1105 PETERS ROAD LLC
Form 424B3
July 19, 2012
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-182530

PROSPECTUS

SESI, L.L.C.

Offer to Exchange

Up to $800,000,000 Registered 7.125% Senior Notes due 2021

for

Any and all Outstanding Unregistered 7.125% Senior Notes due 2021

SESI, L.L.C. (the issuer), a wholly-owned first tier subsidiary of Superior Energy Services, Inc. (Superior Energy), is offering to exchange $800,000,000 aggregate principal amount of its 7.125% Senior Notes due 2021 that we have registered under the Securities Act of 1933 (the exchange notes), for up to $800,000,000 aggregate principal amount of the issuer s outstanding 7.125% Senior Notes due 2021 (the outstanding notes). In this prospectus we refer to the exchange notes and the outstanding notes collectively as the notes.

The Exchange Offer

The issuer hereby offers to exchange all outstanding notes that are validly tendered and not withdrawn for an equal principal amount of exchange notes.

The exchange offer will expire at 5:00 p.m. New York City time, on August 16, 2012, unless extended.

You may withdraw tenders of your outstanding notes at any time before the exchange offer expires.

The exchange notes are substantially identical to the outstanding notes, except that the transfer restrictions and registration rights relating to the outstanding notes will not apply to the exchange notes.

The exchange of outstanding notes for exchange notes pursuant to the exchange offer will not be a taxable event for federal income tax purposes. See Material U.S. federal income tax consequences beginning on page 85 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.

Interest on the exchange notes will be paid at the rate of 7.125% per annum, semi-annually in cash in arrears on each June 15 and December 15.

Please see Risk factors beginning on page 9 for a discussion of factors you should consider in connection with the exchange offer.

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. We have agreed that, for a period of 180 days after the consummation of the exchange offer, 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 of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 19, 2012.

Table of Contents

We have not authorized anyone to give any information or represent anything to you other than the information in this prospectus. You must not rely on any unauthorized information or representations. We are not making an offer to sell the exchange notes in any jurisdiction where the offer or sale is not permitted.

Table of contents

SESI, L.L.C. is a Delaware limited liability company and a wholly-owned first tier subsidiary of Superior Energy Services, Inc., a Delaware corporation.

In this prospectus, unless the context otherwise requires, references to:

Superior, the Company, we, our and us refer to SESI, L.L.C., our parent, Superior Energy Services, Inc., and our subsidiaries;

Superior Energy refers to Superior Energy Services, Inc. and not to any of its subsidiaries; and

the issuer and SESI refer to SESI, L.L.C. and not to Superior Energy or any of its other subsidiaries.

This prospectus incorporates important business and financial information about Superior that is not included in or delivered with this prospectus. This information is available without charge to security holders upon written or oral request to Superior Energy Services, Inc., 11000 Equity Drive, Suite 300, Houston, Texas 77041, (281) 999-0047. **To ensure timely delivery you should make your request to us no later than August 9, 2012, which is five business days prior to the expiration of the exchange offer. In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date of the exchange offer, as extended**. We do not currently intend to extend the expiration date. See The exchange offer for more detailed information.

Table of Contents

Cautionary note regarding forward-looking statements

We have included or incorporated by reference in this prospectus, and from time to time our management may make statements that may constitute, forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words expects, anticipates, targets, goals, projects, intends, plans, believes, seeks, estimates, variations of such expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. In making any forward-looking statements, we believe that the expectations are based on reasonable assumptions. We caution readers that those statements are not guarantees of future performance and our actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, most of which are difficult to predict and many of which are beyond our control. It is not possible to identify all of these risks, uncertainties or assumptions, but they include those factors described below in Risk Factors and in Management s Discussion and Analysis of Financial Condition and Results of Operations in our Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) June 15, 2012, which is incorporated by reference herein.

Investors are cautioned that many of the assumptions on which our forward-looking statements are based are likely to change after our forward-looking statements are made. Further, we may make changes to our business plans that could or will affect our results. We undertake no obligation to update or revise any of our forward-looking statements, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes.

Market, ranking and industry data

The data included in or incorporated by reference into this prospectus regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on our estimates formulated from our management s knowledge of and experience in the markets in which we operate and information obtained from our internal surveys, market research, publicly available information and industry publications. We believe these estimates to be accurate as of the date of this prospectus or the documents incorporated by reference, as applicable. However, this information may prove to be inaccurate because of the imprecise methods by which we and others accumulated some of the data or because this information cannot always be verified due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that market, ranking and other industry data included in or incorporated by reference into this prospectus, and estimates and beliefs based on that data, may not be reliable.

About this prospectus

This prospectus is part of a registration statement on Form S-4 under the Securities Act of 1933, as amended (Securities Act), that we filed with the SEC. In making your decision whether to participate in the exchange offer, you should rely only on the information contained in this prospectus (including by means of incorporation by reference) and in the accompanying letter of transmittal. We have not authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information appearing in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or the date of the document incorporated herein by reference.

Moreover, this prospectus does not contain all of the information set forth in the registration statement and the exhibits thereto. You should refer to the registration statement and the exhibits thereto for more information. Statements made in this prospectus regarding the contents of any contract or document filed as an exhibit to the registration statement are not necessarily complete and, in each instance, reference is hereby made to the copy of such contract or document so filed. Each such statement is qualified in its entirety by such reference.

Table of Contents

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus or incorporated herein by reference, but may not contain all information that may be important to you. We encourage you to carefully read this entire prospectus and the documents to which we refer you, including Risk factors and the consolidated financial statements and other information included or incorporated by reference herein.

Company Overview

We believe we are a leading, highly diversified provider of specialized oilfield services and equipment. As a result of our acquisition of Complete Production Services, Inc. (Complete) on February 7, 2012, we significantly added to our U.S. land geographic footprint and product and service offerings. We now offer a wider variety of products and services throughout the economic life of an oil and gas well, including end of life services. The acquisition of Complete greatly expanded our ability to offer more products and services related to the completion of a well prior to full production commencing, and enhanced our full suite of intervention services used to carry out wellbore maintenance operations during a well s producing phase.

We serve energy industry customers who focus on developing and producing oil and gas worldwide. Our operations are managed and organized by both business units and geomarkets offering product and service families within various phases of a well s economic lifecycle. Business unit and geomarket leaders report to executive vice presidents, and we report our operating results in two segments: (1) Subsea and Well Enhancement and (2) Drilling Products and Services. Prior to the March 30, 2012 sale of our fleet of 18 liftboats, we reported our operating results in an additional segment named Marine. Given our history of growth and long-term strategy of expanding geographically, we provide supplemental segment revenue information in three geographic areas: (1) U.S. land; (2) Gulf of Mexico; and (3) international.

The principal executive offices of Superior Energy and the issuer are located at 11000 Equity Drive, Suite 300, Houston, Texas 77041, and our telephone number at that address is (281) 999-0047. Our website is located at http://www.superiorenergy.com. Our website and the information contained on our website is not part of this prospectus.

Table of Contents

The Exchange Offer

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes and the guarantees, please refer to the section entitled Description of notes in this prospectus.

The initial offering of outstanding notes

We sold the outstanding notes on December 6, 2011 to J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, Capital One Southcoast, Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., CIBC World Market Corp., Citigroup Global Markets Inc., Comerica Securities, Inc., HSBC Securities (USA) Inc., Morgan Keegan & Company, Inc., Banco Bilbao Vizcaya Argentaria, S.A., PNC Capital Markets LLC, Standard Chartered Bank, and Johnson Rice & Company L.L.C. We collectively refer to those parties in this prospectus as the initial purchasers. The initial purchasers subsequently resold the outstanding notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States to non-U.S. Persons within the meaning of Regulation S under the Securities Act.

The exchange offer

We are offering to exchange the exchange notes which have been registered under the Securities Act for a like principal amount of your outstanding notes. The outstanding notes may be exchanged only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The issuance of the exchange notes is intended to satisfy our obligations contained in a registration rights agreement among us and the initial purchasers in which we agreed to use our reasonable best efforts to cause the exchange offer to be complete within 270 days after the issuance of the outstanding notes.

Resales

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us, we believe that the exchange notes issued to you pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- you are acquiring the exchange notes in the ordinary course of business;
- you have not engaged in, do not intend to engage in and have no arrangement or understanding with any person or entity, including any of our affiliates, 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 and you transfer any exchange notes without delivering a proper prospectus or without qualifying for an exemption from registration, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

Table of Contents

Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for outstanding notes that were acquired by that broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the exchange offer.

Any holder of our outstanding notes, including any broker-dealer, who:

- is our affiliate;
- does not acquire the exchange notes in the ordinary course of its business; or
- tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes;

cannot rely on the position of the staff of the SEC expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

Expiration date

The exchange offer will expire at 5:00 p.m., New York City time, on August 16, 2012, unless we extend the exchange offer in our sole discretion, in which case the term expiration date means the latest date and time to which the exchange offer is extended. We do not currently intend to extend the expiration date.

Conditions to the exchange offer

The exchange offer is subject to customary conditions, some of which may be waived by us; however, the exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange. We reserve the right to terminate or amend the exchange offer at any time before the expiration date. For additional information, see The exchange offer Conditions to the exchange offer.

Procedure for tendering outstanding notes

If you wish to tender your outstanding notes for exchange in this exchange offer, you must transmit to the exchange agent on or before the expiration date:

- a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC, or ATOP, in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your outstanding notes and update your account to reflect the issuance of

Table of Contents

	the exchange notes to you. ATOP allows you to electronically transmit your acceptance of the exchange offer to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent; and a timely confirmation of book-entry transfer of your outstanding notes into the account of the exchange agent at DTC. By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things: any exchange notes that you receive will be acquired in the ordinary course of your business; you have no arrangements or understandings with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes; if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and you are not our affiliate as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.
Special procedures for beneficial owners	If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest of outstanding notes in the exchange offer, you should contact the person in whose name your book-entry interests or outstanding notes are registered promptly and instruct that person to tender on your behalf.
Withdrawal of tenders	You may withdraw the tender of your outstanding notes at any time prior to the expiration of the exchange offer. Any outstanding notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of this exchange offer.
Delivery of the exchange notes	The exchange notes issued pursuant to this exchange offer will be delivered to holders who tender outstanding notes promptly following the expiration date.
Material U.S. federal income tax consequences	The exchange of outstanding notes for the exchange notes pursuant to the exchange offer should not be a taxable event for United States federal income tax purposes. See Material U.S. federal income tax consequences.

4

Table of Contents

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 Mellon Trust Company, N.A. is serving as the exchange agent in connection with 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 among 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. 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 the outstanding notes and the indenture. 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. Other than in connection with this exchange offer, we do not anticipate that we will register the outstanding notes under the Securities Act.

Table of Contents

Summary of the Exchange Notes

The following summary describes the principal terms of the exchange notes and is not intended to be complete. For a more detailed description of the terms and conditions of the exchange notes and the guarantees, please refer to the section entitled Description of notes in this prospectus.

Issuer	SESI, L.L.C., first tier subsidiary of Superior Energy.
Securities offered	$800.0 million aggregate principal amount of 7.125% Senior Notes due 2021.
Maturity date	December 15, 2021.
Interest rate	7.125% per annum.
Interest payment dates	Interest on the exchange notes will be payable semi-annually in arrears in cash on each June 15 and December 15.
Optional redemption	The exchange notes will be redeemable at the issuer s option, in whole or in part, at any time on or after December 15, 2016, at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time prior to December 15, 2014, the issuer may redeem up to 35% of the original principal amount of the exchange notes with the proceeds of certain equity offerings at a redemption price of 107.125% of the principal amount of the exchange notes, together with accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time prior to December 15, 2016, the issuer may also redeem some or all of the exchange notes at a price equal to 100% of the principal amount of the exchange notes, plus accrued and unpaid interest, and a make-whole premium. See Description of notes Optional redemption.
Change of control offer	Upon the occurrence of specific kinds of changes of control, you will have the right, as holders of the exchange notes, to cause the issuer to repurchase some or all of your exchange notes at 101% of their face amount, plus accrued and unpaid interest to, but not including, the repurchase date. See Description of notes Repurchase at the option of holders Change of control.
Asset disposition offer	If we sell assets, under certain circumstances, the issuer will be required to use the net proceeds to make an offer to purchase exchange notes at an offer price in cash in an amount equal to 100% of the principal amount of the exchange notes plus accrued and

unpaid interest to, but not including, the repurchase date. See Description of notes Repurchase at the option of holders Limitation on sales of assets and subsidiary stock.

Table of Contents

Guarantees

The exchange notes will initially be guaranteed on a senior unsecured basis by Superior Energy and substantially all of its existing U.S. subsidiaries (other than the issuer) (which are the subsidiaries that currently guarantee the obligations under our senior credit facility). Each of Superior Energy s or the issuer s future direct and indirect subsidiaries that guarantee our senior credit facility or any other indebtedness of the issuer or the subsidiary guarantors will guarantee the exchange notes. Under certain circumstances, subsidiary guarantors may be released from their guarantees without the consent of the holders of exchange notes. See Description of notes Note guarantees.

Ranking

The exchange notes will be the issuer s senior unsecured obligations and will:

- rank senior in right of payment to all of the issuer s future subordinated indebtedness;
- rank equally in right of payment with all of the issuer s existing and future senior indebtedness;
- be effectively subordinated to any of the issuer s existing and future secured debt (including all of the issuer s borrowings under our senior credit facility), to the extent of the value of the assets securing such debt; and
- be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries that do not guarantee the exchange notes.

The guarantees of the exchange notes will be the guarantors senior unsecured obligations and will:

- rank senior in right of payment to all of the guarantors future subordinated indebtedness;
- rank equally in right of payment with all of the guarantors existing and future senior indebtedness; and
- be effectively subordinated to any of the guarantors existing and future secured debt (including the guarantors guarantees of the issuer s borrowings under our senior credit facility), to the extent of the value of the assets securing such debt.

As of March 31, 2012:

- we had approximately $2,000.0 million of total indebtedness (including the notes and exclusive of discounts), of which $800.0 million ranked equally with the notes and none of which was subordinated to the notes;

of our total indebtedness, we had no secured indebtedness outstanding on the revolving portion of our senior credit facility

Table of Contents

(excluding $35.8 million in outstanding letters of credit) and a $400.0 million term loan under our senior credit facility, to which the notes were effectively subordinated;

we had commitments available to be borrowed under our senior credit facility of $564.2 million (after giving effect to the $35.8 million of outstanding letters of credit); and

our non-guarantor subsidiaries had $223.3 million of total liabilities (including debt and trade payables but excluding most intercompany liabilities), all of which was structurally senior to the notes.

Certain covenants

The notes are governed under our indenture with The Bank of New York Mellon Trust Company, N.A., as trustee. The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness and guarantee indebtedness;

pay dividends or make other distributions with respect to or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

issue certain preferred stock or similar equity securities;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting our subsidiaries ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to a number of important exceptions and qualifications. See Description of notes Certain covenants.

Certain of these covenants will terminate if the exchange notes receive investment grade ratings from both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Ratings Services (Standard & Poor s).

Table of Contents

RISK FACTORS

You should carefully consider the risks described below as well as other information and data included or incorporated by reference in this prospectus before deciding whether to participate in this exchange offer. The risks and uncertainties described below and in the incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not currently known to us or that we consider to be immaterial may also materially impact our business, operations or financial condition. Any of the following risks could impair our business, financial condition or operating results, which could cause you to lose all or part of your investment in the notes. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Cautionary note regarding forward-looking statements at the beginning of this prospectus.

Risks related to the exchange offer

Because there is no public market for the exchange notes, you may not be able to resell your exchange notes.

The exchange notes will be registered under the Securities Act, but will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

the liquidity of any trading market that may develop;

the ability of holders to sell their exchange notes; or

the price at which the holders would be able to sell their exchange notes.

If a trading market were to develop, the exchange notes might trade at higher or lower prices than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar securities and our financial performance, as well as declines in the prices of securities, or the financial performance or prospects, of similar companies.

Any market-making activity with respect to the notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Securities Exchange Act of 1934, as amended (the Exchange Act), and may be limited during the exchange offer or the pendency of an applicable shelf registration statement. There can be no assurance that an active trading market will exist for the notes or that any trading market that does develop will be liquid.

In addition, any outstanding note holder who tenders in the exchange offer for the purpose of participating in a distribution of the exchange notes may be deemed to have received restricted securities, and if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. For a description of these requirements, see the section entitled The exchange offer.

Your notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your notes will continue to be subject to existing transfer restrictions and you may not be able to sell your notes.

We will not accept your outstanding notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after a timely tender of outstanding notes. If you do not tender your outstanding notes by the expiration date of the exchange offer, we will not accept your outstanding notes for exchange. If there are defects or irregularities with respect to your tender of outstanding notes, we will not accept such outstanding notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of outstanding notes for exchange.

Table of Contents

If you do not exchange your outstanding notes, your outstanding notes will continue to be subject to the existing transfer restrictions and you may not be able to sell your notes.

We did not register the outstanding notes, nor do we intend to do so following the exchange offer. Outstanding notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. If you do not exchange your outstanding notes, you will, subject to limited exceptions, lose your right to have such outstanding notes registered under the federal securities laws. As a result, if you hold outstanding notes after the exchange offer, you may not be able to sell your outstanding notes.

The reoffering and resale of the outstanding notes is subject to significant legal restrictions.

The outstanding notes have not been registered under the Securities Act or any state securities laws. As a result, holders of outstanding notes may reoffer or resell outstanding notes only if:

- there is an applicable exemption from the registration requirements of the Securities Act and state laws that applies to the circumstances of the offer and sale; or
- we file a registration statement and it becomes effective.

Risks related to the notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

We have, and after the exchange will continue to have, a significant amount of indebtedness. As of March 31, 2012, our total debt was approximately $2,000.0 million (including the notes and exclusive of discounts), and we had unused commitments of $564.2 million under our senior credit facility (after giving effect to $35.8 million of outstanding letters of credit, which reduce availability).

Subject to the limits contained in the credit agreement governing our senior credit facility, the indenture that governs the notes and the indentures relating to our existing 6 7/8% senior notes due 2014 and 6.375% senior notes due 2019 (collectively, the Existing Notes), we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences to the holders of the notes, including:

- making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior credit facility, are at variable rates of interest;

limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

placing us at a disadvantage compared to other, less leveraged competitors; and

increasing our cost of borrowing.

In addition, the indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

Table of Contents

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct all of our operations through our subsidiaries, certain of which are not guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility will limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under our senior credit facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the notes.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to

Table of Contents

collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness under the indentures or the credit agreement. In addition, as of March 31, 2012, our senior credit facility provided for total commitments of $600.0 million, with unused commitments of $564.2 million (after giving effect to $35.8 million of outstanding letters of credit, which reduce availability). Under certain conditions, we can increase the total amount of indebtedness under our senior credit facility by up to $200.0 million. All of the borrowings are, along with any additional borrowings, secured indebtedness. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify. See Description of notes.

The terms of the indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility will restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indentures governing the notes and the Existing Notes and the credit agreement governing our senior credit facility contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

incur additional indebtedness and guarantee indebtedness;

pay dividends or make other distributions with respect to or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

issue certain preferred stock or similar equity securities;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting our subsidiaries ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

In addition, the restrictive covenants in the credit agreement governing our senior credit facility require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control. For further information about these covenants you should read the discussions under the headings Description of notes Certain covenants and Note 8 to the financial statements in our Current Report on Form 8-K filed with the SEC June 15, 2012, which is incorporated by reference.

A breach of the covenants or restrictions under the indentures governing the notes or the Existing Notes, or under the credit agreement governing our senior credit facility, could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to

accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our senior credit facility would permit the lenders under our senior credit facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our senior credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

Table of Contents

As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our senior credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Based on the amount of this debt outstanding at March 31, 2012, a 10% increase in the variable interest rate would increase our interest expense for the three months ended March 31, 2012 by approximately $0.3 million, while a 10% decrease would decrease our interest expense by approximately $0.3 million. We entered into an interest rate swap for a notional amount of $100.0 million in April 2012 related to our fixed debt maturing 2021, whereby we are entitled to receive semi-annual interest payments at a fixed rate of $7^{1}/_{8}$% per annum and are obligated to make semi-annual interest payments at a variable rate. In the future, we may enter into additional interest rate swaps that involve the exchange of floating or fixed rate interest payments in order to manage our debt portfolio by targeting an overall desired position of fixed and floating rates. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes are effectively subordinated to our indebtedness and the guarantors guarantees under our senior credit facility and any other secured indebtedness of our company to the extent of the value of the property securing that indebtedness.

The notes will not be secured by any of our or the guarantors assets. As a result, the notes and the guarantees will be effectively subordinated to our indebtedness and the guarantors guarantees under our senior credit facility with respect to the assets that secure those obligations to the extent of the value of such assets. As of March 31, 2012, we had a $400 million term loan outstanding and total commitments of $600.0 million under our senior credit facility, under which $35.8 million in letters of credit were outstanding, resulting in total unused availability of approximately $564.2 million. Under certain conditions, we can increase the total amount of indebtedness under our senior credit facility by up to $200.0 million. In addition, we may incur additional secured debt in the future. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of the issuer or the guarantors, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes and the guarantees only after all indebtedness under our senior credit facility and that other secured debt has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or the guarantors bankruptcy, insolvency, liquidation, dissolution or reorganization.

The notes are structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become guarantors of the notes.

The notes are guaranteed by Superior Energy and each of our existing and subsequently acquired or organized subsidiaries that guarantee our senior credit facility or that, in the future, guarantee our other indebtedness or indebtedness of another guarantor. Our subsidiaries that do not guarantee the notes, including all of our

Table of Contents

non-domestic subsidiaries, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes and guarantees are structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary s creditors (including trade creditors) would be entitled to payment in full out of that subsidiary s assets before we would be entitled to any payment.

In addition, the indenture governing the notes does, subject to some limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the three months ended March 31, 2012, our non-guarantor subsidiaries represented approximately 18% of our revenues exclusive of intercompany eliminations and 9% of our income from operations, respectively. As of March 31, 2012, our non-guarantor subsidiaries represented approximately 18% of our total assets and had approximately $223.3 million of total liabilities, including debt and trade payables but excluding most intercompany liabilities. See Note 16 to the financial statements in our Current Report on Form 8-K filed with the SEC June 15, 2012, which is incorporated by reference, for additional financial information related to our non-guarantor subsidiaries.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

- the designation of that subsidiary guarantor as an unrestricted subsidiary;
- the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such subsidiary guarantor; or
- the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor.

If any subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See Description of notes Note guarantees.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all of the notes, and the Existing Notes, at 101% of their principal amount, plus accrued and unpaid interest to, but not including, the purchase date. Additionally, under the credit agreement governing our senior credit facility, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the credit agreement and terminate their commitments to lend. The source of funds for any purchase of the notes and the Existing Notes, and repayment of borrowings under our senior credit facility, would be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. If we fail to repurchase the notes in that circumstance, we will be in default under the indenture. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and the Existing Notes, and events of default and potential breaches of the credit agreement governing our senior credit facility, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the indenture that governs the notes, constitute a change of control that would require us to repurchase the notes, even

Table of Contents

though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of notes Repurchase at the option of holders Change of control.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. However, the phrase all or substantially all will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of all or substantially all of our capital stock, membership interests or assets has occurred, in which case, the ability of a holder of the notes to obtain the benefit of an offer to repurchase all or a portion of the notes held by such holder may be impaired.

The exercise by the holders of notes of their right to require us to repurchase the notes pursuant to a change of control offer could cause a default under the agreements governing our other indebtedness, including future agreements, even if the change of control itself does not, due to the financial effect of such repurchases on us. In the event a change of control offer is required to be made at a time when we are prohibited from purchasing notes, we could attempt to refinance the borrowings that contain such prohibitions. If we do not obtain a consent or repay those borrowings, we will remain prohibited from purchasing notes. In that case, our failure to purchase tendered notes would constitute an event of default under the indenture which could, in turn, constitute a default under our other indebtedness. Finally, our ability to pay cash to the holders of notes upon a repurchase may be limited by our then existing financial resources.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (a) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;
- the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on our or the guarantor s business;
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or the guarantor s ability to pay as they mature; or
- we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

Table of Contents

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to our or any of our guarantors other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee, could subordinate the notes or that guarantee to presently existing and future indebtedness of ours or of the related guarantor or could require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

The covenants in the indenture will terminate permanently if the notes are rated investment grade by both Moody s and Standard & Poor s.

Many of the covenants in the indenture will terminate permanently if the notes are rated investment grade by both Moody s and Standard & Poor s, provided at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain these ratings. However, termination of these covenants would, for the term of the notes, allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of notes Certain covenants Termination of covenants when notes rated investment grade.

Table of Contents

Risks related to our business

Our business depends on the level of activity in the oil and gas industry, which is significantly affected by volatile oil and gas prices and other factors.

Our business depends on the level of activity in oil and gas exploration, development and production in market sectors worldwide. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, higher commodity prices do not necessarily translate into increased drilling activity since customers expectations of future commodity prices typically drive demand for our services. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments are also expected to affect the demand for our services. Worldwide military, political and economic events have in the past contributed to oil and gas price volatility and are likely to do so in the future. The demand for our services may be affected by numerous factors, including the following:

- the level of worldwide oil and gas exploration and production;
- the cost of exploring for, producing and delivering oil and gas;
- demand for energy, which is affected by worldwide economic activity and population growth;
- the ability of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain production levels for oil;
- the level of excess production capacity;
- the discovery rate of new oil and gas reserves;
- domestic and global political and economic uncertainty, socio-political unrest and instability or hostilities;
- demand for and availability of alternative, competing sources of energy; and
- technological advances affecting energy exploration, production and consumption.

A significant amount of our U.S. onshore business is focused on unconventional shale resource plays. The demand for those services is substantially affected by oil and gas prices and market expectations of potential changes in these prices. If the price of oil were to go below a certain threshold for an extended period of time, demand for our services in the U.S. land market would be greatly reduced having a material adverse effect on our financial condition, results of operations and cash flows.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by reduced demand for oilfield services and downward pressure on the prices we charge. A significant downturn in the oil and gas industry will adversely affect the demand for oilfield services and our financial condition, results of operations and cash flows.

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

Our operations are subject to hazards present in the oil and gas industry, such as fire, explosion, blowouts, oil spills and leaks and spills of hazardous materials. These incidents, as well as accidents or problems in normal operations, expose us to a wide range of significant health,

safety and environmental risks. Our product and service offerings involve production related activities, well control services, radioactive materials, explosives and other equipment and services that are deployed in challenging exploration, development and production environments. An accident involving these services or equipment, or the failure of a product, could cause personal injury, loss of life, damage to property, equipment or the environment. From time to time, customers and third parties may seek to hold us accountable for damages and costs incurred as a result of an accident,

Table of Contents

including pollution. Our insurance may not protect us against liability for some types of events, including events involving pollution, or against losses from business interruption. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Any damages caused by our services or products that are not covered by insurance, or are in excess of policy limits or subject to substantial deductibles, could adversely affect our financial condition, results of operations and cash flows.

We may not be fully indemnified against losses incurred due to catastrophic events for which we are not responsible.

As is customary in our industry, our contracts generally provide that we will indemnify and hold harmless our customers from any claims arising from personal injury or death of our employees, damage to or loss of our equipment, and pollution emanating from our equipment and services. Similarly, our customers agree to indemnify and hold us harmless from any claims arising from personal injury or death of their employees, damage to or loss of their equipment, and pollution caused from their equipment or the well reservoir (including uncontained oil flow from a reservoir). Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us. In addition, our indemnification rights may not fully protect us if the customer is insolvent or becomes bankrupt, does not maintain adequate insurance or otherwise does not possess sufficient resources to indemnify us. In addition, our indemnification rights may be held unenforceable in some jurisdictions. Our inability to fully realize the benefits of our contractual indemnification protections could result in significant liabilities and could adversely affect our financial condition, results of operations and cash flows.

Our business is subject to risks from economic stagnation and lower commodity prices.

Recent economic data indicates that the rate of economic growth in the United States and worldwide will remain lower than experienced several years ago. Prolonged periods of little or no economic growth will likely decrease demand for oil and gas, which could result in lower prices for oil and gas and therefore lower demand and potentially lower pricing for our services and products. A prolonged period of economic stagnation or deterioration could result in a significant adverse effect on our financial position, results of operations and cash flows. In addition, if a significant number of our customers experience a prolonged business decline or disruption as a result of economic slowdown or lower oil and gas prices, we may incur increased exposure to credit risk and bad debts.

The risk of future changes regarding the regulation of hydraulic fracturing could reduce or eliminate demand for our pressure pumping services.

Our hydraulic fracturing and fluid handling operations, which are core businesses of Complete, are subject to a range of applicable federal, state and local laws. Our hydraulic fracturing and fluid handling operations are designed and operated to minimize the risk, if any, of subsurface migration of hydraulic fracturing fluids and spillage or mishandling of hydraulic fracturing fluids. However, a proven case of subsurface migration of hydraulic fracturing fluids or a case of spillage or mishandling of hydraulic fracturing fluids during these activities could potentially subject us to civil and/or criminal liability and the possibility of substantial costs, including environmental remediation, depending on the circumstances of the underground migration, spillage, or mishandling, the nature and scope of the underground migration, spillage, or mishandling, and the applicable laws and regulations.

The practice of hydraulically fracturing formations to stimulate the production of natural gas and oil has come under increased scrutiny from federal and state governmental authorities. The U.S. Environmental Protection Agency (EPA) is studying hydraulic fracturing, and legislation may be introduced in the U.S. Congress that would authorize the EPA to regulate hydraulic fracturing. In addition, some states are evaluating the adoption of legislation or regulations governing hydraulic fracturing. Any federal or state laws or regulations of hydraulic fracturing could adversely affect our operations and reduce or eliminate the demand for our hydraulic fracturing services.

Table of Contents

Adverse and unusual weather conditions may affect our operations.

Our operations may be materially affected by severe weather conditions in areas where we operate. Severe weather, such as hurricanes, blizzards and extreme temperatures may cause evacuation of personnel, curtailment of services and suspension of operations, and loss of or damage to equipment and facilities. In addition, variations from normal weather patterns can have a significant impact on demand for oil and gas, thereby reducing demand for our services and equipment. Damage from any adverse weather conditions, and reductions in consumption of oil and gas due to weather variations, could adversely affect our financial condition, results of operations and cash flows.

The Deepwater Horizon incident could have a lingering significant impact on exploration and production activities in United States coastal waters that could adversely affect demand for our services and equipment.

The April 2010 catastrophic explosion of the Deepwater Horizon, the related oil spill in the Gulf of Mexico and the U.S. Government s response to these events has continued to significantly and adversely disrupt oil and gas exploration activities in the Gulf of Mexico. After the explosion, the U.S. government issued new guidelines and regulations regarding safety, environmental matters, drilling equipment and decommissioning applicable to the U.S. Gulf of Mexico, and may take other additional steps that could result in permitting delays, increased costs and reduced areas of operation, which could reduce the demand for our services.

At this time, we cannot predict with any certainty what further impact the Deepwater Horizon incident may have on the regulation of offshore oil and gas exploration and development activity, or on the cost or availability of insurance coverage to cover the risks of such operations. The enactment of new or stricter regulations in the U.S. and other countries where we operate could adversely affect our financial condition, results of operations and cash flows.

Our borrowing capacity could be affected by the uncertainty impacting credit markets generally.

Lingering disruptions in the U.S. credit and financial markets and international disruptions from the European Union member states unable to service their debt obligations, which have caused investor concerns, could adversely affect financial institutions, inhibit lending and limit access to capital and credit for many companies. Although we believe that the banks participating in our senior credit facility have adequate capital and resources, we can provide no assurance that all of those banks will continue to operate as a going concern in the future. If any of the banks in our lending group were to fail, it is possible that the borrowing capacity under our senior credit facility would be reduced. In the event that the availability under our senior credit facility was reduced significantly, we could be required to obtain capital from alternate sources in order to finance our capital needs. Our options for addressing such capital constraints would include, but not be limited to, obtaining commitments from the remaining banks in the lending group or from new banks to fund increased amounts under the terms of our senior credit facility, and accessing the public capital markets. In addition, we may delay certain capital expenditures to ensure we maintain appropriate levels of liquidity. If it became necessary to access additional capital, any such alternatives could have terms less favorable than those terms under our senior credit facility, which could have a material effect on our consolidated financial position, results of operations and cash flows.

If future financing is not available to us when required, as a result of limited access to the credit markets or otherwise, or is not available to us on acceptable terms, we may be unable take advantage of business opportunities or respond to competitive pressures, either of which could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

Failure to retain key employees and skilled workers could adversely affect us.

Our performance could be adversely affected if we are unable to retain certain key employees and skilled workers. Our ability to continue to expand the scope of our services and products depends in part on our ability to increase the size of our skilled labor force. The loss of the services of one or more of our key employees or the

Table of Contents

inability to employ or retain skilled workers could adversely affect our operating results. The demand for skilled workers is high and the supply is limited, particularly in the United States where there are now significant unconventional oil and gas basins in areas that do not have a significant experienced workforce. We have experienced increases in labor costs in recent years and may continue to do so in the future. In addition, current and prospective employees may experience uncertainty about their future roles with us in connection with the integration of our businesses. This may adversely affect our ability to attract and retain key personnel.

We may not be able to successfully integrate Complete s operations into our legacy operations.

Prior to the acquisition of Complete on February 7, 2012, we operated as independent public companies. We are currently devoting significant management attention and resources to integrating the business practices and operations of Complete with our legacy business practices and operations. We may encounter potential difficulties in the integration process, including the following:

- the failure to retain key employees of either of our legacy business or Complete s business;
- the inability to successfully combine Complete s business with our legacy business in a manner that permits us to achieve the anticipated benefits of the Complete acquisition in the time frame currently anticipated or at all;
- the complexities associated with managing the combined businesses out of a substantial number of different locations and integrating personnel from both us and Complete, while at the same time attempting to provide consistent, high quality services and equipment under a unified culture;
- potential unknown liabilities and unforeseen increased expenses associated with the Complete acquisition; and
- performance shortfalls as a result of the diversion of management s attention caused by finalizing the Complete acquisition and integrating the operations of Complete s business with our legacy business.

For all these reasons, the integration process could result in the distraction of our management, the disruption of our ongoing business or inconsistencies in our services, equipment, standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits of the Complete acquisition, or could otherwise adversely affect our business and financial results.

Our international operations and revenue exposes us to additional political, economic and other uncertainties.

We have substantial international operations, and following the Complete acquisition, we intend to grow those operations further. Our international operations are subject to a number of risks inherent in any business operating in foreign countries, including, but not limited to, the following:

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

increased operating costs;

civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;

import-export quotas;

confiscatory taxation or other adverse tax policies;

currency exchange controls;

currency exchange rate fluctuations and devaluations;

restrictions on the repatriation of funds; and

other forms of government regulation which are beyond our control.

Table of Contents

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

the awarding of contracts to local contractors; and

the establishment of foreign subsidiaries with significant ownership positions reserved by the foreign government for local citizens.

While the impact of these factors is difficult to predict, any one or more of these factors could adversely affect our financial condition, results of operations and cash flows.

We are subject to environmental compliance costs and liabilities.

Our business is significantly affected by a wide range of environmental laws and regulations in the areas in which we operate, and increasingly stringent laws and regulations governing air emissions, water discharges and waste management. We incur, and expect to continue to incur, capital and operating costs to comply with these laws and regulations. The technical requirements of these laws and regulations are becoming increasingly complex and expensive to implement. These laws may provide for strict liability for remediation costs, damages to natural resources or threats to public health and safety. Strict liability can render a party liable for damages without regard to negligence or fault on the part of the party. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former facilities are, or have been, used for industrial purposes. Accordingly, we could become subject to material liabilities relating to the investigation and cleanup of potentially contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis of new of increased liabilities that could reduce our earnings and our cash available for operations. We believe we are currently in substantial compliance with environmental laws and regulations.

World political events could affect the markets for our services.

World political events have resulted in military action in the Middle East, terrorist attacks and related unrest. Military action by the United States or other nations could escalate and further acts of terrorism may occur in the U.S. or elsewhere. Such acts of terrorism could be directed against us. Such developments have caused instability in the world s financial and insurance markets in the past. In addition, these developments could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for our products and services. Insurance premiums could increase and coverages may be unavailable in the future.

U.S. government regulations may effectively preclude us from actively engaging in business activities in certain countries. These regulations could be amended to restrict or prohibit business activities in certain countries where we currently operate or where we may wish to operate in the future.

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

A key element of our business strategy has been, and we believe will continue to be, the acquisition of other businesses. We entered into the agreement and plan of merger to acquire Complete with the expectation that it would result in numerous benefits including, among other things, expansion opportunities, an expanded product line and workforce better equipped to serve customers, maintaining business and customer levels and accretion to our earnings per share. Whether we realize the anticipated benefits from the Complete acquisition or any other transactions depends, in part, upon our ability to integrate the operations of the acquired business, the performance of the underlying product and service portfolio, and the performance of the management team and other personnel of the acquired operations. Accordingly, our financial results could be adversely affected from

Table of Contents

unanticipated performance issues, legacy liabilities, transaction-related charges, amortization of expenses related to intangibles, charges for impairment of long-term assets, credit guarantees, partner performance and indemnifications. While we believe that we have established appropriate and adequate procedures and processes to mitigate these risks, there is no assurance that these transactions will be successful. We also may make strategic divestitures from time to time. These transactions may result in continued financial involvement in the divested businesses, such as guarantees or other financial arrangements, following the transaction. Nonperformance by those divested businesses could affect our future financial results through additional payment obligations, higher costs or asset write-downs.

Demand for our products and services could be reduced or eliminated by governmental regulation or a change in the law regarding emissions.

A variety of regulatory developments, proposals or requirements have been introduced in the domestic and international regions that are focused on restricting the emission of carbon dioxide, methane and other greenhouse gases. Among these developments are the United Nations Framework Convention on Climate Change, also known as the Kyoto Protocol, the Regional Greenhouse Gas Initiative in the Northeastern United States, and the Western Regional Climate Action Initiative in the Western United States. Also, in 2007, the U.S. Supreme Court held in Massachusetts, et al. v. EPA that greenhouse gases are an air pollutant under the federal Clean Air Act and thus subject to future regulation.

It is not currently feasible to predict whether, or which of, the current greenhouse gas emission proposals will be adopted. In addition, there may be subsequent international treaties, protocols or accords that the United States joins in the future. The potential passage of climate change regulation may curtail production and demand for fossil fuels such as oil and gas in areas of the world where our customers operate and thus adversely affect future demand for our products and services, which may in turn adversely affect future results of operations.

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

From time to time, we may engage in projects that include the acquisition of oil and gas properties. Acquisitions of these properties require an assessment of a number of factors beyond our control, including estimates of recoverable reserves, future oil and gas prices, operating costs and potential environmental and plugging and abandonment liabilities. These assessments are complex and inherently imprecise, and, with respect to estimates of oil and gas reserves, require significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. In addition, since these properties are typically mature and could be in shallow water, our facilities and operations may be more susceptible to hurricane damage, equipment failure or mechanical problems. In connection with these assessments, we perform due diligence reviews that we believe are generally consistent with industry practices. However, our reviews may not reveal all existing or potential problems. In addition, our reviews may not permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We may not always discover structural, subsurface, environmental or other problems that may exist or arise.

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

Table of Contents

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

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

We will incur substantial integration costs in connection with the Complete acquisition and the coordination of our and Complete s businesses.

We have incurred substantial expenses in connection with the Complete acquisition, and we expect to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of our legacy business and Complete s business. While we have assumed that a certain level of transaction and coordination expenses will be incurred, there are a number of factors beyond our control that could affect the total amount or the timing of these transaction and coordination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately.

We may be exposed to unforeseen costs in some of our projects.

Some of our decommissioning business may be conducted under fixed price or turnkey contracts. Under fixed-price contracts, we agree to perform a defined scope of work for a fixed price. Prices for these contracts are established based largely upon estimates and assumptions relating to project scope and specifications, personnel and material needs. These estimates and assumptions may prove inaccurate or conditions may change due to factors out of our control, resulting in cost overruns, which we may be required to absorb and could have a material adverse effect on our business, financial condition and results of operations.

Table of Contents

USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement we entered into with the initial purchasers in connection with the private offering of the outstanding notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive, in exchange, outstanding notes in like principal amount, the form and terms of which are the same as the form and terms of the exchange notes, except as otherwise described in this prospectus. The outstanding notes surrendered in exchange for the exchange notes in the exchange offer will be cancelled. As a result, the issuance of the exchange notes will not result in any change in our indebtedness.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

We present below our selected consolidated financial data as of and for the periods indicated. The selected historical consolidated financial data for each of the fiscal years ended December 31, 2009, 2010 and 2011 have been derived from our historical audited consolidated financial statements, which are adjusted for discontinued operations and are incorporated by reference herein. The selected historical consolidated financial data for each of the fiscal years ended December 31, 2007 and 2008 were derived from our historical audited consolidated financial statements, which were adjusted for discontinued operations but not included in this prospectus or incorporated by reference herein. The historical financial data, as of March 31, 2011 and 2012, and for the three-month periods ended March 31, 2011 and 2012, were derived from our historical unaudited condensed consolidated financial statements, which are incorporated by reference herein. Balance sheet data includes amounts related to discontinued operations for all periods presented except the period ended March 31, 2012.

The financial data set forth below should be read in conjunction with, and are qualified in their entirety by reference to, our historical consolidated financial statements and the accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are incorporated by reference herein.

	Year Ended December 31,					Three Months Ended March 31,	
	2007	2008	2009	2010	2011	2011	2012
Statement of Operations Data:							
Revenues	$ 1,444,568	$ 1,760,020	$ 1,320,641	$ 1,563,043	$ 1,964,332	$ 384,997	$ 966,837
Costs and expenses:							
Cost of services (exclusive of items shown separately below)	637,694	823,302	751,530	848,492	1,046,409	217,022	546,767
Depreciation, depletion, amortization and accretion	179,068	165,491	193,992	208,097	244,915	55,824	102,596
General and administrative expenses	221,426	274,639	243,988	332,602	376,619	84,615	176,021
Reduction in value of assets(1)			212,527				
Gain on sale of businesses(2)	7,483	40,946					
Income (loss) from operations	413,863	537,534	(81,396)	173,852	296,389	27,536	141,453
Other income (expense):							
Interest expense, net of amounts capitalized	(47,347)	(45,498)	(49,702)	(56,480)	(72,994)	(13,690)	(31,862)
Interest income	2,662	2,975	926	5,135	6,226	1,215	1,368
Other income (expense)(3)	189	(3,977)	571	825	(822)	323	688
Earnings (losses) from equity-method investments, net(4)	(2,940)	24,373	(22,600)	8,245	16,394	27	(287)
Reduction in value of equity-method investment(5)			(36,486)				
Income (loss) from continuing operations before income taxes	366,427	515,407	(188,687)	131,577	245,193	15,411	111,360
Income taxes	127,347	179,803	(68,147)	45,431	85,804	5,534	41,203
Net income from continuing operations	239,080	335,604	(120,540)	86,146	159,389	9,877	70,157
Income (loss) from discontinued operations, net of tax(6)	32,478	15,871	18,217	(4,329)	(16,835)	5,626	(16,237)
Net income (loss)	$ 271,558	$ 351,475	$ (102,323)	$ 81,817	$ 142,554	$ 15,503	$ 53,920

Table of Contents

	Year Ended December 31,					Three Months Ended March 31,	
	2007	2008	2009	2010	2011	2011	2012
Balance Sheet Data (at end of period):							
Total current assets	$ 471,005	$ 631,990	$ 863,563	$ 764,052	$ 883,222	$ 713,175	$ 1,522,764
Property, plant and equipment, net	1,086,408	1,114,941	1,058,976	1,313,150	1,507,368	1,361,412	2,766,310
Total assets	2,255,295	2,490,145	2,516,665	2,907,533	4,048,145	2,915,247	7,468,358
Total current liabilities (exclusive of current maturities on long-term debt)	291,621	297,434	227,569	321,077	392,723	295,989	671,008
Total debt	638,599	655,009	849,475	866,445	1,685,897	852,632	1,998,508
Total stockholders equity	1,025,666	1,254,273	1,178,045	1,280,551	1,453,599	1,318,125	3,898,854

(1) During the second quarter of 2009, we recorded approximately $92.7 million of impairment expense in connection with our intangible assets within our subsea and well enhancement segment due to the decline in demand in the domestic land market area. During the fourth quarter of 2009 the domestic land market remained depressed, and we recorded approximately $119.8 million of impairment expense related to our tangible assets.

(2) In 2007, we sold the assets of a non-core rental tool business and recorded a pre-tax gain of approximately $7.5 million. During the year ended December 31, 2008, we completed the sale of 75% of our interest in SPN Resources, an entity which we used to acquire mature oil and gas properties in the Gulf of Mexico and which constituted our former oil and gas segment. As part of this transaction, SPN Resources contributed an undivided 25% of its working interest in each of its oil and gas properties to a newly formed subsidiary and then sold all of its equity interest the subsidiary. SPN Resources then effectively sold 66 2/3% of its outstanding membership interests for a pre-tax gain of $37.1 million. We also recorded a pre-tax gain of $3.8 million in 2008 resulting from additional payments received from our 2007 business dispositions.

(3) Other income (expense) represents earnings and losses of our deferred compensation plan assets. We have a non-qualified deferred compensation plan which allows certain highly compensated employees the option to defer up to 75% of their base salary, up to 100% of their bonus, and up to 100% of the cash portion of their performance share unit compensation to the plan. Payments are made to participants based on their annual enrollment elections and plan balances. Participants earn a return on their deferred compensation that is based on hypothetical investments in certain mutual funds. The Company makes contributions that approximate the participant deferrals into various investments, principally life insurance that is invested in mutual funds similar to the participants hypothetical investment elections. Changes in market value of the investments and life insurance are reflected as adjustments to the deferred compensation plan asset with an offset to other income (expense).

(4) Earnings (losses) from equity-method investments represent our share of the income and losses of entities which we do not control, but we have the ability to exercise significant influence over their operations. These entities include (i) SPN Resources from the date of our sale of a 75% interest in that entity in 2008 until we contributed all of our interest to Dynamic Offshore in March 2011; (ii) BOG until we wrote off the investment in the fourth quarter of 2009; (iii) DBH from the date we acquired a 24.6% membership interest in DBH as part of the restructuring of BOG and its sale to DBH in October 2009 until we contributed all of our interest to Dynamic Offshore in March 2011; and (iv) a 10% ownership interest in Dynamic Offshore from March 2011. For the years ended December 31, 2008, 2009, 2010 and 2011, we received net cash distributions from our equity investments of $17.3 million, $6.0 million, $11.2 million and $3.2 million, respectively. For the three months ended March 31, 2012, we received net cash distributions from our equity investments of $2.6 million. On April 17, 2012, SandRidge Energy Inc. (NYSE: SD) (SandRidge) completed its acquisition of Dynamic Offshore, at which time the Company received approximately $34.1 million in cash and approximately 7.0 million shares of SandRidge stock in consideration for its 10% interest in Dynamic Offshore.

(5) During 2009, we wrote off the remaining carrying value of our 40% interest in BOG, $36.5 million, and suspended recording our share of BOG s operating results under equity-method accounting as a result of continued negative BOG operating results, lack of viable interested buyers and unsuccessful attempts to renegotiate the terms and conditions of its loan agreements with lenders on terms that would preserve our investment.

(6) Income (loss) from discontinued operations include the operating results and the losses associated with the sale of the liftboats comprising the marine segment and with the sale of a derrick barge during the first quarter of 2012.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods shown:

						Three Months Ended
	Year Ended December 31,					March 31,
(dollars in thousands)	2007	2008	2009(2)	2010	2011	2012
Ratio of earnings to fixed charges [(1)]:	8.53	11.41	(1.39)	3.24	3.83	4.28

Notes

(1) The ratio was computed by dividing earnings by fixed charges. For this purpose, earnings represent the aggregate of pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, amortization of capitalized interest, distributed income of equity investees, our share of pre-tax losses of equity investees, and fixed charges less capitalized interest.

(2) The ratio for the year ended December 31, 2009 indicates less than one-to-one coverage. The amount of this deficiency equates to $125.6 million.

Table of Contents

THE EXCHANGE OFFER

Purpose and effect of the exchange offer

In connection with the issuance of the outstanding notes, we entered into a registration rights agreement with the initial purchasers, for the benefit of the holders, pursuant to which the issuer and the guarantors agreed, at our cost, to:

- as expeditiously as possible after the issuance of the outstanding notes, use our reasonable best efforts to file a registration statement (the exchange offer registration statement) with the SEC with respect to a registered exchange offer (the exchange offer) to exchange the outstanding notes for exchange notes guaranteed by the guarantors having terms identical in all material respects to the outstanding notes (except that the exchange notes will not be subject to restrictions on transfer or to any increase in annual interest rate for failure to comply with the registration rights agreement, as described below);
- use our reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act;
- commence the exchange offer promptly after the exchange offer registration statement is declared effective by the SEC; and
- use our reasonable best efforts to complete the exchange offer not later than 60 days after the date on which the exchange offer registration statement is declared effective by the SEC.

After the effectiveness of the exchange offer registration statement, we will offer the exchange notes in exchange for surrender of the outstanding notes. We will keep the registered exchange offer open for not less than 20 business days (or longer if required by applicable law) after the date notice of the exchange offer is given to the holders. For each outstanding note surrendered to us pursuant to the exchange offer, the holder of such note will receive an exchange note having a principal amount equal to that of the surrendered outstanding note. Under existing SEC interpretations, the exchange notes and the related guarantees will generally be freely transferable by holders other than affiliates of ours after the registered exchange offer without further registration under the Securities Act. See Plan of distribution.

Each holder that wishes to exchange its outstanding notes for exchange notes will be required to represent to us in writing at the time of the consummation of the exchange offer that, among other things:

- any exchange notes to be received by it will be acquired in the ordinary course of its business;
- it is not engaged in and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution (within the meaning of the Securities Act) of the exchange notes in violation of the provisions of the Securities Act;
- it is not an affiliate of ours or the guarantors, as defined in Rule 405 under the Securities Act, 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 such holder is a broker-dealer, it did not acquire outstanding notes directly from us; and
- if such holder is a broker-dealer (a participating broker-dealer) that will receive exchange notes for its own account in exchange for outstanding notes acquired as a result of market-making or other trading activities, it will deliver a prospectus in connection with any resale of such exchange notes.

Under similar SEC interpretations, participating broker-dealers may fulfill their prospectus delivery requirements with respect to exchange notes (other than a resale of an unsold allotment from the original sale of the notes) with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, we are required to use our best efforts to keep the exchange offer registration statement continuously effective for a period of up to 180 days after the date on which such statement is declared effective, or such shorter period as may be necessary to satisfy such prospectus delivery requirements.

Table of Contents

In the event that:

any changes in law or the applicable interpretations of the staff of the SEC do not permit us to effect such exchange offer;

for any other reason the exchange offer is not completed by September 1, 2012;

any holder is prohibited by law or the applicable interpretations of the staff of the SEC from participating in the exchange offer or does not receive exchange notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such holder as an affiliate of ours); or

the initial purchaser so requests with respect to outstanding notes that have, or that are reasonably likely to be determined to have, the status of unsold allotments in an initial distribution;

then we will, at our cost and subject to the terms of the registration rights agreement, (a) use our reasonable best efforts to file a registration statement (the shelf registration statement) covering resales of the outstanding notes or the exchange notes, as the case may be, from time to time, (b) use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act as soon as practicable after such determination and (c) use our reasonable best efforts to keep the shelf registration statement continuously effective under the Securities Act for the period ending on the date which is one year from the issue date or such shorter period ending when all outstanding notes and/or exchange notes covered by the shelf registration statement have been sold in the manner set forth and as contemplated in the shelf registration statement. We will, in the event a shelf registration statement is filed, among other things, provide to each holder for which such shelf registration statement was filed copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the outstanding notes or the exchange notes, as the case may be. A holder selling outstanding notes or exchange notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement which are applicable to such holder (including certain indemnification obligations). In addition, each holder of the outstanding notes or exchange notes to be registered under the shelf registration statement will be required to deliver information to be used in connection with the shelf registration statement within the time period set forth in the registration rights agreement in order to have such holder s outstanding notes or exchange notes included in the shelf registration statement and to benefit from the provisions regarding Additional Interest set forth in the following paragraph.

If:

(i) the exchange offer is not completed on or prior to September 1, 2012, or a shelf registration statement, if required, is not declared effective, on or prior to September 1, 2012; or

(ii) the shelf registration statement is declared effective but thereafter ceases to be effective or the prospectus contained therein ceases to be usable, except if the shelf registration ceases to be effective or usable as specifically permitted under the registration rights agreement;

(each such event referred to in clauses (i) and (ii) a registration default), additional interest in the form of additional cash interest (additional interest) will accrue on the affected notes beginning on the day immediately following the registration default and through and including the date on which the registration default ends. The rate of additional interest will be 0.25% per annum for the first 90-day period immediately following the occurrence of a registration default, increasing by an additional 0.25% per annum with respect to each subsequent 90-day period up to a maximum amount of additional interest of 1.00% per annum.

This summary of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which we will provide upon receipt of a request delivered to our address set forth elsewhere in this prospectus.

29

Table of Contents

Terms of the exchange offer

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, a copy of which accompanies this prospectus, we will accept any and all outstanding notes validly tendered and not withdrawn prior to the expiration date. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of outstanding notes accepted in the exchange offer. Holders may tender some or all of their outstanding notes pursuant to the exchange offer. However, outstanding notes may be tendered only in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The form and terms of the exchange notes are the same as the form and terms of the outstanding notes, except that

- the exchange notes will have been registered under the Securities Act and will not bear legends restricting their transfer pursuant to the Securities Act; and
- except as otherwise described above, holders of the exchange notes will not be entitled to the rights of holders of outstanding notes under the registration rights agreement.

The exchange notes will evidence the same debt as the outstanding notes which they replace, and will be issued under, and be entitled to the benefits of, the indenture which governs all of the notes.

We shall be deemed to have accepted validly tendered outstanding notes when, as and if we have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for the tendering holders of the outstanding notes for the purposes of receiving the exchange notes. The exchange notes delivered pursuant to the exchange offer will be issued on the earliest practicable date following our acceptance for exchange of outstanding notes.

Holders who tender outstanding notes in the exchange offer 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. We will pay all charges and expenses, other than certain applicable taxes, in connection with the exchange offer. See Fees and expenses.

Expiration date; extensions; amendments; termination

The term expiration date with respect to the exchange offer, shall mean 5:00 p.m., New York City time, on August 16, 2012, unless we, in our sole discretion, extend the exchange offer, in which case the term expiration date shall mean the latest date and time to which the exchange offer is extended. We do not currently intend to extend the expiration date. The exchange notes issued pursuant to this exchange offer will be delivered promptly following the expiration date to the holders who validly tender their outstanding notes.

In order to extend the exchange offer, we will notify the exchange agent of any extension by oral or written notice and will make a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the exchange offer.

We reserve the right, in our sole discretion:

(1) to delay accepting any outstanding notes;

(2) to extend the exchange offer;

(3) if any of the conditions set forth below under Conditions to the exchange offer have not been satisfied, to terminate the exchange offer; or

(4) to amend the terms of the exchange offer in any manner.

We may effect any such delay, extension or termination by giving oral or written notice thereof to the exchange agent.

Table of Contents

Except as specified in the second paragraph under this heading, any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by a notice thereof. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes. The exchange offer will then be extended for a period of five to ten business days, as required by law, depending upon the significance of the amendment and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during such five to ten business day period.

Procedures for tendering outstanding notes

The tender by a holder of outstanding notes pursuant to the procedures set forth below will constitute the tendering holder s acceptance of the terms and conditions of the exchange offer. Our acceptance for exchange of outstanding notes tendered pursuant to the procedures described below will constitute a binding agreement between such tendering holder and us in accordance with the terms and subject to the conditions of the exchange offer. Only holders are authorized to tender their outstanding notes. The procedures by which outstanding notes may be tendered by beneficial owners that are not holders will depend upon the manner in which the outstanding notes are held.

DTC has authorized DTC participants that are beneficial owners of outstanding notes through DTC to tender their outstanding notes as if they were holders. To effect a tender, DTC participants should transmit their acceptance to DTC through the DTC Automated Tender Offer Program System (ATOP), for which the transaction will be eligible, and follow the procedures for book-entry transfer, set forth below under Book-entry delivery procedures.

Tender of outstanding notes held through a custodian

To tender effectively outstanding notes that are held of record by a custodian bank, depository, broker, trust company or other nominee, the beneficial owner thereof must instruct such holder to tender the outstanding notes on the beneficial owner s behalf. A letter of instructions from the record owner to the beneficial owner may be included in the materials provided along with this prospectus which may be used by the beneficial owner in this process to instruct the registered holder of such owner s outstanding notes to effect the tender.

Tender of outstanding notes held through DTC

To tender effectively outstanding notes that are held through DTC, DTC participants should transmit their acceptance through ATOP, for which the transaction will be eligible, and DTC will then edit and verify the acceptance and send an agent s message (described below) to the exchange agent for its acceptance.

Delivery of tendering outstanding notes held through DTC must be made to the exchange agent pursuant to the book-entry delivery procedures set forth below.

Except as provided below, unless the outstanding notes being tendered are deposited with the exchange agent on or prior to the expiration date (accompanied by a properly completed and duly executed letter of transmittal or a properly transmitted agent s message), we may, at our option, reject such tender. Exchange of exchange notes for outstanding notes will be made only against deposit of the tendered outstanding notes and delivery of all other required documents.

Book-entry delivery procedures

The exchange agent will establish accounts with respect to the outstanding notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus, and any financial institution that is a participant in DTC may make book-entry delivery of the outstanding notes by causing DTC to transfer such outstanding notes into the exchange agent s account in accordance with DTC s procedures for such transfer.

Table of Contents

However, although delivery of outstanding notes may be effected through book-entry at DTC, the letter of transmittal (or facsimile thereof), with any required signature guarantees or an agent s message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to and received by the exchange agent at one or more of its addresses set forth in this prospectus on or prior to the expiration date. Delivery of documents to DTC does not constitute delivery to the exchange agent. The confirmation of a book-entry transfer into the exchange agent s account at DTC as described above is referred to herein as a book-entry confirmation.

The term agent s message means a message transmitted by DTC to, and received by, the exchange agent and forming a part of the book-entry confirmation, which states that DTC has received an express acknowledgment from each participant in DTC tendering the outstanding notes and that such participant has received the letter of transmittal and agrees to be bound by the terms of the letter of transmittal and we may enforce such agreement against such participant.

Notwithstanding any other provision hereof, delivery of exchange notes by the exchange agent for outstanding notes tendered and accepted for exchange pursuant to the exchange offer will, in all cases, be made only after timely receipt by the exchange agent of such outstanding notes (or book-entry confirmation of the transfer of such outstanding notes into the exchange agent s account at DTC as described above), and the letter of transmittal (or facsimile thereof) with respect to such outstanding notes, properly completed and duly executed, with any required signature guarantees and any other documents required by the letter of transmittal, or a properly transmitted agent s message.

Determination of validity

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered outstanding notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all outstanding notes not properly tendered or any outstanding notes our acceptance of which, in the opinion of our counsel, would be unlawful.

We also reserve the right to waive any defects, irregularities or conditions of tender as to particular outstanding notes. The interpretation of the terms and conditions of our exchange offer (including the instructions in the letter of transmittal) by us will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of outstanding notes must be cured within such time as we shall determine.

Although we intend to notify holders of defects or irregularities with respect to tenders of outstanding notes through the exchange agent, neither we, the exchange agent nor any other person is under any duty to give such notice, nor shall they 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 validly tendered and as to which the defects or irregularities have not been cured or waived, or if outstanding notes are submitted in a principal amount greater than the principal amount of outstanding notes being tendered by such tendering holder, such unaccepted or non-exchanged outstanding notes will be credited to the appropriate account maintained by the appropriate book-entry transfer facility.

By tendering, each registered holder will represent to us that, among other things,

(a) the exchange notes to be acquired by the holder and any beneficial owner(s) of the outstanding notes in connection with the exchange offer are being acquired by the holder and any beneficial owner(s) in the ordinary course of business of the holder and any beneficial owner(s);

(b) the holder and each beneficial owner are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in a distribution of the exchange notes;

Table of Contents

(c) the holder and each beneficial owner acknowledge and agree that (x) any person participating in the exchange offer for the purpose of distributing the exchange notes must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction with respect to the exchange notes acquired by such person and cannot rely on the position of the Staff of the SEC set forth in no-action letters that are discussed herein under Resale of the exchange notes; Plan of distribution, and (y) any broker-dealer that receives exchange notes for its own account in exchange for outstanding notes pursuant to the exchange offer must deliver a prospectus in connection with any resale of such exchange notes, but by so acknowledging, the holder shall not be deemed to admit that, by delivering a prospectus, it is an underwriter within the meaning of the Securities Act;

(d) neither the holder nor any beneficial owner is an affiliate, as defined under Rule 405 of the Securities Act, of ours; and

(e) the holder and each beneficial owner understands, that a secondary resale transaction described in clause (c) above should be covered by an effective registration statement containing the selling securityholder information required by Item 507 of Regulation S-K of the SEC.

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 or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Resale of the exchange notes; Plan of distribution.

Withdrawal of tenders

Except as otherwise provided herein, tenders of outstanding notes pursuant to the exchange offer may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date at the address set forth below under Exchange agent. Any such notice of withdrawal must:

specify the name of the person having tendered the outstanding notes to be withdrawn;

identify the outstanding notes to be withdrawn, including the principal amount of such outstanding notes;

specify the number of the account at the book-entry transfer facility from which the outstanding notes were tendered and specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn outstanding notes and otherwise comply with the procedures of such facility;

contain a statement that such holder is withdrawing its election to have such outstanding notes exchanged;

be signed by the holder in the same manner as the original signature on the letter of transmittal by which such outstanding notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the outstanding notes register the transfer of such outstanding notes in the name of the person withdrawing the tender; and

specify the name in which such outstanding notes are registered, if different from the person who tendered such outstanding notes.

Any notice of withdrawal must specify the name and number of the account at the appropriate book-entry transfer facility to be credited with such withdrawn outstanding notes and must otherwise comply with such book-entry transfer facility s procedures.

If the outstanding notes to be withdrawn have been delivered or otherwise identified to the exchange agent, a signed notice of withdrawal meeting the requirements discussed above is effective immediately upon written or facsimile notice of withdrawal even if physical release is not yet effected. A withdrawal of outstanding notes can only be accomplished in accordance with these procedures.

33

Table of Contents

All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by us in our sole discretion, which determination shall be final and binding on all parties. No withdrawal of outstanding notes will be deemed to have been properly made until all defects or irregularities have been cured or expressly waived. Neither we, the exchange agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or revocation, nor shall we or they incur any liability for failure to give any such notification. Any outstanding notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no exchange notes will be issued with respect thereto unless the outstanding notes so withdrawn are retendered. Properly withdrawn outstanding notes may be retendered in accordance with the procedures described above under Procedures for tendering outstanding notes at any time prior to the expiration date of the exchange offer.

Any outstanding notes which have been tendered but which are not accepted for exchange due to the rejection of the tender due to uncured defects or the prior termination of the exchange offer, or which have been validly withdrawn, will be returned to the appropriate account in accordance with the book-entry transfer facility s procedures.

Conditions to the exchange offer

The exchange offer shall not be subject to any conditions, other than that

(1) the SEC has issued an order or orders declaring the indenture governing the notes qualified under the Trust Indenture Act of 1939;

(2) the exchange offer, or the making of any exchange by a holder, does not violate applicable law or any applicable interpretation of the staff of the SEC;

(3) no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer, which, in our judgment, might impair our ability to proceed with the exchange offer;

(4) there shall not have been adopted or enacted any law, statute, rule or regulation which, in our judgment, would materially impair our ability to proceed with the exchange offer; or

(5) there shall not have occurred any material change in the financial markets in the United States or any outbreak of hostilities or escalation thereof or other calamity or crisis the effect of which on the financial markets of the United States, in our judgment, would materially impair our ability to proceed with the exchange offer.

If we determine in our sole discretion that any of the conditions to the exchange offer are not satisfied, we may

(1) refuse to accept any outstanding notes and return all tendered outstanding notes to the tendering holders;

(2) extend the exchange offer and retain all outstanding notes tendered prior to the expiration date applicable to the exchange offer, subject, however, to the rights of holders to withdraw such outstanding notes (see Withdrawal of tenders); or

(3) waive such unsatisfied conditions with respect to the exchange offer and accept all validly tendered outstanding notes which have not been withdrawn.

If such waiver constitutes a material change to the exchange offer, we will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the registered holders, and will extend the exchange offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during such five to ten business day period.

34

Table of Contents

Consequences of failure to exchange

The outstanding notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, the outstanding notes may be resold only:

(1) to us upon redemption thereof or otherwise;

(2) so long as the outstanding notes are eligible for resale pursuant to Rule 144A, to a person inside the United States whom the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A;

(3) in an offshore transaction pursuant to Regulation S under the Securities Act;

(4) pursuant to an exemption from registration in accordance with Rule 144, if available, under the Securities Act;

(5) in reliance on another exemption from the registration requirements of the Securities Act; or

(6) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States.

Exchange agent

The Bank of New York Mellon Trust Company, N.A., the trustee under the indenture governing the notes, has been appointed as exchange agent for the exchange offer. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for other documents should be directed to the exchange agent addressed as follows:

By Mail or Hand:

The Bank of New York Mellon Trust Company, N.A., as Exchange Agent

c/o The Bank of New York Mellon Corporation

Corporate Trust Operations Reorganization Unit

101 Barclay Street, Floor 7 East

New York, NY 10286

Attention: William Buckley

By Facsimile:

(212) 298-1915

Confirm by

Telephone:

(212) 815-5788

Fees and expenses

The expenses of soliciting tenders pursuant to the exchange offer will be paid by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, telecopy or in person by our officers and regular employees.

We will not make any payments to or extend any commissions or concessions to any broker or dealer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus and related documents to the beneficial owners of the outstanding notes and in handling or forwarding tenders for exchange.

The expenses to be incurred by us in connection with the exchange offer will be paid by us, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

Table of Contents

We will pay all transfer taxes, if any, applicable to the exchange of outstanding notes pursuant to the exchange offer. If, however, exchange notes or outstanding notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the outstanding notes tendered, or if tendered outstanding notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of outstanding notes pursuant to the exchange offer, then the amount of any such transfer taxes imposed on the registered holder or any other persons will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Accounting treatment

We will record the exchange notes at the same carrying value of the outstanding notes reflected in our accounting records on the date the exchange offer is completed. Accordingly, we will not recognize any gain or loss for accounting purposes upon the exchange of exchange notes for outstanding notes. We will amortize certain expenses incurred in connection with the issuance of the exchange notes over the respective terms of the exchange notes.

Resale of the exchange notes

For information about resale of the exchange notes, see Plan of distribution.

Table of Contents

DESCRIPTION OF NOTES

The outstanding notes were, and the exchange notes will be, issued by Issuer under an Indenture (the Indenture) among itself, Superior Energy, the Guarantors and The Bank of New York Mellon Trust Company, N.A., as Trustee. The terms of the notes include those expressly stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. Any outstanding notes that remain outstanding after completion of the exchange offer, together with the exchange notes issued in the exchange offer, will be treated as a single class of securities under the Indenture (the Notes).

The following description is a summary of the material provisions of the Notes and the Indenture and is qualified in its entirety by the provisions of the Notes and the Indenture. It does not restate those agreements in their entirety. We urge you to read the Indenture because it, and not this description, defines your rights as a Holder of the Notes. Superior Energy will make a copy of the Indenture available to Holders and prospective investors upon request.

You can find the definitions of certain terms used in this description below under the caption Certain definitions. Certain defined terms used in this description but not defined below under the caption Certain definitions have the meanings assigned to them in the Indenture. In this description, the words Issuer, we, us, or our refer only to SESI, L.L.C. and not to any of its Subsidiaries, and Superior Energy refers only to Superior Energy Services, Inc. and not to any of its Subsidiaries.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief description of the notes and the note guarantees

The Notes:

- are general unsecured senior obligations of Issuer;
- are limited to an aggregate principal amount of $800.0 million, subject to our ability to issue Additional Notes;
- are *pari passu* in right of payment with all existing and future unsecured senior Indebtedness of Issuer;
- are senior in right of payment to any future Subordinated Obligations of Issuer;
- are effectively subordinated to all existing and future Secured Indebtedness of the Issuer to the extent of the value of the assets securing such Indebtedness, including any borrowings under the Credit Agreement;
- are structurally subordinated to all liabilities of any Non-Guarantor Subsidiary;
- are unconditionally guaranteed on a senior basis by Superior Energy and the Subsidiary Guarantors; and
- are represented by one or more registered Notes in global form, but in certain circumstances may be represented by Notes in definitive form.

As of March 31, 2012, we had total consolidated indebtedness of approximately $2,000.0 million (including the notes and exclusive of discounts), of which a $400.0 million term loan under the Credit Agreement is secured and effectively senior to the Notes and the Note Guarantees to the extent of the value of the collateral securing such Indebtedness, and Issuer would have been able to incur additional secured

borrowings of $564.2 million under the Credit Agreement (after giving effect to $35.8 million of outstanding letters of credit, which reduce availability), which could increase by up to $200.0 million, subject to certain conditions. See Risk factors Risks related to the notes The notes are effectively subordinated to our indebtedness and the guarantors guarantees under our senior credit facility and any other secured indebtedness of our company to the extent of the value of the property securing that indebtedness.

Table of Contents

The note guarantees

The Notes are jointly and severally, irrevocably, fully and unconditionally guaranteed on a senior basis by Superior Energy and each of Issuer s and Superior Energy s Subsidiaries that guarantee Obligations under the Credit Agreement. Prior to the occurrence of an Investment Grade Rating Event, the Notes will be guaranteed by any of Issuer s or Superior Energy s Restricted Subsidiaries that subsequently guarantee Obligations under the Credit Agreement or other Indebtedness of the Issuer or any Guarantor. See Certain covenants Future guarantors. The Notes are not guaranteed by certain Domestic Subsidiaries that do not guarantee the senior credit facility, all Foreign Subsidiaries and any other Subsidiaries that are designated as Unrestricted Subsidiaries under certain circumstances described under the caption Certain definitions Unrestricted Subsidiary.

Each Note Guarantee:

- is a general unsecured senior obligation of such Guarantor;
- is *pari passu* in right of payment with all existing and future unsecured senior Indebtedness of such Guarantor;
- is senior in right of payment to any future Subordinated Obligations of such Guarantor; and
- is effectively subordinated to all existing and future Secured Indebtedness of such Guarantor to the extent of the value of the assets securing that Indebtedness, including any guarantee of Issuer s obligations under the Credit Agreement.

Not all of the existing Subsidiaries of Issuer and Superior Energy guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these Non-Guarantor Subsidiaries, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us.

For the three months ended March 31, 2012, the Non-Guarantor Subsidiaries generated approximately 18% of Superior Energy s consolidated revenues, exclusive of intercompany eliminations and approximately 9% of Superior Energy s consolidated income from operations. As of March 31, 2012, the Non-Guarantor Subsidiaries represented approximately 18% of Superior Energy s consolidated total assets, exclusive of intercompany eliminations, and had approximately $223.3 million of total liabilities on a consolidated basis, including debt and trade payables but excluding most intercompany liabilities, all of which would be structurally senior to the Notes. Our Subsidiaries with a book value of assets of less than $35.0 million are not required to guarantee obligations under the Credit Agreement.

All of Issuer s and Superior Energy s Subsidiaries, other than Superior Energy Liftboats, L.L.C., are Restricted Subsidiaries. However, under the circumstances described below in the definition of Unrestricted Subsidiaries, Superior Energy and Issuer will be permitted to designate certain of their Subsidiaries as Unrestricted Subsidiaries. Superior Energy s and Issuer s Unrestricted Subsidiaries are not subject to many of the restrictive covenants in the Indenture. Superior Energy s and Issuer s Unrestricted Subsidiaries do not guarantee the Notes.

Principal, maturity and interest

Issuer issued $800.0 million in aggregate principal amount of Notes. Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes other than the issue date, the issue price and the first interest payment date (the Additional Notes). Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption Certain covenants Limitation on indebtedness. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Unless the context requires otherwise, references to

Table of Contents

Notes for all purposes of the Indenture and this Description of notes include any Additional Notes that are actually issued. Notes are issued in denominations of $2,000 and integral multiples of $1,000. The Notes will mature on December 15, 2021.

Interest on the Notes accrues at the rate of 7.125% per annum and will be payable semiannually in arrears on June 15 and December 15, commencing on June 15, 2012. Additional Interest may accrue on the Notes in certain circumstances pursuant to the Registration Rights Agreement as described under Exchange offer; registration rights. All references in the Indenture and this Description of notes, in any context, to any interest or other amount payable on or with respect to the Notes shall be deemed to include any Additional Interest required to be paid pursuant to the Registration Rights Agreement. Interest on overdue principal, interest and Additional Interest, if any, will accrue at a rate that is 1% higher than the then applicable interest rate on the Notes. Issuer will make each interest payment to the Holders of record on the immediately preceding June 1 and December 1.

Interest on the Notes accrues 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.

Methods of receiving payments on the notes

If a Holder has given wire transfer instructions to Issuer, Issuer will pay all principal, interest and premium and Additional Interest, if any, on that Holder s Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the paying agent and registrar unless Issuer elects to make interest payments by check mailed to the Holders at their address set forth in the register of Holders.

Issuer will pay principal of, premium, if any, and interest on, the Notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered Holder of such global Note.

Paying agent and registrar for the notes

The Trustee will initially act as Paying Agent and Registrar. Issuer may change the Paying Agent or Registrar without prior notice to the Holders, and Issuer or any of its Subsidiaries may act as paying agent or registrar.

Transfer and exchange

A Holder may transfer or exchange Notes in accordance with the provisions of the Indenture. The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. Issuer will not be required to transfer or exchange any Note selected for redemption. Also, Issuer will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Note guarantees

The Notes are guaranteed by Superior Energy and each of Issuer s and Superior Energy s Subsidiaries that guarantee Obligations under the Credit Agreement. Prior to the occurrence of an Investment Grade Rating Event, the Notes will be guaranteed by any of Issuer s or Superior Energy s Restricted Subsidiaries that subsequently guarantee Obligations under the Credit Agreement or other Indebtedness of the Issuer or any Guarantor. See Certain covenants Future guarantors. The Notes are not guaranteed by Domestic Subsidiaries that do not guarantee the senior credit facility and all Foreign Subsidiaries. These Note Guarantees are joint and several obligations of the Guarantors. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. If a Note Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such indebtedness,

Table of Contents

a Guarantor s liability on its Note Guarantee could be reduced to zero. See Risk factors Risks related to the notes Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, and if that occurs, you may not receive any payments on the notes.

Any Guarantor that makes a payment under its Note Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor s pro rata portion of such payment, based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

A Subsidiary Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person, other than Issuer or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists;

(2) if such entity remains a Subsidiary Guarantor, the resulting, surviving or transferee Person (the Successor Guarantor) is a Person (other than an individual) organized and existing under the laws of the United States of America, any state or territory thereof or the District of Columbia;

(3) the Successor Guarantor, if not already a Subsidiary Guarantor, expressly assumes all the obligations of such Subsidiary Guarantor under the Indenture, the Notes and its Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee and assumes by written agreement all the obligations of such Subsidiary Guarantor under the Registration Rights Agreement; and

(4) if such Subsidiary Guarantor does not continue as a Subsidiary of Issuer or Superior Energy, the net proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

The Note Guarantee of a Subsidiary Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) Superior Energy, Issuer or a Restricted Subsidiary of Issuer or Superior Energy, if the sale or other disposition, and the application of the proceeds of such transaction, comply with the covenant described below under the caption Repurchase at option of holders Limitation on sales of assets and subsidiary stock ;

(2) in connection with any sale or other disposition of all of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) Superior Energy, Issuer or a Restricted Subsidiary of Issuer or Superior Energy, if the sale or other disposition, and the application of the proceeds of such transaction, comply with the covenant described below under the caption Repurchase at option of holders Limitation on sales of assets and subsidiary stock ;

(3) if Issuer designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance or satisfaction and discharge of the Indenture as provided below under the captions Legal defeasance and covenant defeasance and Satisfaction and Discharge ; or

(5) upon the occurrence of an Investment Grade Rating Event, if such Subsidiary Guarantor does not have outstanding Indebtedness, and it does not guarantee Indebtedness of Issuer, Superior Energy or any other Guarantor, in each case in excess of a De Minimis Amount.

See Repurchase at option of holders Limitation on sales of assets and subsidiary stock.

Superior Energy will be released from its obligations under the Indenture and its Note Guarantee only in connection with any legal defeasance or satisfaction and discharge of the Indenture.

Table of Contents

Optional redemption

At any time prior to December 15, 2014, Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.125% of the principal amount, plus accrued and unpaid interest and Additional Interest, if any, to but excluding the redemption date, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date, with the Net Cash Proceeds of one or more Public Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes (which includes Additional Notes, if any) issued under the Indenture (excluding Notes held by Superior Energy and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

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

Except pursuant to the preceding paragraph, the Notes are not redeemable at Issuer s option prior to December 15, 2016.

On or after December 15, 2016, Issuer may redeem all or a part of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed, to but excluding the applicable redemption date (subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date), if redeemed during the twelve-month period beginning on December 15 of the years indicated below:

Year	Percentage
2016	103.563%
2017	102.375%
2018	101.188%
2019 and thereafter	100.000%

At any time prior to December 15, 2016, Issuer may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each Holder s registered address, at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to but excluding the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. The redemption price shall be determined by the Issuer.

Unless Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Mandatory redemption; Offers to purchase; Open market purchases

Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, Issuer may be required to offer to purchase the Notes as described under the captions Repurchase at the option of holders Change of control and Repurchase at the option of holders Limitation on sales of assets and subsidiary stock. Issuer may at any time and from time to time purchase Notes in the open market or otherwise, so long as such acquisition does not otherwise violate the terms of the Indenture.

Selection and notice of redemption

In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed, then on a pro rata basis (to the extent practicable), by lot or by such similar method in accordance with the procedures of DTC. No Note of $2,000 in original principal amount or less will be redeemed in part.

Table of Contents

Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder to be redeemed at its registered address or otherwise delivered in accordance with the procedures of DTC, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder 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 Notes called for redemption.

For Notes that are represented by global certificates held on behalf of DTC, notices may be given by delivery of the relevant notices to DTC for communication to entitled account holders in substitution of the aforementioned mailing.

Repurchase at the option of holders

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 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 and Additional Interest, if any, to but excluding the date of purchase (the Change of Control Payment) (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 Issuer;

(2) individuals who on the Issue Date constituted the Board of Directors of Superior Energy 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 Issuer or Superior Energy;

(4) the merger or consolidation of Issuer or Superior Energy, as the case may be, with or into another Person or the merger of another Person with or into Issuer or Superior Energy, as the case may be, other than a transaction following which, in the case of a merger or consolidation transaction, securities that represented 100% of the Voting Stock of Issuer 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; or

(5) the direct or indirect sale, assignment, conveyance, transfer, lease or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all the assets of Issuer or Superior Energy and their respective Subsidiaries taken as a whole, as the case may be (in each case, determined on a consolidated basis) to another Person.

Table of Contents

Within 30 days following any Change of Control, Issuer will mail a notice to each Holder or otherwise give notice in accordance with the applicable procedures of DTC, 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 and Additional Interest, if any, to but excluding 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 10 days nor later than 60 days from the date such notice is mailed) (the Change of Control Payment Date); and

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

On the Change of Control Payment Date, Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (of $2,000 or larger integral multiples of $1,000 in excess thereof) properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee for cancellation the Notes so accepted together with an Officers Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer in accordance with the terms of this covenant.

The Paying Agent will promptly mail to each Holder so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of $2,000 or integral multiples of $1,000 in excess thereof.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the relevant interest payment date to the Person in whose name a Note is registered at the close of business on such record date.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Issuer will not be required to make a Change of Control Offer following a Change of Control if (1) 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 Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described under the caption Optional redemption, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

43

Table of Contents

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 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, Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue of its compliance with such securities laws or regulations.

The Credit Agreement prohibits, and future credit agreements or other agreements to which Issuer becomes a party may prohibit or limit, Issuer from purchasing any Notes as a result of a Change of Control. In the event a Change of Control occurs at a time when Issuer is prohibited from purchasing the Notes, Issuer could seek the consent of its lenders to permit the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, Issuer will remain prohibited from purchasing the Notes. In such case, Issuer s failure to purchase tendered Notes after any applicable notice and lapse of time would constitute an Event of Default under the Indenture.

The Credit Agreement does, and future credit agreements or other agreements relating to Indebtedness to which the Issuer becomes a party may, provide that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control under the Indenture). If we experience a change of control that triggers a default under our Credit Agreement, we could seek a waiver of such default or seek to refinance our Credit Agreement. In the event we do not obtain such a waiver or refinance the Credit Agreement, such default could result in amounts outstanding under our Credit Agreement being declared due and payable.

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. Therefore, sufficient funds may not be available when necessary to make any required repurchases. See Risk factors Risks related to the notes We may not be able to repurchase the notes upon a change of control.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of Superior Energy and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between Superior Energy and the initial purchasers. Neither Superior Energy nor Issuer has any present intention to engage in a transaction involving a Change of Control, although it is possible that they could decide to do so in the future. Subject to the limitations discussed below, Superior Energy or Issuer 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 and Limitation on liens. 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 does not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties or assets of Issuer or Superior Energy and their respective Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder to require us to repurchase the Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Issuer or Superior Energy and their respective Subsidiaries taken as a whole to another Person or group may be uncertain.

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.

Table of Contents

Limitation on sales of assets and subsidiary stock

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

(1) Superior Energy, 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) as determined in good faith by the Board of Directors of Superior Energy, an Officer of Superior Energy, an Officer of the Issuer or an Officer of such Restricted Subsidiary with responsibility for such transaction, which determination shall be conclusive evidence of compliance with this provision, of the shares and assets subject to such Asset Disposition;

(2) in the case of an Asset Disposition for consideration exceeding $50.0 million, the fair market value is determined, in good faith, by the Board of Directors of Superior Energy, and evidenced by a resolution of the Board of Directors of Superior Energy set forth in an Officer s Certificate delivered to the Trustee;

(3) either (a) at least 75% of the consideration thereof received by Superior Energy, Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Temporary Cash Investments or (b) the fair market value (with the fair market value of each item of Designated Noncash Consideration being measured at the time received without giving effect to subsequent changes in value) of all forms of consideration other than cash or Temporary Cash Investments received for all Asset Dispositions since the Issue Date does not exceed in the aggregate an amount equal to 10% of Consolidated Tangible Assets at the time each determination is made; and

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

(a) to repay Secured Indebtedness under a Debt Facility;

(b) to acquire Additional Assets or to make capital expenditures in a Related Business; 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 Indebtedness of Issuer that is *pari passu* with the Notes) to purchase Notes (and such other Indebtedness of 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, 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. 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 Debt Facility.

For the purposes of this covenant, the following are deemed to be cash or Temporary Cash Investments: (i) the assumption of Obligations of Superior Energy, Issuer or any Restricted Subsidiary (other than any of their Subordinated Obligations) and the release of Superior Energy, Issuer or such Restricted Subsidiary, as the case may be, from all liability on such Obligations in connection with such Asset Disposition, (ii) any securities received by Issuer or any Restricted Subsidiary from the transferee that are promptly converted by Issuer or such Restricted Subsidiary into cash within 180 days after the receipt thereof (to the extent of cash received) and (iii) any Designated Noncash Consideration received by Superior Energy, Issuer or any Restricted Subsidiary in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed the greater of (x) $60.0 million and (y) 1.5% of Consolidated Tangible Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received without giving effect to subsequent changes in value).

45

Table of Contents

The requirement of clause (4) of the first paragraph of this Limitation on sales of assets and subsidiary stock covenant shall be deemed to be satisfied if an agreement (including a lease) committing to make the acquisitions or expenditures referred to therein is entered into by Superior Energy, Issuer or a Restricted Subsidiary within the time period specified in such clause and such Net Available Cash is subsequently applied in accordance with such agreement within six months following such agreement.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in clauses 4(a) or 4(b) of the first paragraph of this covenant within the time period set forth therein will be deemed to constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds $60.0 million, Issuer will make an offer (an Asset Disposition Offer) to all Holders and, to the extent required under the terms of outstanding *pari passu* Indebtedness of Issuer, to the holders of such outstanding *pari passu* Indebtedness, to purchase the maximum aggregate principal amount of Notes and such other *pari passu* Indebtedness of Issuer in an amount equal to $2,000 or an integral multiple of $1,000 in excess thereof at a purchase price of 100% of their principal amount (or, in the event such other *pari passu* Indebtedness of Issuer was issued with significant original issue discount, 100% of the accreted value thereof), without premium, plus accrued but unpaid interest and Additional Interest (or, in respect of such other *pari passu* Indebtedness of Issuer, such lesser price, if any, as may be provided for by the terms of such Indebtedness of Issuer) to but excluding the purchase date, in accordance with the procedures set forth in the Indenture. Issuer may satisfy the foregoing obligations with respect to such Net Available Cash from an Asset Disposition by making an offer with respect to such Net Available Cash prior to the expiration of the application period.

To the extent that the aggregate amount of Notes and such *pari passu* Indebtedness tendered pursuant to an Asset Disposition Offer is less than the Excess Proceeds, Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to compliance with other covenants contained in the Indenture. If the aggregate principal amount of Notes or the *pari passu* Indebtedness surrendered by such holders thereof exceeds the amount of Excess Proceeds, the Trustee or the applicable Registrar shall select the Notes and Issuer or agent for such *pari passu* Indebtedness shall select such *pari passu* Indebtedness to be purchased on a pro rata basis based on the principal amount (or accreted value) of the Notes or such *pari passu* Indebtedness tendered. Upon completion of any such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

Each of Superior Energy and 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 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. Upon the occurrence of an Investment Grade Rating Event, the Asset Disposition provisions described under this caption will cease to apply to Issuer and will no longer have effect.

Certain covenants

Termination of covenants when notes rated investment grade

The Indenture contains covenants including, among others, those summarized below. From and after the occurrence of an Investment Grade Rating Event, each of the covenants described below (except for the covenant described above under Repurchase at the option of holders Change of control, clause (a) of each of paragraph (1) and (2) of the covenant under the caption Merger and consolidation and the covenant described under the caption SEC reports), together with the Asset Disposition provision described above under the caption Repurchase at the option of holders Limitation on sales of assets and subsidiary stock, and clause (8) of the first paragraph under the caption Defaults, will cease to apply to each of Superior Energy, Issuer and their Restricted Subsidiaries, as the case may be, and will no longer have effect. Instead, the remaining covenants enumerated above and the covenant described below under the caption Investment

Table of Contents

Grade Covenant will apply to Superior Energy and Issuer and become effective upon the occurrence of such an Investment Grade Rating Event. For the avoidance of doubt, such covenants and provisions shall not be reinstated even if the Notes are subsequently assigned a rating below an Investment Grade Rating by either or both Rating Agencies.

Limitation on indebtedness

(1) Each of Superior Energy and Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided*, *however*, that Superior Energy, Issuer and any Subsidiary Guarantor may Incur Indebtedness if, the Consolidated Coverage Ratio for the most recently ended four fiscal quarters for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Incurrence would have exceeded 2.0 to 1 and no Default would have occurred and be continuing, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the beginning of such four quarter period.

(2) Notwithstanding the foregoing paragraph (1), so long as no Default has occurred and is continuing, Superior Energy, Issuer and their Restricted Subsidiaries may Incur, to the extent provided below, the following Indebtedness:

(a) Indebtedness Incurred by Superior Energy, Issuer and any Subsidiary Guarantor under Debt Facilities; *provided*, *however*, that after giving effect to such Incurrence, the aggregate principal amount of all Indebtedness incurred under this clause (a) (with letters of credit and bankers acceptances, if any, being deemed to have a principal amount equal to the maximum potential liability of Issuer thereunder) and then outstanding does not exceed the greater of (A) $1.2 billion and (B) the amount equal to 27.5% of Consolidated Tangible Assets as of the end of the most recent fiscal quarter for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Incurrence;

(b) the incurrence by Superior Energy, Issuer or any Restricted Subsidiary of intercompany Indebtedness between or among Superior Energy, Issuer or any Restricted Subsidiary; *provided*, *however*, that:

(i) if Issuer is the obligor on Indebtedness owing to a Non-Guarantor Subsidiary, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes;

(ii) if a Guarantor is the obligor on such Indebtedness and a Non-Guarantor Subsidiary is the obligee, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Note Guarantee of such Guarantor; and

(iii) (1) any subsequent issuance or transfer of Capital Stock that results in any such Indebtedness being held by a Person other than Superior Energy, Issuer or any Restricted Subsidiary and (2) any sale or other transfer of any such Indebtedness to a Person that is not Superior Energy, Issuer or any Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by Superior Energy, Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (b);

(c) Indebtedness consisting of the Notes and the related Note Guarantees to be issued on the date of the Indenture and any Exchange Notes (including any Note Guarantee thereof);

(d) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clause (a), (b) or (c) of this paragraph (2));

(e) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by Superior Energy or 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 Issuer, as the case may be); *provided*, *however*,

Table of Contents

that on the date of such acquisition and after giving pro forma effect thereto, either (1) Issuer would have been able to Incur at least $1.00 of additional Indebtedness pursuant to paragraph (1) of this covenant; or (2) the Consolidated Coverage Ratio is higher than immediately prior to such acquisition;

(f) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (1) or pursuant to clause (c), (d) or (e) of this paragraph (2) or this clause (f); *provided*, *however*, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (e) of this paragraph (2), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(g) Hedging Obligations entered into in the ordinary course of business of Superior Energy, Issuer or any Restricted Subsidiary and not for speculative purposes;

(h) Indebtedness incurred solely in respect of banker s acceptances, letters of credit, performance and surety bonds, insurance contracts and completion guarantees and other reimbursement obligations (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;

(i) the incurrence by Superior Energy, Issuer or any Restricted Subsidiary of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the acquisition or cost of design, construction, installation, improvement or the carrying cost of assets used in the business of Superior Energy, Issuer or any Restricted Subsidiary, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (i), not to exceed the greater of (A) $200.0 million or (B) 4.5% of Consolidated Tangible Assets as of the end of the most recent fiscal quarter for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Incurrence (or the equivalent thereof, measured at the time of each incurrence, in applicable foreign currency) at any time outstanding;

(j) Indebtedness arising from any agreement providing for indemnities, Guarantees, purchase price adjustments, holdbacks, contingency payment obligations based on the performance of the acquired or disposed assets or similar obligations (other than Guarantees of Indebtedness) Incurred by any Person in connection with the acquisition or disposition of assets;

(k) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business;

(l) the guarantee by Issuer or any of the Guarantors of Indebtedness of Superior Energy, Issuer or any Restricted Subsidiary that was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or the relevant Note Guarantee, then the Guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(m) the incurrence by Foreign Subsidiaries of Indebtedness in an aggregate principal amount at any time outstanding pursuant to this clause (m), including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (m), not to exceed the greater of (A) $150.0 million and (B) the amount equal to 20% of Foreign Subsidiary Total Tangible Assets as of the end of the most recent fiscal quarter for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Incurrence (or the equivalent thereof, measured at the time of each incurrence, in applicable foreign currency); and

(n) Indebtedness of Superior Energy, 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 (a) through (m) of this paragraph (2) or paragraph (1) of this covenant) does not exceed $150.0 million.

Table of Contents

(3) Notwithstanding the foregoing, each of Superior Energy and Issuer will not, and will not permit any Subsidiary Guarantor to, Incur any Indebtedness pursuant to the foregoing paragraph (2) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of Superior Energy, Issuer or any Subsidiary Guarantor unless such Indebtedness shall be subordinated to the Notes or the relevant Note Guarantee, as applicable, to at least the same extent as such Subordinated Obligations.

(4) Each of Superior Energy and Issuer will not, and will not permit any Subsidiary Guarantor to Incur any Indebtedness (including indebtedness permitted to be incurred by paragraph (2) of this covenant) that is contractually subordinated in right of payment to any other Indebtedness of Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of Issuer or such Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

(5) For purposes of determining compliance with this Limitation on indebtedness covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of permitted debt described in clauses (a) through (n) of paragraph (2) of this covenant, or is entitled to be incurred pursuant to paragraph (l) of this covenant, Issuer will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant; *provided* that all Indebtedness outstanding on the Issue Date under the Credit Agreement after giving effect to the application of the proceeds from the issuance of the Notes, and all Indebtedness (or the portion thereof) Incurred under clause (a) of paragraph (2) of this covenant shall be deemed Incurred under clause (a) of paragraph (2) of this covenant and not paragraph (1) or clause (d) of paragraph (2) of this covenant and may not later be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Superior Energy, Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

(6) The amount of any Indebtedness outstanding as of any date will be:

(a) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(b) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(c) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the fair market value of such assets at the date of determination; and

(ii) the amount of the Indebtedness of the other Person.

Limitation on restricted payments

(1)

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

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

Table of Contents

(b) Issuer is not entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (1) of the covenant described under Limitation on indebtedness; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments since May 2, 2001 would exceed the sum of (without duplication):

(i) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from April 1, 2001 to the end of the most recent fiscal quarter for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); *plus*

(ii) 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 May 2, 2001 (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) or the fair market value of the consideration (if other than cash) from such issue or sale of Capital Stock and 100% of any capital cash contribution received by Superior Energy from its stockholders subsequent to May 2, 2001; *plus*

(iii) the amount by which Indebtedness of Superior Energy, Issuer or any Restricted Subsidiary is reduced on Superior Energy s consolidated balance sheet upon the conversion or exchange (other than by any Subsidiary of Superior Energy) subsequent to the Issue Date of any Indebtedness of Superior Energy, 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 market value of any other property, distributed by Superior Energy upon such conversion or exchange); *plus*

(iv) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by Superior Energy, 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 returns that would be included in the calculation of Consolidated Net Income), in each case received by Superior Energy, Issuer or any Restricted Subsidiary, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to Issuer 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 Issuer or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

As of March 31, 2012, the aggregate amount in clause (c)(i) through (c)(iv) above was approximately $673.5 million.

(2) The provisions of the foregoing paragraph (1) will not prohibit:

(a) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Capital Stock, Disqualified Stock or Subordinated Obligations 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, 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

50

Table of Contents

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 (c)(ii) of paragraph (1) above;

(b) 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, Refinancing 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;

(c) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of Issuer, Superior Energy or any Restricted Subsidiary made by exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale of, Disqualified Stock of Issuer, Superior Energy or such Restricted Subsidiary, as the case may be, so long as such refinancing Disqualified Stock is permitted to be incurred pursuant to the covenant described under Limitation on indebtedness and constitutes Refinancing Indebtedness; *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments;

(d) 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;

(e) 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 of Superior Energy 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 the sum of (i) $5.0 million in any calendar year (with any unused amounts in any calendar year being carried over to the immediately succeeding calendar year subject to a maximum of $5.0 million in any calendar year), (ii) the aggregate Net Cash Proceeds received during such period from the Issuance of Capital Stock (other than Disqualified Stock) of Superior Energy pursuant to such agreements or plans, in each case to existing or former employees or members of management of Superior Energy or any of its Subsidiaries that occurs after the Issue Date, to the extent the Net Cash Proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments (provided that the Net Cash Proceeds from such sales or contributions shall be excluded from the calculation of amounts under clause (c)(ii) of paragraph (1) above), and (iii) the cash proceeds of key man life insurance policies received by Issuer, Superior Energy or their Restricted Subsidiaries after the Issue Date; *provided, further, however*, that such repurchases and other acquisitions shall be excluded in the calculation of the amount of Restricted Payments;

(f) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (a) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to the Repurchase at the option of holders Change of control covenant or (b) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the Repurchase at the option of holders Limitation on sales of assets and subsidiary stock covenant; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or

Table of Contents

other acquisition or retirement, Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; *provided further, however*, that such purchases, repurchases, redemptions, defeasances or other acquisitions or retirements for value shall be included in the calculation of the amount of Restricted Payments;

(g) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Superior Energy or any of its Subsidiaries issued in accordance with the terms of the Indenture to the extent such dividends are included in the definition of Consolidated Interest Expense ; *provided, however*, that such amounts shall be excluded in the calculation of the amount of Restricted Payments;

(h) cash payments in lieu of the issuance of fractional shares or interests in connection with the exercise of warrants, options or other rights or securities convertible into or exchangeable for Capital Stock of Superior Energy or any of its Subsidiaries; *provided* that any such cash payment shall not be for the purpose of evading the limitation of this covenant; *provided, however*, that such amounts shall be included in the calculation of the amount of Restricted Payments;

(i) 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; *provided, however*, that such repurchases shall be excluded in the calculation of the amount of Restricted Payments;

(j) other Restricted Payments in an aggregate amount not to exceed the greater of (A) $140.0 million and (B) the amount equal to 3.0% of Consolidated Tangible Assets as of the end of the most recent fiscal quarter for which consolidated financial statements of Superior Energy and its Subsidiaries have been provided to the Holders pursuant to the Indenture immediately preceding the date of such Restricted Payments; *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; and

(k) any payment of cash by Superior Energy, Issuer or any Subsidiary issuer to a holder of Convertible Notes upon conversion or exchange of such Convertible Notes, and entry into or any payment in connection with any termination of any Permitted Bond Hedge or any Permitted Warrant; *provided, however*, that such payment shall be excluded in the calculation of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Superior Energy, Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of Superior Energy whose resolution with respect thereto will be delivered to the Trustee.

Limitation on restrictions on distributions from restricted subsidiaries

Each of Superior Energy and 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, Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness or other obligations owed to Superior Energy, Issuer or any of their Restricted Subsidiaries (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock shall not be deemed a restriction on the ability to make distributions on Capital Stock);

(b) make any loans or advances to Superior Energy, Issuer or any of their Restricted Subsidiaries (it being understood that the subordination of loans or advances made to Superior Energy, Issuer or any

Table of Contents

Restricted Subsidiary to other Indebtedness Incurred by Superior Energy, Issuer or any of their Restricted Subsidiaries shall not be deemed a restriction on the ability to make loans or advances); or

(c) sell, lease or transfer any of its property or assets to Superior Energy, Issuer or any of their Restricted Subsidiaries (it being understood that such transfers shall not include any type of transfer described in clause (a) or (b) above).

The preceding provisions will not prohibit:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, including any such Debt Facility and the Notes, the Exchange 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 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 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 Superior Energy, Issuer or a Restricted Subsidiary to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages;

(6) provisions limiting the disposition or distribution of assets or property in joint venture agreements, limited liability agreements, joint operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business, which limitation is applicable only to the assets that are the subject of such agreements;

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

(8) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (c) of the preceding paragraph;

(9) restrictions on the transfer of property or assets required by any regulatory authority having jurisdiction over Superior Energy, Issuer or such Restricted Subsidiary;

(10) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or from the ability of Superior Energy, Issuer and their Restricted Subsidiaries to realize the value of, property or assets of Issuer or any Restricted Subsidiary in any manner material to Superior Energy, Issuer or any Restricted Subsidiary;

(11) encumbrances or restrictions contained in, or in respect of, Hedging Obligations permitted under the Indenture from time to time;

Table of Contents

(12) encumbrances or restrictions contained in agreements related to Secured Indebtedness otherwise permitted to be Incurred pursuant to the covenant described above under the caption Limitation on indebtedness and any corresponding Liens permitted to be incurred under the provisions of the covenant described under the caption Limitation on liens that limit the right of the debtor to dispose of the assets subject to such Liens; and

(13) (x) other Indebtedness Incurred or Preferred Stock issued by a Guarantor in accordance with Limitation on indebtedness that, in the good faith judgment of Senior Management, are not more restrictive, taken as a whole, than those applicable to the Issuer or Superior Energy in the Indenture or the Credit Agreement on the Issue Date (which results in encumbrances or restrictions at a Restricted Subsidiary level comparable to those applicable to the Issuer) or (y) other Indebtedness Incurred or Preferred Stock issued by a Non-Guarantor Subsidiary, in each case permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under Limitation on indebtedness ; *provided* that with respect to clause (y), such encumbrances or restrictions will not materially affect Issuer s ability to make anticipated principal and interest payments on the Notes (in the good faith judgment Senior Management).

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 Issuer or any Restricted Subsidiary or pay any Indebtedness owed to Issuer or any Restricted Subsidiary, (b) make any loans or advances to Issuer or any Restricted Subsidiary or (c) transfer any of its property or assets to Issuer or any Restricted Subsidiary, except:

(1) any encumbrance or restriction pursuant to any Debt Facilities and any other 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 affiliate transactions

(1) Each of Superior Energy and 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 Issuer or Superior Energy (an Affiliate Transaction) if such Affiliate Transaction involves aggregate consideration in excess of $5 million unless:

(a) the terms of the Affiliate Transaction are no less favorable to Superior Energy, 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; and

(b) the Issuer delivers to the trustee:

(i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of at least $20 million but equal to or less than $40 million, an Officers Certificate certifying that such Affiliate Transaction complies with clause (a) above; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $40 million, a resolution of the Board of Directors of Superior Energy set forth in an Officers Certificate certifying that such Affiliate Transaction complies with clause (a) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of its Board of Directors.

54

Table of Contents

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

(a) a Restricted Payment or Permitted Investment, in each case permitted to be made pursuant to the covenant described under Limitation on restricted payments ;

(b) any employment, equity award, equity option or equity appreciation agreement or plan, agreement or other similar compensation plan entered into by Superior Energy, Issuer or any Restricted Subsidiary in the ordinary course of business;

(c) loans or advances to officers, directors and employees for moving, entertainment and travel expense, drawing accounts and similar expenditures for other business purposes, in each case, in the ordinary course of business of Superior Energy, Issuer or any of their Restricted Subsidiaries;

(d) maintenance in the ordinary course of business of customary benefit programs or arrangements for employees, officers or directors, including health and life insurance plans, deferred compensation plans and retirement or savings and similar plans;

(e) any agreement as in effect as of the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time, so long as any such amendment, modification, supplement, extension or renewal is not more disadvantageous to the Holders in any material respect in the good faith judgment of Senior Management (except to the extent the arrangement is valued in excess of $40.0 million, in which case, in the good faith judgment of the Board of Directors of Superior Energy), when taken as a whole, than the terms of the agreements in effect on the Issue Date;

(f) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of the business of Superior Energy, Issuer and their Restricted Subsidiaries and otherwise in compliance with the terms of the Indenture; *provided* that in the reasonable determination of Senior Management (except to the extent the arrangement is valued in excess of $40.0 million, in which case, in the reasonable determination of the Board of Directors of Superior Energy), such transactions are on terms that are no less favorable to Superior Energy, Issuer or the relevant Restricted Subsidiary than those that could have been obtained at the time of such transactions in a comparable transaction by Superior Energy, Issuer or such Restricted Subsidiary with an unrelated Person;

(g) any transaction with a Restricted Subsidiary or joint venture or similar entity (other than an Unrestricted Subsidiary) which would constitute an Affiliate Transaction solely because Superior Energy, Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Restricted Subsidiary, joint venture or similar entity;

(h) reasonable fees and reasonable compensation paid to, and indemnity and similar arrangements provided on behalf of, officers, directors and employees of Superior Energy, Issuer or any Restricted Subsidiary, to the extent such fees and compensation are reasonable and customary;

(i) any Affiliate Transaction between Issuer and a Restricted Subsidiary or between Restricted Subsidiaries;

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

(k)

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 of Superior Energy and which otherwise comply with clauses (a) and (b), as applicable, of the preceding paragraph (1).

Table of Contents

Limitation on liens

Each of Superior Energy and Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien securing any Indebtedness of any kind except for Permitted Liens of any nature whatsoever on any of its properties or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, which Lien is securing Indebtedness, unless contemporaneously with the Incurrence of such Liens:

(1) in the case of Liens securing Subordinated Obligations, the Notes and related Note Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; or

(2) in all other cases, the Notes and related Note Guarantees are equally and ratably secured or are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens.

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 each of the Liens described in clauses (1) and (2) above.

Merger and consolidation

(1) Issuer shall not, and Superior Energy shall not permit Issuer to, consolidate with or merge with or into, or convey or transfer, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(a) Issuer shall be the surviving Person, or the resulting, surviving or transferee Person (the Success