EXCHANGE OFFER IS:

THE BANK OF NEW YORK

For Delivery by Mail/
Hand Delivery/Overnight Delivery:

The Bank of New York
Corporate Trust Services Window, Ground Level
101 Barclay Street
New York, NY 10286
Attn:

For Delivery by Registered Certified Mail:

The Bank of New York
101 Barclay Street
Reorganization Department, 7 East
New York , NY 10286
Attn:

By Facsimile Transmission (for eligible institutions only):

To Confirm Receipt:

For Information Call:

(Originals of all documents sent by facsimile should be sent promptly by registered or certified mail, by hand or by overnight delivery service.)

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. DO NOT DELIVER THIS LETTER OF TRANSMITTAL TO SESI, L.L.C.

By completing this letter of transmittal ("Letter of Transmittal"), you acknowledge that you have received and reviewed the prospectus dated , 2001 (the "Prospectus") of SESI, L.L.C. ("SESI") and this Letter of Transmittal, which together constitute the "Exchange Offer." This Letter of Transmittal and the Prospectus have been delivered to you in connection with SESI's offer to exchange $200,000,000 in aggregate principal amount of its Senior Notes due May 15, 2011 (the "Exchange Notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act") for the same amount of its outstanding unregistered Senior Notes due May 15, 2011 (the "Outstanding Notes").

SESI reserves the right, at any time or from time to time, to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended. SESI shall notify the Exchange Agent and each registered holder of the related Outstanding Notes of any extension by oral or written notice prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

This Letter of Transmittal is to be completed by a Holder (this term is defined below) of Outstanding Notes if:

(1) the Holder is delivering certificates for Outstanding Notes with this document, or

(2) the tender of certificates for Outstanding Notes will be made by book-entry transfer to the account maintained by The Bank of New York, the exchange agent (the "Exchange Agent") for these notes, at The Depository Trust Company ("DTC") according to the procedures described in the Prospectus under the heading "The Exchange Offer -- Exchange Offer Procedures." Please note that delivery of documents required by this Letter of Transmittal to DTC does not constitute delivery to the Exchange Agent.

You must tender your Outstanding Notes according to the guaranteed delivery procedures described in this document if:

(1) your Outstanding Notes are not immediately available;

(2) you cannot deliver your Outstanding Notes, this Letter of Transmittal and all required documents to the Exchange Agent on or before the Expiration Date; or

(3) you are unable to obtain confirmation of a book-entry tender of your Outstanding Notes into the Exchange Agent's account at DTC on or before the Expiration Date.

More complete information about guaranteed delivery procedures is contained in the Prospectus under the heading "The Exchange Offer -- Exchange Offer Procedures -- Guaranteed Delivery Procedures."

As used in this Letter of Transmittal, the term "Holder" means (1) any person in whose name Outstanding Notes are registered on the books of SESI, (2) any other person who has obtained a properly executed bond power from the registered Holder or (3) any person whose Outstanding Notes are held of record by DTC who desires to deliver such notes by book-entry transfer at DTC. You should use this Letter of Transmittal to indicate whether or not you would like to participate in the Exchange Offer. If you decide to tender your Outstanding Notes, you must complete this entire Letter of Transmittal.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW. IF YOU HAVE QUESTIONS OR NEED HELP, OR IF YOU WOULD LIKE ADDITIONAL COPIES OF THE PROSPECTUS AND THIS LETTER OF TRANSMITTAL, YOU SHOULD CONTACT THE EXCHANGE AGENT AT (___) ___-____ OR AT ITS ADDRESS SET FORTH ABOVE.

List below the Outstanding Notes to which this Letter of Transmittal relates. If the space below is inadequate, list the registered numbers and principal amount on a separate signed schedule and affix the list to this Letter of Transmittal.

DESCRIPTION OF OUTSTANDING NOTES TENDERED

Name(s) and Address(es) of Registered Owner(s) as (it/they) appear(s) on the Outstanding Notes			
	Certificate Numbers of Outstanding Notes*	Aggregate Principal Amount Represented by Outstanding Notes	Principal Amount Tendered
		Total Principal Amount of Outstanding Notes Tendered**	
(If additional space is required, attach a continuation sheet in substantially the above form.)			

* Need not be completed by book-entry holders.

** Unless otherwise indicated, any tendering holder of Outstanding Notes will be deemed to have tendered the entire aggregate principal amount represented by such Outstanding Notes. All tenders must be in integral multiples of $1,000.

METHOD OF DELIVERY

___ Check here if tendered Outstanding Notes are enclosed herewith.

___ Check here if tendered Outstanding Notes are being delivered by book-entry transfer made to an account maintained by the Exchange Agent with a Book-Entry Transfer Facility and complete the following:

Name of Tendering Institution: .....
Account Number: .....
Transaction Code Number: .....

___ Check here if tendered Outstanding Notes are being delivered pursuant to a Notice of Guaranteed Delivery and complete the following:

Name(s) of Registered Holder(s): .....
.....
Date of Execution of Notice of Guaranteed Delivery: .....
Window Ticket Number (if available): .....
Name of Eligible Institution that guaranteed delivery: .....
.....
Account Number (if delivered by book-entry transfer): .....

SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

According to the terms and conditions of the Exchange Offer, I hereby tender to SESI the principal amount of Outstanding Notes indicated above. At the time these notes are accepted by SESI, and exchanged for the same principal amount of Exchange Notes, I will sell, assign, and transfer to SESI all right, title and interest in and to the Outstanding Notes I have tendered. I am aware that the Exchange Agent also acts as the agent of SESI. By executing this document, I irrevocably appoint the Exchange Agent as my agent and attorney-in-fact for the tendered Outstanding Notes with full power of substitution to:

1. deliver certificates for the Outstanding Notes, or transfer ownership of the Outstanding Notes on the account books maintained by DTC, to SESI and deliver all accompanying evidences of transfer and authenticity to SESI, and

2. present the Outstanding Notes for transfer on the books of SESI, receive all benefits and exercise all rights of beneficial ownership of these Outstanding Notes, according to the terms of the Exchange Offer. The power of attorney granted in this paragraph is irrevocable and coupled with an interest.

I represent and warrant that I have full power and authority to tender, sell, assign, and transfer the Outstanding Notes that I am tendering. I represent and warrant that SESI will acquire good and unencumbered title to the Outstanding Notes, free and clear of all liens, restrictions, charges and encumbrances and that the Outstanding Notes will not be subject to any adverse claim at the time SESI acquires them. I further represent that:

1. any Exchange Notes I will acquire in exchange for the Outstanding Notes I have tendered will be acquired in the ordinary course of business;

2. I have not engaged in, do not intend to engage in, and have no arrangement with any person to engage in, a distribution of any Exchange Notes issued to me; and

3. I am not an "affiliate" (as defined in Rule 405 under the Securities Act) of SESI.

I understand that the Exchange Offer is being made in reliance on interpretations contained in letters issued to third parties by the staff of the Securities and Exchange Commission ("Commission"). These letters provide that the Exchange Notes issued in exchange for the Outstanding Notes in the Exchange Offer may be offered for resale, resold, and otherwise transferred by a Holder of Exchange Notes, unless that person is an "affiliate" of SESI within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act. The Exchange Notes must be acquired in the ordinary course of the Holder's business and the Holder must not be engaging in, must not intend to engage in, and must not have any arrangement or understanding with any person to participate in, a distribution of the Exchange Notes.

If I am not a broker-dealer, I represent that I am not engaged in, and do not intend to engage in, a distribution of the Exchange Notes. If I am a broker-dealer that will receive Exchange Notes for my own account in exchange for Outstanding Notes that were acquired as a result of market-making activities or other trading activities (an "Exchanging Dealer"), I acknowledge that I will deliver a prospectus in connection with any resale of the Exchange Notes; however, by so acknowledging and by delivering a prospectus, I will not be deemed to admit that I am an "underwriter" within the meaning of the Securities Act.

SESI has agreed that, subject to the provisions of the registration rights agreement, the Prospectus, as it may be amended or supplemented from time to time, may be used by an Exchanging Dealer in connection with resales of Exchange Notes received in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such Exchanging Dealer for its own account as a result of market-making activities or other trading activities, for a period ending 180 days after the Expiration Date (subject to extension under certain limited circumstances described in the Prospectus) or, if earlier, when all such Exchange Notes have been disposed of by such Exchanging Dealer. In that regard, if I am an Exchanging Dealer, by tendering such Outstanding Notes and executing this Letter of Transmittal, I agree that, upon receipt of notice from SESI of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in the Prospectus untrue in any material respect or which causes the Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference therein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the registration rights agreement, I will suspend the sale of Exchange Notes pursuant to the Prospectus until SESI has amended or supplemented the Prospectus to correct such misstatement or omission and have furnished copies of the amended or supplemented Prospectus to the Exchanging Dealer or SESI has given notice that the sale of the Exchange Notes may be resumed, as the case may be. If SESI gives such notice to suspend the sale of the Exchange Notes, they shall extend the 180-day period referred to above during which Exchanging Dealers are entitled to use the Prospectus in connection with the resale of Exchange Notes by the number of days during the period from and including the date of the giving of such notice to and including the date when Exchanging Dealers shall have received copies of the supplemented or amended Prospectus necessary to permit resales of the Exchange Notes or to and including the date on which SESI has given notice that the sale of Exchange Notes may be resumed, as the case may be.

Upon request, I will execute and deliver any additional documents deemed by the Exchange Agent or SESI to be necessary or desirable to complete the assignment, transfer, and purchase of the Outstanding Notes I have tendered.

I understand that SESI will be deemed to have accepted validly tendered Outstanding Notes when SESI gives oral or written notice of acceptance to the Exchange Agent.

If, for any reason, any tendered Outstanding Notes are not accepted for exchange in the Exchange Offer, certificates for those unaccepted Outstanding Notes will be returned to me without charge at the address shown below or at a different address if one is listed under "Special Delivery Instructions." Any unaccepted Outstanding Notes which had been tendered by book-entry transfer will be credited to an account at DTC, as soon as reasonably possible after the Expiration Date.

All authority granted or agreed to be granted by this Letter of Transmittal will survive my death, incapacity or, if I am a corporation or institution, my dissolution and every obligation under this Letter of Transmittal is binding upon my heirs, personal representatives, successors, and assigns.

I understand that tenders of Outstanding Notes according to the procedures described in the Prospectus under the heading "The Exchange Offer - Exchange Offer Procedures" and in the instructions included in this document constitute a binding agreement between myself and SESI subject to the terms and conditions of the Exchange Offer.

Unless I have described other instructions in this Letter of Transmittal under the section "Special Issuance Instructions," please issue the certificates representing Exchange Notes issued in exchange for my tendered and accepted Outstanding Notes in my name, and issue any replacement certificates for Outstanding Notes not tendered or not exchanged in my name. Similarly, unless I have instructed otherwise under the section "Special Delivery Instructions," please send the certificates representing the Exchange Notes issued in exchange for tendered and accepted Outstanding Notes and any certificates for Outstanding Notes that were not tendered or not exchanged, as well as any accompanying documents, to me at the address shown below my signature. If both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the certificates representing the Exchange Notes issued in exchange for my tendered and accepted Outstanding Notes in the name(s) of, and return any Outstanding Notes that were not tendered or exchanged and send such certificates to, the person(s) so indicated. I understand that if SESI does not accept any of the tendered Outstanding Notes for exchange, SESI has no obligation to transfer any Outstanding Notes from the name of the registered Holder(s) according to my instructions in the "Special Payment Instructions" and "Special Delivery Instructions" sections of this document.

SPECIAL ISSUANCE INSTRUCTION (SEE INSTRUCTIONS 4, 5 AND 6)		**SPECIAL DELIVERY INSTRUCTIONS** (SEE INSTRUCTIONS 4, 5 AND 6)

To be completed only (i) if Outstanding Notes in a principal amount not tendered, or Exchange Notes issued in exchange for Outstanding Notes accepted for exchange, are to be issued in the name of someone other than you, or (ii) if Outstanding Notes tendered by book-entry transfer which are not exchanged are to be returned by credit to an account maintained at the Book-Entry Transfer Facility. Issue Exchange Notes and/or Outstanding Notes to:

Name.....
(Type or Print)

Address.....

.....
(Zip Code)

.....
(Tax Identification or Social Security Number)

(Complete Substitute Form W-9)

Credit unexchanged Outstanding Notes delivered by book-entry transfer to the Book-Entry Transfer Facility set forth below:

Book-Entry Transfer Facility Account Number:

.....

To be completed ONLY if the Exchange Notes are to be issued or sent to someone other than you or to you at an address other than as indicated above.

☐ Mail ☐ Issue (check appropriate boxes) certificates to:

Name .....
(Type or Print)

Address .....

.....
(Zip Code)

.....
(Tax Identification or Social Security Number)

SPECIAL BROKER-DEALER INSTRUCTIONS

☐ Check here if you are a broker-dealer and wish to receive 10 additional copies of the Prospectus and 10 copies of any amendments or supplements thereto.

Name .....
Address .....
.....
(Zip Code)

IMPORTANT
PLEASE SIGN HERE WHETHER OR NOT
OUTSTANDING NOTES ARE BEING PHYSICALLY TENDERED HEREBY
(Complete Accompanying Substitute Form W-9 on Last Page)

.....

.....
(Signature(s) of Registered Holders of Outstanding Notes)

Dated ....., 2001

(The above lines must be signed by the registered holder(s) of Outstanding Notes as name(s) appear(s) on the Outstanding Notes or on a security position listing, or by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter of Transmittal. If Outstanding Notes to which this Letter of Transmittal relate are held of record by two or more joint holders, then all such holders must sign this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full title below and (ii) unless waived by SESI, submit evidence satisfactory to SESI of such person's authority so to act. See Instructions 1 and 5 regarding completion of this Letter of Transmittal, printed below.)

Name(s) .....
(Please Type or Print)

Capacity .....

Address:.....

.....
(Include Zip Code)

Area Code and Telephone Number:.....

MEDALLION SIGNATURE GUARANTEE
(If Required by Instructions 1 and 5)

Certain signatures must be Guaranteed by an Eligible Institution.

Signature(s) Guaranteed by an Eligible Institution:.....
(Authorized Signature)

.....
(Title)

.....
(Name of Firm)

.....
(Address, Include Zip Code)

.....
(Area Code and Telephone Number)

Dated: ....., 2001

INSTRUCTIONS
PART OF THE TERMS AND CONDITIONS OF THE
EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND OUTSTANDING NOTES. The tendered Outstanding Notes or a confirmation of book-entry delivery, as well as a properly completed and executed copy or facsimile of this Letter of Transmittal and any other required documents must be received by the Exchange Agent at its address listed on the cover of this document before 5:00 p.m., New York City time, on the Expiration Date. YOU ARE RESPONSIBLE FOR THE DELIVERY OF THE OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. EXCEPT UNDER THE LIMITED CIRCUMSTANCES DESCRIBED BELOW, THE DELIVERY OF THESE DOCUMENTS WILL BE CONSIDERED TO HAVE BEEN MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. WHILE THE METHOD OF DELIVERY IS AT YOUR RISK AND CHOICE, SESI RECOMMENDS THAT YOU USE AN OVERNIGHT OR HAND DELIVERY SERVICE RATHER THAN REGULAR MAIL. YOU SHOULD SEND YOUR DOCUMENTS WELL BEFORE THE EXPIRATION DATE TO ENSURE RECEIPT BY THE EXCHANGE AGENT. YOU MAY REQUEST THAT YOUR BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR NOMINEE DELIVER YOUR OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. DO NOT SEND YOUR OUTSTANDING NOTES TO SESI.

   If you wish to tender your Outstanding Notes, but:

   (a) your Outstanding Notes are not immediately available;

   (b) you cannot deliver your Outstanding Notes, this Letter of Transmittal and all required documents to the Exchange Agent before the Expiration Date; or

   (c) you are unable to complete the book-entry tender procedure before the Expiration Date,

you must tender your Outstanding Notes according to the guaranteed delivery procedure. A summary of this procedure follows, but you should read the section in the Prospectus titled "The Exchange Offer -- Exchange Offer Procedures" for more complete information. As used in this Letter of Transmittal, an "Eligible Institution" is any participant in a Recognized Signature Guarantee Medallion Program within the meaning of Rule 17Ad-15 of the Exchange Act.

For a tender made through the guaranteed delivery procedure to be valid, the Exchange Agent must receive a properly completed and executed Notice of Guaranteed Delivery or a facsimile of that notice before 5:00 p.m., New York City time, on the Expiration Date. The Notice of Guaranteed Delivery must be delivered by an Eligible Institution and must:

(a) state your name and address;

(b) list the certificate numbers and principal amounts of the Outstanding Notes being tendered;

(c) state that tender of your Outstanding Notes is being made through the Notice of Guaranteed Delivery; and

(d) guarantee that this Letter of Transmittal, or a facsimile of it, the certificates representing the Outstanding Notes, or a confirmation of DTC book-entry transfer, and all other required documents will be deposited with the Exchange Agent by the Eligible Institution within three New York Stock Exchange trading days after the Expiration Date.

The Exchange Agent must receive your Outstanding Notes certificates, or a confirmation of DTC book entry, in proper form for transfer, this Letter of Transmittal and all required documents within three New York Stock Exchange trading days after the Expiration Date or your tender will be invalid and may not

be accepted for exchange.

SESI has the sole right to decide any questions about the validity, form, eligibility, time of receipt, acceptance or withdrawal of tendered Outstanding Notes, and its decision will be final and binding. SESI's interpretation of the terms and conditions of the Exchange Offer, including the instructions contained in this Letter of Transmittal and in the Prospectus under the heading "The Exchange Offer -- Conditions to the Exchange Offer," will be final and binding on all parties.

SESI has the absolute right to reject any or all of the tendered Outstanding Notes if

(1) the Outstanding Notes are not properly tendered or

(2) in the opinion of counsel, the acceptance of those Outstanding Notes would be unlawful.

SESI may also decide to waive any conditions, defects, or invalidity of tender of Outstanding Notes and accept such Outstanding Notes for exchange. Any defect or invalidity in the tender of Outstanding Notes that is not waived by SESI must be cured within the period of time set by SESI.

It is your responsibility to identify and cure any defect or invalidity in the tender of your Outstanding Notes. Tender of your Outstanding Notes will not be considered to have been made until any defect is cured or waived. Neither SESI, the Exchange Agent nor any other person is required to notify you that your tender was invalid or defective, and no one will be liable for any failure to notify you of such a defect or invalidity in your tender of Outstanding Notes. As soon as reasonably possible after the Expiration Date, the Exchange Agent will return to the Holder any Outstanding Notes that were invalidly tendered if the defect of invalidity has not been cured or waived.

2. TENDER BY HOLDER. You must be a Holder of Outstanding Notes in order to participate in the Exchange Offer. If you are a beneficial holder of Outstanding Notes who wishes to tender, but you are not the registered Holder, you must arrange with the registered Holder to execute and deliver this Letter of Transmittal on his, her or its behalf. Before completing and executing this Letter of Transmittal and delivering the registered Holder's Outstanding Notes, you must either make appropriate arrangements to register ownership of the Outstanding Notes in your name, or obtain a properly executed bond power from the registered Holder. The transfer of registered ownership of Outstanding Notes may take a long period of time.

3. PARTIAL TENDERS. If you are tendering less than the entire principal amount of Outstanding Notes represented by a certificate, you should fill in the principal amount you are tendering in the last column of the box entitled "Description of Outstanding Notes." The entire principal amount of Outstanding Notes listed on the certificate delivered to the Exchange Agent will be deemed to have been tendered unless you fill in the appropriate box. If the entire principal amount of all Outstanding Notes is not tendered, a certificate will be issued for the principal amount of those untendered Outstanding Notes not tendered.

Unless a different address is provided in the appropriate box on this Letter of Transmittal, certificate(s) representing Exchange Notes issued in exchange for any tendered and accepted Outstanding Notes will be sent to the registered Holder at his or her registered address, promptly after the Outstanding Notes are accepted for exchange. In the case of Outstanding Notes tendered by book-entry transfer, any untendered Outstanding Notes and any Exchange Notes issued in exchange for tendered and accepted Outstanding Notes will be credited to accounts at DTC.

4. SIGNATURES ON THE LETTER OF TRANSMITTAL; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.

- If you are the registered Holder of the Outstanding Notes tendered with this document, and are signing this Letter of Transmittal, your signature must match exactly with the name(s) written on the face of the Outstanding Notes. There can be no alteration, enlargement, or change in your signature in any manner. If certificates representing the Exchange Notes, or certificates issued to replace any Outstanding Notes you have not tendered are to be issued to you as the registered Holder, do not endorse any tendered Outstanding Notes, and do not provide a separate bond power.

- If you are not the registered Holder, or if Exchange Notes or any replacement Outstanding Note certificates will be issued to someone other than you, you must either properly endorse the Outstanding Notes you have tendered or deliver with this Letter of Transmittal a properly completed separate bond power. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - If you are signing this Letter of Transmittal but are not the registered Holder(s) of any Outstanding Notes listed on this document under the "Description of Outstanding Notes Tendered," the Outstanding Notes tendered must be endorsed or accompanied by appropriate bond powers, in each case signed in the name of the registered Holder(s) exactly as it appears on the Outstanding Notes. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - If this Letter of Transmittal, any Outstanding Notes tendered or any bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, that person must indicate their title or capacity when signing. Unless waived by SESI, evidence satisfactory to SESI of that person's authority to act must be submitted with this Letter of Transmittal. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- - ALL SIGNATURES ON THIS LETTER OF TRANSMITTAL MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNLESS ONE OF THE FOLLOWING SITUATIONS APPLY:

- - If this Letter of Transmittal is signed by the registered Holder(s) of the Outstanding Notes tendered with this Letter of Transmittal and such Holder(s) has not completed the box titled "Special Payment Instructions" or the box titled "Special Delivery Instructions;" or

- If the Outstanding Notes are tendered for the account of an Eligible Institution.

5. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If different from the name and address of the person signing this Letter of Transmittal, you should indicate, in the applicable box or boxes, the name and address where Outstanding Notes issued in replacement for any untendered or tendered but unaccepted Outstanding Notes should be issued or sent. If replacement notes for Outstanding Notes are to be issued in a different name, you must indicate the taxpayer identification or social security number of the person named.

6. TRANSFER TAXES. SESI will pay all transfer taxes, if any, applicable to the exchange of Outstanding Notes in the Exchange Offer. However, transfer taxes will be payable by you (or by the tendering Holder if you are signing this letter on behalf of a tendering Holder) if:

- certificates representing Exchange Notes or notes issued to replace any Outstanding Notes not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, a person other than the registered Holder;

- - tendered Outstanding Notes are registered in the name of any person other than the person signing this Letter of Transmittal; or

- a transfer tax is imposed for any reason other than the exchange of Outstanding Notes according to the Exchange Offer. If satisfactory evidence of the payment of those taxes or an exemption from payment is not submitted with this Letter of Transmittal, the amount of those transfer taxes will be billed directly to the tendering Holder. Until those transfer taxes are paid, SESI will not be required to deliver any Exchange Notes required to be delivered to, or at the direction of, such tendering Holder.

Except as provided in this Instruction 6, it is not necessary for transfer tax stamps to be attached to the Outstanding Notes listed in this Letter of Transmittal.

7. FORM W-9. You must provide the Exchange Agent with a correct Taxpayer Identification Number ("TIN") for the Holder on the enclosed Form W-9. If the Holder is an individual, the TIN is his or her social security number. If you do not provide the required information on the Form W-9, you may be subject to 31% federal income tax withholding on certain payments made to the Holders of Exchange Notes. Certain Holders, such as corporations and certain foreign individuals, are not subject to these backup withholding and reporting requirements. For additional information, please read the enclosed Guidelines for Certification of TIN on Substitute Form W-9. To prove to the Exchange Agent that a foreign individual qualifies as an exempt Holder, the foreign individual must submit a Form W-8, Form W-8 BEN or other similar statement, signed under penalties of perjury, certifying as to that individual's exempt status. You can obtain the appropriate form from the Exchange Agent.

8. VALIDITY OF TENDERS. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of Outstanding Notes tendered for exchange will be determined by SESI, in its sole discretion, which determination shall be final and binding. SESI reserves the absolute right to reject any or all tenders not properly tendered or to not accept any particular Outstanding Notes which acceptance might, in the judgment of SESI or its counsel, be unlawful. SESI also reserves the absolute right to waive any defects or irregularities or conditions of the Exchange Offer as to any particular Outstanding Notes either before or after the Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Outstanding Notes in the Exchange Offer). SESI's interpretation of the terms and conditions of the Exchange Offer as to any particular Outstanding Notes either before or after the Expiration Date (including the Letter of Transmittal and the instructions thereto) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Notes for exchange must be cured within such reasonable period of time as SESI shall determine. Neither SESI, the Exchange Agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of Outstanding Notes for exchange; nor shall any of them incur any liability for failure to give such notification. Tenders of Outstanding Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Outstanding Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holders, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

9. WAIVER OF CONDITIONS. SESI may choose, at any time and for any reason, to amend, waive or modify certain of the conditions to the Exchange Offer. The conditions applicable to tenders of Outstanding Notes in the Exchange Offer are described in the Prospectus under the heading "The Exchange Offer - - - Conditions to the Exchange Offer."

10. NO CONDITIONAL TENDER. No alternative, conditional, irregular or contingent tender of Outstanding Notes on transmittal of this Letter of Transmittal will be accepted.

11. MUTILATED, LOST, STOLEN OR DESTROYED OUTSTANDING NOTES. If your Outstanding Notes have been mutilated, lost, stolen or destroyed, you should contact the Exchange Agent at the address listed on the cover page of this document for further instructions.

12. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. If you have questions, need assistance, or would like to receive additional copies of the Prospectus or this Letter of Transmittal, you should contact the Exchange Agent at the address listed in the Prospectus. You may also contact your broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.

13. WITHDRAWAL. Tenders may be withdrawn only pursuant to the withdrawal rights set forth in the Prospectus under the caption "The Exchange Offer -- Withdrawal Rights."

TO BE COMPLETED BY ALL TENDERING HOLDERS
(SEE INSTRUCTION 7)

<table>
<tr><td>SUBSTITUTE

Form W-9</td><td>Part 1 -- PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</td><td>Social Security Number
OR
Employer Identification Number</td></tr>
<tr><td>Department of the Treasury
Internal Revenue Service

Payer's Request for Taxpayer Identification Number (TIN)</td><td>Part 2 -- Certification -- Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and

(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.</td><td>Part 3 --

Awaiting TIN

Please complete the Certificate of Awaiting Taxpayer Identification Number below.</td></tr>
<tr><td></td><td colspan="2">Certificate Instructions -- You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).

SIGNATURE _____ DATE ,2001</td></tr>
</table>

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF THE SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the payor within 60 days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number.

_____ Signature	_____, 2001 Date

CERTIFICATE FOR FOREIGN RECORD HOLDERS

Under penalties of perjury, I certify that I am not a United States citizen or resident (or I am signing for a foreign corporation, partnership, estate or trust).

_____ Signature	_____, 2001 Date

INSTRUCTIONS FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER (THE "GUIDELINES")

Purpose of Form. A person who is required to file an information return with the IRS must obtain your correct Taxpayer Identification Number ("TIN") to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. For most individuals, your taxpayer identification number will be your Social Security Number ("SSN"). Use the form provided to furnish your correct TIN and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new last name.

If you are a sole proprietor, you must furnish your individual name and either your SSN or Employer Identification Number ("EIN"). You may also enter your business name or "doing business as" name on the business name line. Enter your name(s) as shown on your social security card and/or as it was used to apply for your EIN on Form SS-4.

You must sign the certification or backup withholding will apply.

How To Obtain a TIN.-If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

Once you receive your TIN, complete the enclosed form and return it to us. Please note that you will be subject to backup withholding at a 31% rate until we receive your TIN.

For this type of account:	Give name and SSN of:	For this type of account:	Give name and EIN of:
1. Individual	The individual	6. Sole proprietorship	The owner[3]
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account[1]	7. A valid trust, estate, or pension trust	Legal entity[4]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor[2]	8. Corporate	The corporation
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]	9. Association, club, religious, charitable, education, or other tax-exempt organization	The organization
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]	10. Partnership	The partnership
5. Sole proprietorship	The owner[3]	11. A broker or registered nominee	The broker or nominee
		12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish

[2] Circle the minor's name and furnish the minor's SSN
[3] Show your individual name. You may also enter your business name. You may use your SSN or EIN.
[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

What Is Backup Withholding? Persons making dividend payments to you after 1992 are required to withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding."

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;

2. The IRS notifies the requester that you furnished an incorrect TIN;

3. You are notified by the IRS that you are subject to backup withholding because you failed to report all our interest and dividends on your tax return;

4. You do not certify to the requester that you are to subject to backup withholding under 3 above; or

5. You do not certify your TIN.

Payees and Payments Exempt From Backup Withholding.-The following is a list of payees exempt from backup withholding and for which no information reporting is required.

(1) A corporation. (2) An organization exempt from tax under section 501(a), or an IRA, or a custodial account under section 403(b)(7). (3) The United States or any of its agencies or instrumentalities. (4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities. (5) A foreign government or any of its political subdivisions, agencies, or instrumentalities. (6) An international organization or any of its agencies or instrumentalities. (7) A foreign central bank of issue. (8) A dealer in securities or commodities required to register in the United States or a possession of the United States.(9) A real estate reinvestment trust. (10) An entity registered at all times during the tax year under the Investment Company Act of 1940. (11) A common trust fund operated by a bank under section 584(a). (12) A financial institution. (13) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List. (14) A trust exempt from tax under section 664 or described in section 4947.
Payments of dividends generally not subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Penalties

Failure to Furnish TIN.-If you fail to furnish your correct TIN, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding.-If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal Penalty for Falsifying Information.-Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs.-If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

NOTICE OF GUARANTEED DELIVERY
for Tender of
Outstanding Unregistered Senior Notes due May 15, 2011
of
SESI, L.L.C.

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used to accept the Exchange Offer (as defined below) if (i) certificates for the Company's (as defined below) Senior Notes due May 15, 2011 (the "Outstanding Notes") are not immediately available, (ii) Outstanding Notes, the Letter of Transmittal and all other required documents cannot be delivered to The Bank of New York (the "Exchange Agent") on or prior to 5:00 p.m., New York City time, on the Expiration Date (as defined in the Prospectus referred to below) or (iii) the procedures for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail, or transmitted by facsimile transmission, to the Exchange Agent. See "The Exchange Offer - Exchange Offer Procedures -- Guaranteed Delivery Procedures" in the Prospectus. In addition, in order to utilize the guaranteed delivery procedure to tender Outstanding Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal relating to Outstanding Notes (or facsimile thereof) must also be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. Capitalized terms not defined herein have the meanings assigned to them in the Prospectus.

THE EXCHANGE AGENT
FOR THE EXCHANGE OFFER IS:

THE BANK OF NEW YORK

For Delivery by Mail/ Hand Delivery/Overnight Delivery:

The Bank of New York
Corporate Trust Services Window, Ground Level
101 Barclay Street
New York, NY 10286
Attn:

For Delivery by Registered Certified Mail:

The Bank of New York
101 Barclay Street
Reorganization Department, 7 East
New York , NY 10286
Attn:

By Facsimile Transmission (for eligible institutions only):

(212) 815-6339

To Confirm Receipt:

(212) 815-3750

For Information Call:

(212) 815-3750

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

Ladies and Gentlemen:

The undersigned hereby tenders to SESI, L.L.C., a Delaware limited liability company (the "Company"), upon the terms and subject to the conditions set forth in the prospectus dated , 2001 (as the same may be amended or supplemented from time to time, the "Prospectus"), and the related Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate principal amount of Outstanding Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer - Exchange Offer Procedures -- Guaranteed Delivery Procedures."

The undersigned understands and acknowledges that the Exchange Offer will expire at 5:00 p.m., New York City time, on , 2001, unless extended by the Company. With respect to the Exchange Offer, "Expiration Date" means such time and date, or if the Exchange Offer is extended, the latest time and date to which the Exchange Offer is so extended by the Company.

All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

DESCRIPTION OF OUTSTANDING NOTES TENDERED

Certificate Number(s) (if known) of Outstanding Notes or Account	**Aggregate Principal Amount**	**Principal**

Number at the Book-Entry Transfer Facility	Represented by Outstanding Notes	Amount Tendered
	Total:	

PLEASE SIGN AND COMPLETE

Signature(s): _____ _____ Address: _____ _____ (Zip Code) Area Code and Telephone Number: _____ Dated: _____	Name(s): _____ _____ Capacity (full title), if signing in a representative capacity:_____ Taxpayer Identification or Social Security Number: _____

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, as an "eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker, municipal securities dealer, government securities broker, government securities dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or learning agency; or (v) a savings association that is a participant in a Securities Transfer Association recognized program (each of the foregoing being referred to as an "Eligible Institution"), hereby guarantees to deliver to the Exchange Agent, at one of its addresses set forth above, either the Outstanding Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Outstanding Notes to the Exchange Agent's account at The Depository Trust Company, pursuant to the procedures for book-entry transfer set forth in the Prospectus, in either case together with one or more properly completed and duly executed Letter(s) of Transmittal (or facsimile thereof) and any other required documents within three New York Stock Exchange trading days after the date of execution of this Notice of Guaranteed Delivery.

The undersigned acknowledges that it must deliver the Letter(s) of Transmittal and the Outstanding Notes tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in a financial loss to the undersigned.

_____
(Name of Firm)

Sign here:
_____
(Authorized Signature)

Name:_____
(Please type or print)

Title:_____

_____
(Area Code and Telephone Number)

_____

Dated: _____, 2001 _____
Address Zip Code

NOTE: DO NOT SEND CERTIFICATES FOR OUTSTANDING NOTES WITH THIS FORM. CERTIFICATES FOR OUTSTANDING NOTES SHOULD ONLY BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Exhibit 5.1

July 10, 2001

SESI, L.L.C.
1105 Peters Road
Harvey, Louisiana 70058

Re: Registration Statement on Form S-4
$200,000,000 aggregate principal amount of
8 7/8% Senior Notes due May 15, 2011

Gentlemen:

We have acted as your counsel in connection with the preparation of the registration statement on Form S-4 (the "Registration Statement") filed by SESI, L.L.C. a Delaware limited liability company (the "Company"), with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, on the date hereof with respect to the Company's offer to exchange (the "Exchange Offer") up to $200 million aggregate principal amount of the Company's registered 8 7/8% Senior Notes due May 15, 2011 (the "Exchange Notes") for a like principal amount of the Company's unregistered Senior Notes due May 15, 2011 (the "Outstanding Notes"). The Exchange Notes will be offered under an Indenture, as amended, dated as of May 2, 2001, among the Company, Superior Energy Services, Inc. (the "Parent"), the Subsidiary Guarantors named therein and The Bank of New York, as trustee (the "Indenture").

In so acting, we have examined originals, or photostatic or certified copies, of the Indenture, the form of the Exchange Notes and such records of the Company and Parent, certificates of the Parent acting in its capacity as the sole member of the Company and of public officials, and such other documents as we have deemed relevant. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents.

Based upon the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

> When the Exchange Notes issuable upon consummation of the Exchange Offer have been (i) duly executed by the Company and authenticated by the trustee therefor in accordance with the terms of the Indenture and (ii) duly issued and delivered against the receipt of Outstanding Notes surrendered in exchange therefor, and if a court of appropriate jurisdiction were to hold that the Exchange Notes were governed by and to be construed under the laws of the State of Louisiana notwithstanding the choice in the Exchange Notes and the Indenture of New York as the governing law, the Exchange Notes will constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and court decisions relating to or affecting the enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

The foregoing opinion is limited in all respects to the laws of the State of Louisiana and federal laws. We are members of the Bar of the State of Louisiana and have neither been admitted to nor purport to be experts on the laws of any other jurisdiction.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us in the prospectus included therein under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the general rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, L.L.P.

JONES, WALKER, WAECHTER,
POITEVENT, CARRÈRE &
DENÈGRE, L.L.P.

The Board of Directors
Superior Energy Services, Inc.:

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

KPMG LLP

New Orleans, Louisiana
July 5, 2001

Exhibit 23.2

Consent of Independent Auditors

We consent to the reference to our firm under the captions "Summary Consolidated Financial Data," "Selected Consolidated Financial Data," and "Experts" and to the use of our report dated March 2, 1999 in the Registration Statement on Form S-4 and related Prospectus of Superior Energy Services, Inc. (formerly Cardinal Holding Corp.) for the registration of $200,000,000 of Senior Notes and Guarantees of $200,000,000 of Senior Notes.

We also consent to the incorporation by reference therein of our report dated March 2, 1999, with respect to the consolidated financial statements and schedule of Superior Energy Services, Inc. (formerly Cardinal Holding Corp.) included in its Annual Report on Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New Orleans, Louisiana
July 5, 2001

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) |__|

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

Superior Energy Services, Inc.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	75-2379388 (I.R.S. employer identification no.)

SESI, L.L.C.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	76-0664124 (I.R.S. employer identification no.)

1105 Peters Road, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664198 (I.R.S. employer identification no.)

Ace Rental Tools, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664126 (I.R.S. employer identification no.)

Blowout Tools, Inc.
(Exact name of obligor as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	76-0111962 (I.R.S. employer identification no.)

Nautilus Pipe & Tool Rental, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664127 (I.R.S. employer identification no.)

Connection Technology, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664128 (I.R.S. employer identification no.)

Drilling Logistics, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664199 (I.R.S. employer identification no.)

Environmental Treatment Investments, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664200 (I.R.S. employer identification no.)

F. &. F. Wireline Service, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664129 (I.R.S. employer identification no.)

Fastorq, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664133 (I.R.S. employer identification no.)

H.B. Rentals, L.C.

(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	72-1307291 (I.R.S. employer identification no.)

Hydro-Dynamics Oilfield Contractors, Inc.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	72-1301473 (I.R.S. employer identification no.)

International Snubbing Services, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664134 (I.R.S. employer identification no.)

Non-Magnetic Rental Tools, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664213 (I.R.S. employer identification no.)

Oil Stop, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664136 (I.R.S. employer identification no.)

Production Management Industries, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of	76-0664137 (I.R.S. employer

incorporation or organization)	identification no.)

Stabil Drill Specialties, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664138 (I.R.S. employer identification no.)

Sub-Surface Tools, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664195 (I.R.S. employer identification no.)

Superior Energy Services, L.L.C.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	76-0664196 (I.R.S. employer identification no.)

SELIM LLC
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	72-1491884 (I.R.S. employer identification no.)

SEGEN LLC
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	72-1491885 (I.R.S. employer identification no.)

SE Finance LP
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0668090 (I.R.S. employer identification no.)

Tong Rentals and Supply Company, L.L.C.
(Exact name of obligor as specified in its charter)

Louisiana (State or other jurisdiction of incorporation or organization)	76-0664214 (I.R.S. employer identification no.)

Wild Well Control, Inc.
(Exact name of obligor as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	74-1873477 (I.R.S. employer identification no.)
1105 Peters Road Harvey, Louisiana (Address of principal executive offices)	70058 (Zip code)

_____

Senior Notes due 2011
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 11th day of July, 2001.

THE BANK OF NEW YORK

By: /s/ MING SHIANG
Name: MING SHIANG
Title: VICE PRESIDENT

Exhibit 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 2001, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	$2,811,275
Interest-bearing balances	3,133,222
Securities:	
Held-to-maturity securities	147,185
Available-for-sale securities	5,403,923
Federal funds sold and Securities purchased under agreements to resell	3,378,526
Loans and lease financing receivables:	
Loans and leases held for sale	74,702
Loans and leases, net of unearned income	37,471,621
LESS: Allowance for loan and lease losses	599,061
Loans and leases, net of unearned income and allowance	36,872,560
Trading Assets	11,757,036
Premises and fixed assets (including capitalized leases)	768,795
Other real estate owned	1,078

Investments in unconsolidated subsidiaries and associated companies	193,126
Customers' liability to this bank on acceptances outstanding	592,118
Intangible assets	
Goodwill	1,300,295
Other intangible assets	122,143
Other assets	3,676,375
Total assets	$70,232,359
LIABILITIES	
Deposits:	
In domestic offices	$25,962,242
Noninterest-bearing	10,586,346
Interest-bearing	15,395,896
In foreign offices, Edge and Agreement subsidiaries, and IBFs	24,862,377
Noninterest-bearing	373,085
Interest-bearing	24,489,292
Federal funds purchased and securities sold under agreements to repurchase	1,446,874
Trading liabilities	2,373,361
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,381,512
Bank's liability on acceptances executed and outstanding	592,804
Subordinated notes and debentures	1,646,000
Other liabilities	5,373,065
Total liabilities	$63,658,235
EQUITY CAPITAL	
Common stock	1,135,284
Surplus	1,008,773
Retained earnings	4,426,033
Accumulated other comprehensive income	4,034
Other equity capital components	0
Total equity capital	6,574,124
Total liabilities and equity capital	$70,232,359

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

Thomas A. Renyi
Gerald L. Hassell

Directors