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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 10, 2010

SUPERIOR ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction)

001-34037
(Commission File Number)

75-2379388
(IRS Employer Identification No.)

601 Poydras St., Suite 2400, New Orleans, Louisiana
(Address of principal executive offices)

70130
(Zip Code)

(504) 587-7374
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Approval of Base Salary Increases

On December 10, 2010, the Compensation Committee of the Board of Directors of Superior Energy Services, Inc. (the “Company”) approved increases to the base salaries of the executive officers of the Company, including the Company’s Chief Executive Officer and the following named executive officers (as that term is defined in Item 402(a)(3) of Regulation S-K). The base salary increases are effective January 1, 2011. The adjusted base salaries will be as follows:

| Recipient | Title | Salary |
|---------------------|--|---------------|
| David D. Dunlap | Chief Executive Officer | \$858,000 |
| Robert S. Taylor | Chief Financial Officer, Executive Vice President, Treasurer | \$416,000 |
| A. Patrick Bernard | Senior Executive Vice President | \$379,600 |
| Patrick J. Campbell | Executive Vice President | \$327,600 |

(b) and (e) Management Changes

The Company previously reported on Forms 8-K filed with the Securities and Exchange Commission on May 3, 2010 and May 27, 2010 that Terence E. Hall, the Company’s former Chief Executive Officer, would assume the role of Executive Chairman of the Board of Directors, and that each of Mr. Hall and Kenneth L. Blanchard, the Company’s President and Chief Operating Officer, would transition to the role of senior advisor to the Company effective May 20, 2011 and January 1, 2011, respectively. In addition, Messrs. Hall and Blanchard were both granted special equity awards in connection with these transition arrangements in April 2010 and May 2010, respectively. These arrangements, including the special equity grants that were to vest generally during the terms of the senior advisor agreements, were entered into in recognition of past service to the Company and in order to ensure continuity and stability through the retirement process of the Company’s two senior executives, and to facilitate the transition of David D. Dunlap as Chief Executive Officer of the Company. Through the combined efforts of Messrs. Dunlap, Hall and Blanchard since April 2010, the transition of Mr. Dunlap as Chief Executive Officer of the Company has progressed successfully and more quickly than anticipated. Accordingly, the stabilizing aspects of these arrangements have served their purposes and the Compensation Committee of the Board of Directors and the Board of Directors have revisited the need to continue certain aspects of these arrangements. In addition, as recommended by management, the Compensation Committee has also examined whether certain revisions to the arrangements would be in the best interest of the Company from a tax and accounting perspective.

Accordingly, on December 10, 2010, as more fully described below, the Company and Mr. Hall agreed to terminate his Executive Chairman Agreement and Mr. Hall assumed the position of senior advisor, and Mr. Blanchard retired as President and Chief Operating Officer

and assumed the position of senior advisor. These actions will support the Company's position that neither Mr. Hall nor Mr. Blanchard will be a covered employee for purposes of Internal Revenue Code §162(m) as of December 31, 2010. In addition, following management's recommendation, the Compensation Committee concluded that it would be in the Company's best interest to accelerate the vesting of the outstanding stock options and restricted stock held by Messrs. Hall and Blanchard, including the awards made earlier this year, to permit the Company to fully recognize the non-cash expense of the awards during 2010.

Terence E. Hall

As previously reported, the Company and Mr. Hall entered into an Executive Chairman Agreement (the "Executive Chairman Agreement") in conjunction with his voluntary termination of employment as Chief Executive Officer and assumption of the role of Executive Chairman of the Board of Directors in April 2010. The Company and Mr. Hall also entered into a Senior Advisor Agreement dated effective May 20, 2011 (the "Senior Advisor Agreement") in conjunction with his transition from Executive Chairman to the position of senior advisor at that time. Effective December 10, 2010, and with the recommendation of the Compensation Committee and the approval of the Board of Directors, the Company and Mr. Hall entered into a letter agreement (the "Hall Letter Agreement"), pursuant to which the Executive Chairman Agreement was terminated and the effective date of the Senior Advisor Agreement was accelerated to December 11, 2010. Mr. Hall will continue to serve as Chairman of the Board of Directors and will continue to have use of the corporate aircraft and facilities; however, he will no longer serve as an employee of the Company. The Board of Directors also confirmed that it will nominate Mr. Hall for re-election at the 2011 annual meeting. Pursuant to the terms of the Hall Letter Agreement, the Company agreed to provide the following benefits to Mr. Hall, which benefits are intended to ensure that Mr. Hall is in approximately the same financial position as he would have been had the Executive Chairman Agreement continued through its original term: (i) payment of \$371,844, less applicable withholding taxes, representing the base salary and car allowance he would have received under the Executive Chairman Agreement through May 20, 2011, its original termination date; (ii) confirmation that Mr. Hall will remain eligible to receive an annual bonus under the Company's annual bonus program for the full fiscal year 2010 and for a portion of 2011, which will be paid out in accordance with the terms of the annual bonus program based on the Company's achievement of the applicable performance objectives for 2010 and 2011, respectively, and (iii) credits under the Company's Supplemental Executive Retirement Plan for the 2010 and 2011 plan years that total the amount Mr. Hall would have received as credits under such plan had he remained an employee through May 20, 2011. The timing of each of these payments has been structured to comply with Internal Revenue Code Section 409A. As noted above, the Compensation Committee also agreed to accelerate the vesting of all of Mr. Hall's outstanding stock options and restricted stock in order to allow the Company to fully recognize the non-cash expense for these awards in 2010, and to provide Mr. Hall with an additional five months employment credit under his outstanding performance share units. As noted above, the effective date of the Senior Advisor Agreement was changed to December 11, 2010; however, Mr. Hall will not receive any compensation under the Senior Advisor Agreement before May 20, 2011. The Hall Letter Agreement, which is included as Exhibit 10.1 to this Current Report on Form 8-K, is incorporated by reference herein and the above description is qualified in its entirety by reference to such exhibit.

Kenneth L. Blanchard

As previously reported, the Company and Mr. Blanchard entered into a Senior Advisor Agreement dated effective January 1, 2011 (the "Blanchard Senior Advisor Agreement"), pursuant to which Mr. Blanchard agreed to voluntarily terminate his employment as President and Chief Operating Officer as of December 31, 2010. Effective December 10, 2010, Mr. Blanchard retired as President and Chief Operating Officer. Effective December 10, 2010, and with the recommendation of the Compensation Committee and the approval of the Board of Directors, the Company and Mr. Blanchard entered into a letter agreement (the "Blanchard Letter Agreement"), pursuant to which Mr. Blanchard's Employment Agreement, dated June 1, 2007, was formally terminated and the effective date of the Blanchard Senior Advisor Agreement was accelerated to December 11, 2010. In addition to the previously reported benefits Mr. Blanchard received in connection with the execution of the Blanchard Senior Advisor Agreement, the Company paid Mr. Blanchard a lump-sum payment of \$28,192, less applicable withholding taxes, representing the base salary Mr. Blanchard would have received for the remainder of 2010. In addition, the Compensation Committee confirmed that notwithstanding the early termination of Mr. Blanchard's employment, (i) Mr. Blanchard will receive a credit under the Company's Supplemental Executive Retirement Plan for 2010 in the amount of \$122,500 based on his 2010 base salary, which credit shall be made in 2011, at the same time credits are made to other participants in the Supplemental Executive Retirement Plan, and (ii) Mr. Blanchard will remain eligible to receive an annual incentive bonus for 2010 under the Company's annual incentive bonus program, which will be paid out in accordance with the terms of the annual bonus program based on the Company's achievement of the applicable performance objectives for 2010. As previously reported, the Compensation Committee previously agreed to accelerate the vesting of all of Mr. Blanchard's outstanding stock options and restricted stock, except the stock options granted in May 2010, upon his termination of employment in December 2010. As noted above, effective December 10, 2010, the Compensation Committee also agreed to accelerate the vesting of the stock options granted to Mr. Blanchard in May 2010 to allow the Company to fully recognize the non-cash expense for this award in 2010. Although the effective date of the Blanchard Senior Advisor Agreement has been changed to December 11, 2010, Mr. Blanchard will not receive any compensation under the Blanchard Senior Advisor Agreement before January 1, 2011. The Blanchard Letter Agreement, which is included as Exhibit 10.2 to this Current Report on Form 8-K, is incorporated by reference herein and the above description is qualified in its entirety by reference to such exhibit.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 10.1 | Letter Agreement, dated effective December 10, 2010, by and between Superior Energy Services, Inc. and Terence E. Hall. |
| 10.2 | Letter Agreement, dated effective December 10, 2010, by and between Superior Energy Services, Inc. and Kenneth L. Blanchard. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor

Robert S. Taylor

Chief Financial Officer, Executive Vice President,
Treasurer

Dated: December 16, 2010

[Superior Energy Services, Inc. letterhead]

December 10, 2010

Mr. Terence E. Hall
601 Poydras Street
Suite 2400
New Orleans, LA 70130

Re: Termination of Executive Chairman Agreement

Dear Terry:

This letter agreement sets forth our mutual understanding with respect to the termination of the Executive Chairman Agreement dated effective April 28, 2010 (the "Executive Chairman Agreement"), between Superior Energy Services, Inc. (the "Company") and you, effective as of December 10, 2010 (the "Effective Date"). In consideration of the agreements set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you agree that:

1. The Executive Chairman Agreement will be terminated as of the Effective Date and from and after the Effective Date, neither the Company nor you shall have any further obligation to each other by reason of the covenants or agreements contained in the Executive Chairman Agreement;
 2. As of the Effective Date, you will continue to serve as Chairman of the Board of Directors of the Company, but you will no longer serve as an employee of the Company without any further action by either the Company or you. As Chairman of the Board, you will continue to have use of the corporate airplane under the same terms and conditions that existed during your tenure as Executive Chairman, and will continue to have the use of an office and support staff in fulfilling your duties as a Chairman of the Board and senior advisor to the Company;
 3. The Board of Directors of the Company will nominate you for re-election to the Board of Directors at the Company's annual meeting held in 2011;
 4. The effective date of that certain Senior Advisor Agreement dated effective May 20, 2011 (the "Senior Advisor Agreement") between the Company and you will be accelerated to December 11, 2010, and except as provided herein, you will have all rights and privileges afforded you under that agreement, including the provision of medical coverage under Section 4(b), which includes participation in
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Execucare; however, you will not receive the advisory fee under Section 4(a) of the Senior Advisor Agreement prior to May 20, 2011;

5. The Company will pay to you \$371,844, representing the base salary and car allowance you would have received under the Executive Chairman Agreement through May 20, 2011, less any taxes required to withheld, payable as follows: \$219,411 shall be paid on the Effective Date, and the remaining \$152,433 shall be paid on April 21, 2011;
 6. You will remain eligible to receive an annual bonus under the Company's annual bonus program for the full fiscal year 2010, which bonus will be paid out in accordance with the terms of the annual bonus program based on the Company's achievement of the applicable performance objectives for 2010;
 7. You will remain eligible to receive a pro-rata annual bonus under the Company's annual bonus program for fiscal year 2011 as set forth in the Executive Chairman Agreement, which bonus shall be calculated as 140/365 times the amount of the annual bonus you would have received had you been employed during all of fiscal year 2011, and such bonus will be paid out in accordance with the terms of the annual bonus program based on the Company's achievement of the applicable performance objectives established for 2011;
 8. Pursuant to the terms of the Company's Supplemental Executive Retirement Plan ("SERP"), you will receive a credit for 2010 based on the salary you receive in 2010 (including the portion of the payment on the Effective Date that is attributable to salary), which credit will be made in 2011, at the same time credits are made to other participants in the SERP;
 9. You will receive a credit under the Company's SERP for 2011 based on the bonus payments you receive in 2011 and the payments you receive in 2011 in lieu of your 2011 base salary, which credit will be made in 2012, at the same time credits are made to other participants in the SERP;
 10. All of your outstanding unvested stock options and restricted stock will fully vest as of the Effective Date, and except as otherwise provided herein, all other terms and conditions of your outstanding stock option agreements and restricted stock agreements will remain in full force and effect;
 11. You will receive an additional five months employment credit under your outstanding performance share units as of the Effective Date, and except as otherwise provided herein, all other terms and conditions of your outstanding performance share unit agreements will remain in full force and effect; and
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12. Except as otherwise provided herein, from and after the Effective Date, each of the Company and you hereby fully release and forever discharge the other party from any and all claims and liabilities, whether known or unknown, foreseen or unforeseen, in contract or tort, that either may have against the other relating to the early termination of the Executive Chairman Agreement.

With respect to any payments required to be made by the Company to you pursuant to this letter agreement, you acknowledge and agree that the timing of any such payments will be structured to comply with Internal Revenue Code Section 409A, and that the Company is authorized to withhold, and to pay over to any federal, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code or any provisions of any other federal, state or local law.

If the foregoing is acceptable to you, please execute this letter agreement in the appropriate space provided below and return an executed counterpart to my attention whereupon it will become a valid, legal and binding agreement between the Company and you.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ David D. Dunlap

David D. Dunlap
Chief Executive Officer

Accepted and Agreed as of the date set forth above:

/s/ Terence E. Hall

Terence E. Hall

[Superior Energy Services, Inc. letterhead]

December 10, 2010

Mr. Kenneth L. Blanchard
601 Poydras Street
Suite 2400
New Orleans, LA 70130

Re: Termination of Employment Agreement

Dear Ken:

This letter agreement sets forth our mutual understanding with respect to the termination of the Employment Agreement dated June 1, 2007 (the "Employment Agreement"), between Superior Energy Services, Inc. (the "Company") and you, effective as of December 10, 2010 (the "Effective Date"). In consideration of the agreements set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you agree that:

1. The Employment Agreement will be terminated as of the Effective Date, and you will retire as President and Chief Operating Officer of the Company and you will cease to be an employee of the Company effective as of the Effective Date, and neither the Company nor you shall have any further obligation to each other by reason of the covenants or agreements contained in the Employment Agreement, except for any covenants and agreements continuing after expiration of the employment period (as defined in the Employment Agreement), including those contained in Sections 7, 10, and 11;
 2. The effective date of that certain Senior Advisor Agreement dated effective January 1, 2011 (the "Senior Advisor Agreement") between the Company and you will be accelerated to December 11, 2010, and except as provided herein, you will have all rights and privileges afforded you under that agreement, including the provision of medical coverage under Section 4(b), which includes participation in Execucare; however, you will not receive the advisory fee under Section 4(a) of the Senior Advisor Agreement prior to January 1, 2011;
 3. The Company will pay to you \$28,192, representing the base salary you would have received for the remainder of 2010, less any taxes required to withheld, on the Effective Date;
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Kenneth L. Blanchard

December 10, 2010

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4. You will remain eligible to receive an annual bonus under the Company's annual bonus program for the full fiscal year 2010, which bonus will be paid out in accordance with the terms of the annual bonus program based on the Company's achievement of the applicable performance objectives for 2010;
5. You will receive a credit under the Company's Supplemental Executive Retirement Plan for 2010 in the amount of \$122,500 based on your 2010 base salary, which credit will be made in 2011, at the same time credits are made to other participants in the Supplemental Executive Retirement Plan;
6. All of your outstanding unvested stock options and restricted stock will fully vest as of the Effective Date, and except as otherwise provided herein, all other terms and conditions of your outstanding stock option agreements and restricted stock agreements will remain in full force and effect. Any outstanding performance share units will be governed by the terms of the applicable performance share unit agreements; and
7. Except as otherwise provided herein, from and after the Effective Date, each of the Company and you hereby fully release and forever discharge the other party from any and all claims and liabilities, whether known or unknown, foreseen or unforeseen, in contract or tort, that either may have against the other relating to the early termination of the Employment Agreement.

With respect to any payments required to be made by the Company to you pursuant to this letter agreement, you acknowledge and agree that the timing of any such payments will be structured to comply with Internal Revenue Code Section 409A, and that the Company is authorized to withhold, and to pay over to any federal, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code or any provisions of any other federal, state or local law.

If the foregoing is acceptable to you, please execute this letter agreement in the appropriate space provided below and return an executed counterpart to my attention whereupon it will become a valid, legal and binding agreement between the Company and you.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ David D. Dunlap

David D. Dunlap

Chairman and Chief Executive Officer

Kenneth L. Blanchard
December 10, 2010
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Accepted and Agreed as of the date set forth above:

/s/ Kenneth L. Blanchard
Kenneth L. Blanchard