UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2016

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Transition Period from ________ to _______

Commission File No. 001-34037

SUPERIOR ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	75-2379388
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1001 Louisiana Street, Suite 2900 Houston, TX	77002
Address of principal executive offices)	*(Zip Code)*

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

Securities registered pursuant to Section 12(b) of the Act:

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

Securities registered pursuant to Section 12(g) of the Act:
None

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

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

At June 30, 2016, the aggregate market value of the registrant's voting stock held by non-affiliates of the registrant was $2.81 billion. At February 17, 2017 there were 152,831,316 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

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

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Annual Report on Form 10-K for
the Fiscal Year Ended December 31, 2016
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FORWARD-LOOKING STATEMENTS

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

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PART I

Item 1. Business

General

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

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

Products and Services

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

- Drilling Products and Services – Includes downhole drilling tools and surface rentals.

  - Downhole drilling tools – Includes rentals of tubulars, such as primary drill pipe strings, landing strings, completion tubulars and associated accessories, and manufacturing and rentals of bottom hole tools, including stabilizers, non-magnetic drill collars and hole openers.

  - Surface rentals – Includes rentals of temporary onshore and offshore accommodation modules and accessories.

- Onshore Completion and Workover Services – Includes pressure pumping, fluid handling and workover and maintenance services.

  - Pressure pumping – Includes hydraulic fracturing and high pressure pumping services used to complete and stimulate production in new oil and gas wells.

  - Fluid management – Includes services used to obtain, move, store and dispose of fluids that are involved in the exploration, development and production of oil and gas, including specialized trucks, fracturing tanks and other assets that transport, heat, pump and dispose of fluids.

  - Workover services – Includes a variety of well completion, workover and maintenance services, including installations, completions, sidetracking of wells and support for perforating operations.

- Production Services – Includes intervention services.

  - Intervention services – Includes services to enhance, maintain and extend oil and gas production during the life of the well, including coiled tubing, cased hole and mechanical wireline, hydraulic workover and snubbing, production testing and optimization, and remedial pumping services (cementing and stimulation services).

- Technical Solutions – Includes products and services that generally address customer-specific needs with their applications, which typically require specialized engineering, manufacturing or project planning expertise. Most operations requiring our technical solutions are generally in offshore environments during the completion, production and decommissioning phase of an oil and gas well. These products and services primarily include well containment systems, completion tools and services and end-of-life services.

  - Well containment systems – Resolves well control and pressure control problems through firefighting, engineering and well control training.

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

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

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

Customers

Our customers are the major and independent oil and gas companies that are active in the geographic areas in which we operate. Anadarko Petroleum Corporation (Anadarko) accounted for approximately 11% of our revenues in 2016, primarily within the Onshore Completion and Workover Services segment. There were no customers that exceeded 10% of our total revenues in 2015 and 2014. Our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or other existing customers, could have a material adverse effect on our business and operations.

Competition

We provide products and services worldwide in highly competitive markets, with competitors comprised of both small and large companies. Our revenues and earnings can be affected by several factors, including changes in competition, fluctuations in drilling and completion activity, perceptions of future prices of oil and gas, government regulation, disruptions caused by weather and general economic conditions. We believe that the principal competitive factors are price, performance, product and service quality, safety, response time and breadth of products and services.

We believe our primary competitors include Weatherford International, Ltd., Baker Hughes Incorporated, Halliburton Company and Schlumberger N.V. We also compete with various other regional and local providers within each of our geographic markets for products and services.

Potential Liabilities and Insurance

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

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

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

Government Regulation

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

- worker safety standards;

- the protection of the environment;

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

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

We cannot predict the level of enforcement of existing laws and regulations or how such laws and regulations may be interpreted by enforcement agencies or court rulings in the future. We also cannot predict whether additional laws and regulations will be adopted, including changes in regulatory oversight, increase of federal, state or local taxes, increase of inspection costs, or the effect such changes may have on us, our businesses or our financial condition.

Environmental Matters

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

Raw Materials

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

Seasonality

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

Employees

At December 31, 2016, we had approximately 6,400 employees. Approximately 10% of our employees are subject to union contracts, all of which are in international locations. We believe that we have good relationships with our employees.

Facilities

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

Intellectual Property

We seek patent and trademark protections throughout the world for our technology when we deem it prudent, and we aggressively pursue protection of these rights. We believe our patents and trademarks are adequate for the conduct of our business, and that no single patent or trademark is critical to our business. In addition, we rely to a great extent on the technical expertise and know-how of our personnel to maintain our competitive position.

Other Information

We have our principal executive offices at 1001 Louisiana Street, Suite 2900, Houston, Texas 77002. Our telephone number is (713) 654-2200. We also have a website at http://www.superiorenergy.com. Copies of the annual, quarterly and current reports we file with the SEC, and any amendments to those reports, are available on our website free of charge soon after such reports are filed with or furnished to the SEC. The information posted on our website is not incorporated into this Annual Report on Form 10-K. Alternatively, you may access these reports at the SEC's website at http://www.sec.gov/.

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

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

Executive Officers of Registrant

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

Name and Age	Offices Held and Term of Office
David D. Dunlap (Age 55)	President and Chief Executive Officer, since February 2011
Robert S. Taylor (Age 62)	Executive Vice President, Chief Financial Officer and Treasurer, since September 2004
A. Patrick Bernard (Age 59)	Executive Vice President, since April 2016 Senior Executive Vice President, from July 2006 to March 2016
Brian K. Moore (Age 60)	Executive Vice President of Corporate Services, since April 2016 Senior Executive Vice President of North America Services, from February 2012 to March 2016 President and Chief Operating Officer of Complete Production Services, Inc. (Complete), from 2007 to February 2012
Westervelt T. Ballard, Jr. (Age 45)	Executive Vice President, since April 2016 Executive Vice President of International Services, from February 2012 to March 2016 Vice President of Corporate Development, from 2007 to February 2012
William B. Masters (Age 59)	Executive Vice President and General Counsel, since March 2008

Item 1A. Risk Factors

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

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

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

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

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

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

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

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

- technological advances affecting energy exploration, production and consumption.

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

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

At December 31, 2016, we had $1.3 billion in outstanding debt obligations. Many factors, including factors beyond our control, may affect our ability to make payments on our outstanding indebtedness. These factors include those discussed elsewhere in these Risk Factors and those listed in the “Forward-Looking Statements” section included in this Annual Report on Form 10-K.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Increased regulation of or limiting or banning hydraulic fracturing could reduce or eliminate demand for our pressure pumping services.

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

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

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

Adverse and unusual weather conditions may affect our operations.

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

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

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

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

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

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

In 2016, we conducted business in more than 50 countries, and we intend to expand our international operations.

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

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

- political, social and economic instability;
- potential expropriation, seizure or nationalization of assets;
- inflation;
- deprivation of contract rights;
- increased operating costs;
- inability to collect receivables and longer receipt of payment cycles;
- civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- import-export quotas or restrictions, including tariffs and the risk of fines or penalties assessed for violations;
- confiscatory taxation or other adverse tax policies;
- currency exchange controls;

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

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

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

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

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

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

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

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

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

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

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

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

In response to findings that greenhouse gas emissions present an endangerment to public health and the environment, the EPA has moved forward with the adoption and implementation of regulations that would restrict emissions of GHGs under existing provisions of the Clean Air Act (CAA). EPA rules regulate GHG emissions by, for example, requiring a reduction in emissions from certain large stationary sources, and imposing new and proposed limits on emissions of methane and volatile organic compounds from certain oil and natural gas operations and equipment. The EPA also requires the annual reporting of GHG emissions from certain oil and gas facilities. Congress has considered, and several states have adopted rules that seek to control or reduce emissions of GHGs from a wide range of sources.

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

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

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

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

We are affected by global economic factors and political events.

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

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

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

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

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

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

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

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

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

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

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

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

During the second half of 2016, BSEE increased its estimates of many offshore operator's decommissioning costs, including the decommissioning costs at our sole federal offshore oil and gas property, Bullwinkle. Our subsidiary owns a 51% non-operating interest in Bullwinkle. In October 2016, BOEM sent an initial proposal letter to the operator of Bullwinkle, proposing an increase in the supplemental bonding requirement for the property's sole fixed platform that was 8x to 10x higher than the revised supplemental bonding requirement requested for any other deep-water fixed platform in the U.S. Gulf of Mexico. Both the operator and our subsidiary have submitted formal dispute notices, asserting that the estimates in the October 2016 proposal letter may be based on erroneous or arbitrary estimates of the potential decommissioning costs, and requesting in-person meetings to discuss the estimate. We have asked that BSEE and BOEM reduce the estimate to an amount that more closely approximates actual decommissioning costs, consistent with estimates identified by BSEE and BOEM for similar deep-water platforms. BSEE and BOEM have not yet responded to our dispute notice. If BOEM ultimately issues a formal order and we are unable to obtain the additional required bonds or assurances, BOEM may suspend or cancel operations at the Bullwinkle Platform or otherwise impose monetary penalties. Any of these actions could have a material effect on our financial condition, operating cash flows and liquidity.

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

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

The price of our common stock may be volatile.

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

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

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

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

Common Stock and Dividend Information

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

	Common Stock Prices		Dividends Declared Per Common Share
	High	Low	
2015			
First Quarter	$ 22.98	$ 16.89	$ 0.08
Second Quarter	26.95	20.31	0.08
Third Quarter	21.10	12.35	0.08
Fourth Quarter	17.19	12.35	0.08
2016			
First Quarter	$ 14.09	$ 8.25	$ 0.08
Second Quarter	19.83	12.34	-
Third Quarter	19.16	13.78	-
Fourth Quarter	19.39	13.67	-

At February 17, 2017, there were 152,831,316 shares of our common stock outstanding, which were held by 127 record holders.

Dividend Information

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

Equity Compensation Plan Information

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

Issuer Purchases of Equity Securities

The following table provides information about shares of our common stock repurchased and retired during each month for the three months ended December 31, 2016:

Period	(a) Total Number of Shares Purchased [1]		(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]		(d) Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan or Programs [2]
October 1 - 31, 2016	476	$	18.77	-	$	500,000,000
November 1 - 30, 2016	-	$	-	-	$	500,000,000
December 1 - 31, 2016	-	$	-	-	$	500,000,000
Total	476	$	18.77	-	$	500,000,000

[1] Through our stock incentive plans, 476 shares were delivered to us by our employees to satisfy their tax withholding requirements upon vesting of long-term incentive awards.

[2] On December 11, 2014, we announced that our Board of Directors authorized a share repurchase program of up to $500 million of our common stock, which expired on December 31, 2016.

Performance Graph

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

The following graph compares the yearly percentage change in cumulative total stockholder return on our common stock for five years ended December 31, 2016 with the cumulative total return on the S&P 500 Stock Index and our Self-Determined Peer Group, as described below, for the same period. The information in the graph is based on the assumption of a $100 investment on January 1, 2012 at closing prices on December 31, 2011.

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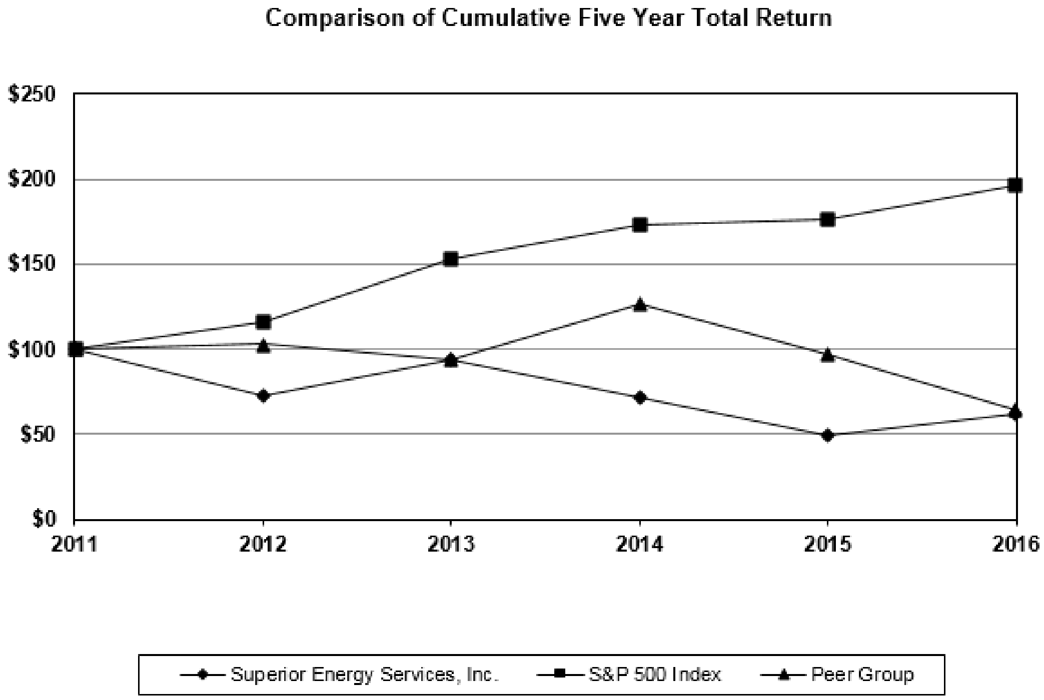
The comparisons in the graph are required by the SEC and are not intended to be a forecast or indicative of possible future performance of our common stock.



		2012	2013	2014	2015	2016
Superior Energy Services, Inc.	$	73	94	72	49	62
S&P 500 Index	$	116	153	174	176	197
Peer Group	$	103	94	126	97	64

NOTES:

- The lines represent monthly index levels derived from compounded daily returns that reflect the reinvestment of all dividends.
- The indexes are reweighted daily, using the market capitalization on the previous trading day.
- If the monthly interval, based on the fiscal year-end, is not a trading day, the preceding trading day is used.
- The index level for all securities was set to $100.00 on December 31, 2011.

Our Self-Determined Peer Group consists of 15 companies whose average stockholder return levels comprise part of the performance criteria established by the Compensation Committee of our Board of Directors under our long-term incentive compensation program: Baker Hughes Incorporated, Basic Energy Services, Inc., FMC Technologies, Inc., Halliburton Company, Helix Energy Solutions Group, Inc., Helmerich & Payne Inc., Key Energy Services, Inc., Nabors Industries Ltd., National Oilwell Varco, Inc., Oceaneering International, Inc., Oil States International, Inc., Patterson-UTI Energy Inc., RPC, Inc., Schlumberger N.V. and Weatherford International, Ltd.

Item 6. Selected Financial Data

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

	2016	2015	2014	2013	2012
	(in thousands, except per share data)				
Revenues	$ 1,450,047	$ 2,774,565	$ 4,556,622	$ 4,350,057	$ 4,293,276
Income (loss) from operations	(1,030,209)	(1,952,989)	546,604	214,170	710,373
Net income (loss) from continuing operations	(833,340)	(1,807,763)	280,790	45,485	383,917
Loss from discontinued operations, net of tax	(53,559)	(46,955)	(22,973)	(156,903)	(17,982)
Net income (loss)	(886,899)	(1,854,718)	257,817	(111,418)	365,935
Net income (loss) from continuing operations per share:					
Basic	(5.50)	(12.02)	1.81	0.29	2.57
Diluted	(5.50)	(12.02)	1.79	0.28	2.54
Net loss from discontinued operations per share:					
Basic	(0.35)	(0.31)	(0.15)	(0.99)	(0.12)
Diluted	(0.35)	(0.31)	(0.14)	(0.97)	(0.12)
Net income (loss) per share:					
Basic	(5.85)	(12.33)	1.66	(0.70)	2.45
Diluted	(5.85)	(12.33)	1.65	(0.69)	2.42
Cash dividends declared per share	0.08	0.32	0.24	0.08	-
Total assets	3,470,255	4,914,244	7,317,782	7,366,943	7,723,885
Long-term debt, net	1,284,600	1,588,263	1,600,373	1,610,956	1,769,619
Decommissioning liabilities, less current portion	101,513	98,890	88,000	56,197	93,053
Stockholders' equity	1,303,920	2,210,812	4,079,738	4,131,444	4,231,079

- For 2016 and 2015, net loss from continuing operations included $500.4 million and $1,738.9 million, respectively of reduction in value of assets.
- For 2013, net income from continuing operations included $300.1 million of reduction in value of assets.
- For 2012, net income from continuing operations included operating results from our acquisition of Complete in February 2012.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and applicable notes to our consolidated financial statements and other information included elsewhere in this Annual Report on Form 10-K, including risk factors disclosed in Part I, Item 1A. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, our actual results may differ from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" at the beginning of this Annual Report on Form 10-K.

Executive Summary

General

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

Financial Results

The beginning of 2016 was marked by oil prices at $26 per barrel, further deepening the impact of the downturn in the oil and gas industry, which began during the fourth quarter of 2014. During 2016, we generated $1,450.0 million of revenue which represents a 48% decrease from $2,774.6 million of revenue generated in 2015. The decrease in revenue was due to lower rig counts, lower pricing and customer budget constraints. Low oil and natural gas prices made 2016 an extremely challenging year due to significant reductions in activity and widespread pricing pressure. In order to mitigate the unfavorable market environment during 2016, we continued to implement company-wide cost reduction initiatives. We took steps to further reduce our cost structure, integrate product and service lines and reorganize businesses. In 2016, we reduced our workforce by over 20% and reduced our general and administrative expenses by 32% as compared to 2015 levels.

During 2016, we incurred a net loss of $886.9 million, or a $5.85 loss per share. Included in the results for 2016 were pre-tax charges of $500.4 million related to the reduction in value of assets, $20.8 million for inventory write-downs and $39.2 million, primarily for severance and facility closures.

After nearly two years of decline in the oil and gas industry, oil and gas prices began to stabilize in the third quarter of 2016 and we experienced an increase in revenue in the fourth quarter. During the second half of 2016, many of our customers, primarily in the U.S. land market, gradually increased their activity levels. We began to reactivate idle equipment in the third quarter of 2016 and continued such reactivation in the fourth quarter. As we move into 2017, we will continue refining our business and adjusting our cost structure to respond to market conditions. Additionally, we believe our businesses have competitive advantages to respond quickly when the market ultimately recovers.

Industry Trends

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

	2016	2015	2016 to 2015 Change	2014	2015 to 2014 Change
Worldwide Rig Count [1]					
U.S.:					
Land	486	943	-48%	1,804	-48%
Offshore	23	35	-34%	57	-39%
International [2]	955	1,167	-18%	1,337	-13%
Commodity Prices (average)					
Crude Oil (West Texas Intermediate)	$ 43.29	$ 48.66	-11%	$ 93.17	-48%
Natural Gas (Henry Hub)	$ 2.52	$ 2.62	-4%	$ 4.37	-40%

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

[2] Excludes Canadian rig count.

At December 31, 2016, the worldwide rig count was 1,772 rigs, which represented a 10% decrease from the end of 2015 and a 20% increase from the lowest level during 2016.

Overview of our business segments

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

	Revenue				
	2016	%	2015	%	Change
U.S. Land	$ 717,748	49%	$ 1,536,893	55%	$ (819,145)
Gulf of Mexico	362,765	25%	648,178	23%	(285,413)
International	369,534	25%	589,494	21%	(219,960)
Total	$ 1,450,047	100%	$ 2,774,565	100%	$ (1,324,518)

The Drilling Products and Services segment is capital intensive with higher operating margins relative to our other segments as a result of relatively low operating expenses. The largest fixed cost is depreciation as there is little labor associated with our drilling products and services businesses. In 2016, 22% of segment revenue was derived from U.S. land market area (down from 30% in 2015), while 41% of segment revenue was from the Gulf of Mexico market area (up from 40% in 2015) and 37% of segment revenue was from international market areas (up from 30% in 2015). Premium drill pipe accounted for more than 60% of this segment's revenue in 2016, while bottom hole assemblies and accommodations each accounted for approximately 20% of this segment's revenue in 2016.

The Onshore Completion and Workover Services segment consists primarily of services used in the completion and workover of oil and gas wells on land. These services include pressure pumping, well service rigs and fluid management services. All of this segment's revenue is derived in the U.S. land market areas. Demand for these services in the U.S. land market can change quickly and is highly dependent on the number of oil and natural gas wells drilled and completed. Given the cyclical nature of these drilling and completion activities in the U.S. land market, coupled with the high labor intensity of these services, operating margins can fluctuate widely depending on supply and demand at a given point in the cycle. Pressure pumping is the largest service offering in this segment, representing more than 40% of this segment's revenue in 2016. Fluid management represented approximately 30% of this segment's revenue in 2016, while well service rigs accounted for more than 25% of this segment's revenue in 2016.

The Production Services segment consists of intervention services primarily used to maintain and extend oil and gas production during the life of a producing well. These services are labor intensive and margins fluctuate based on how much capital our customers allocate towards enhancing existing oil and gas production from mature wells. In 2016, 25% of segment revenue was derived from the U.S. land market area (down from 48% in 2015), while 24% of segment revenue was from the Gulf of Mexico market area (up from 13% in 2015) and 51% of this segment's revenue was from international market areas (up from 39% in 2015). Hydraulic workover and snubbing is the largest service offering in this segment, accounting for approximately 26% of this segment's revenue in 2016. Coiled tubing represented approximately 20% of this segment's revenue in 2016, while electric wireline accounted for nearly 15% of this segment's revenue in 2016.

The Technical Solutions segment consists of products and services that address customer-specific needs and include offerings such as completion tools and services, end-of-life services, and the production and sale of oil and gas. Given the project-specific nature associated with several of the service offerings in this segment and the seasonality associated with Gulf of Mexico activity, revenue and operating margins in this segment can have significant variations from quarter to quarter. In 2016, revenue derived from the U.S. land market area was 15% of segment revenue (up from 12% in 2015), while 55% of segment revenue was from the Gulf of Mexico market area (down from 65% in 2015) and 30% of segment revenue was from international market areas (up from 23% in 2015). Well control services and subsea intervention services accounted for approximately 49% of this segment's revenue in 2016, while completion tools and products represented more than 30% of this segment's revenue in 2016.

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

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

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

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

The following provides a discussion of our results on a business segment basis:

Drilling Products and Services Segment

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

Onshore Completion and Workover Services Segment

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

Production Services Segment

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

Technical Solutions Segment

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

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $510.0 million during 2016 from $612.1 million in 2015. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $25.9 million, or 14%; for our Onshore Completion and Workover Services segment by $16.2 million, or 7%; for our Production Services segment by $41.6 million, or 31%; and for our Technical Solutions segment by $18.4 million, or 30%. The decrease in depreciation, depletion, amortization and accretion is primarily due to lower asset values as a result of the impairments recorded during 2016 and 2015, certain assets being fully depreciated and significantly reduced capital expenditures.

General and Administrative Expenses

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

Reduction in Value of Assets

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

Other Income/Expense

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

Income Taxes

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

Discontinued Operations

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

Comparison of the Results of Operations for the Years Ended December 31, 2015 and 2014

For 2015, our revenue was $2,774.6 million a decrease of $1,782.0 million or 39%, as compared to 2014. The decline is largely attributable to a 33% decline in the worldwide rig count which has led to widespread pricing pressure. Net loss from continuing operations was $1,807.8 million, or $12.02 loss per share. Net loss was $1,854.7 million, or $12.33 loss per share. Included in the results for 2015 were pre-tax charges of $1,738.9 million related to the reduction in value of assets and $46.8 million expense for severance and facility closures. For December 2014, our revenue was $4,556.6 million, resulting in income from continuing operations of $280.8 million, or $1.79 per diluted share. Net income was $257.8 million, or $1.65 per diluted share.

The following table compares our operating results for 2015 and 2014 (in thousands). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2015	2014	Change	%	2015	%	2014	%	Change
Drilling Products and Services	$ 547,530	$ 852,499	$ (304,969)	-36%	$ 178,629	33%	$ 255,613	30%	$ (76,984)
Onshore Completion and Workover Services	934,274	1,732,833	(798,559)	-46%	773,119	83%	1,205,443	70%	(432,324)
Production Services	795,215	1,402,815	(607,600)	-43%	612,578	77%	967,440	69%	(354,862)
Technical Solutions	497,546	568,475	(70,929)	-12%	301,486	61%	306,337	54%	(4,851)
Total	$ 2,774,565	$ 4,556,622	$ (1,782,057)	-39%	$ 1,865,812	67%	$ 2,734,833	60%	$ (869,021)

The following provides a discussion of our results on a business segment basis:

Drilling Products and Services Segment

Revenue for our Drilling Products and Services segment decreased 36% to $547.5 million for 2015, as compared to $852.5 million in 2014. The decline in revenue in this segment is due to low rig count, lower pricing and customer budget constraints. Cost of services and rentals as a percentage of revenue increased to 33% of segment revenue in 2015, as compared to 30% in 2014, primarily due to a decrease in revenue. Revenue from our Gulf of Mexico market area decreased 31%, revenue generated in our U.S. land market area decreased 49% and revenue from our international market areas decreased 23%. The decline in revenue in these market areas is primarily attributable to decreases in revenues from rentals of premium drill pipe, bottom hole assemblies and accommodation units, as demand for these rental products decreased along with the worldwide rig count. In addition, the decrease in income from operations for this segment was impacted by a $40.2 million reduction in value of assets and a $1.1 million expense for severance.

Onshore Completion and Workover Services Segment

Revenue for our Onshore Completion and Workover Services segment decreased 46% to $934.3 million for 2015, as compared to $1,732.8 million in 2014. All of this segment's revenue is derived from the U.S. land market area, in which rig count was down 48%. Cost of services and rentals as a percentage of revenue increased to 83% of segment revenue in 2015, as compared to 70% in 2014, primarily due to a significant decrease in revenue. The decrease in revenue is primarily due to a decline in activity and pricing for our services, primarily in our pressure pumping and fluid management businesses. These services were impacted negatively by reduced customer spending and activity as well as continued pricing pressure in North America during 2015. In addition, the loss from operations for 2015 was impacted by a $740.0 million reduction in value of goodwill, a $43.3 million reduction in value of long-lived assets and a $22.5 million expense for severance and facility closures.

Production Services Segment

Revenue for our Production Services segment decreased by 43% to $795.2 million for 2015, as compared to $1,402.8 million in 2014. The decline in revenue in this segment is due to low rig count, lower pricing and customer budget constraints. Cost of services and rentals as a percentage of revenue increased to 77% of segment revenue in 2015, as compared to 69% in 2014, primarily due to a decrease in revenue. Revenue derived from the Gulf of Mexico market area decreased 41%, primarily due to a decrease in electric line activity and hydraulic workover and snubbing. Revenue from the U.S. land market area decreased 56%, primarily due to decreased activity in coiled tubing and well services. Revenue from international market areas decreased 14%, primarily due to decreased activity from coiled tubing services. In addition, the loss from operations for 2015 for this segment was impacted by a $586.7 million reduction in value of goodwill, a $149.2 million reduction in value of long-lived assets, a $15.2 million expense relating to the retirements of long-lived assets, a $39.4 million loss on sale of a business and a $16.3 million expense for severance and facility closures.

Technical Solutions Segment

Revenue for our Technical Solutions segment decreased 12% to $497.6 million for 2015, as compared to $568.5 million in 2014. The decline in revenue in this segment is due to low rig count, lower pricing and customer budget constraints. Cost of services and rentals as percentage of revenue increased to 61% of segment revenue in 2015, as compared to 54% in 2014, primarily due to a decrease in revenue. Revenue derived from the Gulf of Mexico market area decreased 1%, primarily due to decrease in our oil and gas activities and well control services. These decreases were offset by an increase in revenue from our marine technical services business as a result of a one-time contract termination fee received in 2015. Revenue from the U.S. land market area decreased 45% and revenue from international market areas decreased 13%, primarily due to a decrease in demand for completion tools and products. In addition, the loss from operations for 2015 for this segment was impacted by a $124.9 million reduction in value of long-lived assets and a $6.9 million expense for severance and facility closures.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $612.1 million during 2015 from $650.8 million in 2014. Depreciation and amortization expense decreased for our Production Services segment by $34.4 million, or 20%; for our Onshore Completion and Workover Services segment by $7.8 million, or 3%, and for our Technical Solutions segment by $3.9 million, or 6%, as a result of certain assets being fully depreciated and reductions in value of long-lived assets recorded during 2015. Depreciation and amortization expense for our Drilling Products and Services segment increased by $7.4 million, or 4%, primarily due to capital expenditures.

General and Administrative Expenses

General and administrative expenses decreased to $510.7 million during 2015 from $624.4 million in 2014. The decrease is primarily attributable to lower levels of employee and infrastructure-related expenses as a result of our cost reduction programs.

Reduction in Value of Assets

During 2015, we recorded $1,738.9 million reduction in value of assets. The reduction in value of assets included $740.0 million and $586.7 million related to the Onshore Completion and Workover Services and the Production Services segments' goodwill impairment, respectively. In addition, the reduction in value of assets included $412.2 million related to the reduction in long-lived assets across all of our operating segments. See note 3 to our consolidated financial statements for further discussion of the reduction in value of assets.

Income Taxes

Our effective income tax rate for 2015 was a 12.2% tax benefit compared to a 36.5% tax expense for 2014. The decrease in the effective income tax rate was primarily due to the reduction in value of goodwill which is non-deductible for income tax purposes. See note 7 to our consolidated financial statements.

Discontinued Operations

Discontinued operations include operating results for both our subsea construction business and our conventional decommissioning business. Losses from discontinued operations, net of tax, were $47.0 million during 2015, as compared to $23.0 million during 2014. The increase in the loss from discontinued operations is primarily due to the $34.6 million reduction in value of the marine vessels and equipment recorded during 2015.

Liquidity and Capital Resources

During 2016, we generated net cash from operating activities of $61.3 million as compared to $632.6 million in 2015. The decrease in net cash from operating activities is largely attributable to a decline in revenues. Our primary liquidity needs are for working capital and capital expenditures. Our primary sources of liquidity are cash flows from operations and available borrowings under our credit facility. We had cash and cash equivalents of $187.6 million December 31, 2016 as compared to $564.0 million at December 31, 2015. During 2016, we made payments totaling $325.0 million on our revolving credit facility and currently have no outstanding debt balance under the facility. At December 31, 2016, $57.3 million of our cash balance was held outside the United States. Cash balances held in foreign jurisdictions could be repatriated to the United States; however, they would be subject to federal income taxes, less applicable foreign tax credits. We have not provided U.S. income tax expense on earnings of our foreign subsidiaries because we expect to reinvest the undistributed earnings indefinitely.

We spent $80.5 million of cash on capital expenditures during 2016. Approximately $35.5 million was used to expand and maintain our Drilling Products and Services segment's equipment inventory, and approximately $20.2 million, $20.9 million and $3.9 million was spent to expand and maintain the asset bases of our Onshore Completion and Workover Services, Production Services and Technical Solutions segments, respectively.

During the first quarter of 2016, we paid $12.1 million of dividends to stockholders. We subsequently announced that the Company had eliminated the dividend program.

At December 31, 2016, we had $37.1 million of letters of credit outstanding under our revolving credit facility. In February 2017, we amended our credit facility. The amendment, among other things, reduced the size of the credit facility from $400.0 million to $300.0 million (with a $100.0 million accordion feature) and amended the financial covenants, in part to suspend the interest coverage ratio until the third quarter of 2017. Borrowings under the credit facility bear interest at LIBOR plus margins that depend on our credit rating. Indebtedness under the credit facility is secured by substantially all of our assets, including the pledge of the stock of our principal domestic subsidiaries. The credit facility contains customary events of default and requires that we satisfy various financial covenants. The credit facility also limits our ability to pay dividends or make distributions, make acquisitions, create liens or incur additional indebtedness. At December 31, 2016, we were in compliance with all such covenants.

We have outstanding $500 million of 6 3/8% unsecured senior notes due 2019. The indenture governing the 6 3/8% senior notes requires semi-annual interest payments on May 1 and November 1 of each year through the maturity date of May 1, 2019. The indenture contains customary events of default and requires that we satisfy various covenants. At December 31, 2016, we were in compliance with all such covenants.

We also have outstanding $800 million of 7 1/8% unsecured senior notes due 2021. The indenture governing the 7 1/8% senior notes requires semi-annual interest payments on June 15 and December 15 of each year through the maturity date of December 15, 2021. The indenture contains customary events of default and requires that we satisfy various covenants. At December 31, 2016, we were in compliance with all such covenants.

The following table summarizes our contractual cash obligations and commercial commitments at December 31, 2016 (in thousands):

Contractual Obligations	Total	< 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years
Long-term debt, including estimated interest payments	$ 1,664,688	$ 88,875	$ 661,813	$ 914,000	$ -
Decommissioning liabilities, undiscounted	202,524	20,453	19,967	2,113	159,991
Operating leases	129,006	42,732	44,257	22,602	19,415
Other long-term liabilities	170,921	-	88,955	20,989	60,977
Total	$ 2,167,139	$ 152,060	$ 814,992	$ 959,704	$ 240,383

The table above reflects only contractual obligations at December 31, 2016 and excludes, among other things, (i) commitments made thereafter, (ii) options to purchase assets, (iii) contingent liabilities, (iv) capital expenditures that we plan, but are not committed, to make and (v) open purchase orders.

Critical Accounting Policies and Estimates

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

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

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

Long-Lived Assets. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. We record impairment losses on long-lived assets used in operations when the fair value of those assets is less than their respective carrying amount. Fair value is measured, in part, by the estimated cash flows to be generated by those assets. Our cash flow estimates are based upon, among other things, historical results adjusted to reflect our best estimate of future market rates, utilization levels and operating performance. Our estimates of cash flows may differ from actual cash flows due to, among other things, changes in economic conditions or changes in an asset's operating performance. Assets are generally grouped by subsidiary or division for the impairment testing, which represent the lowest level of identifiable cash flows. Impairment testing for these long-lived assets is based on the consolidated entity. Assets to be disposed of are reported at the lower of the carrying amount or fair value less estimated costs to sell. Our estimate of fair value represents our best estimate based on industry trends and reference to market transactions and is subject to variability. The oil and gas industry is cyclical and our estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows, can have a significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment charges. During 2016, we recorded $169.9 million in expense in connection with the reduction in value of our long-lived assets across all of our operating segments. See note 3 to our consolidated financial statements for further information about these impairments.

Goodwill. In assessing the recoverability of goodwill, we make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. We test goodwill for impairment in accordance with authoritative guidance related to goodwill and other intangibles, which requires that goodwill, as well as other intangible assets with indefinite lives, not be amortized but instead be tested annually for impairment or when changes in circumstances indicate that the carrying value may not be recoverable. Our annual testing of goodwill is based on carrying value and our estimate of fair value as of October 1. We estimate the fair value of each of our reporting units (which are consistent with our business segments) using various cash flow and earnings projections discounted at a rate estimated to approximate the reporting units' weighted average cost of capital. We then compare these fair value estimates to the carrying value of our reporting units. If the fair value of the reporting unit exceeds the carrying amount, no impairment loss is recognized. If the estimated fair value of the reporting unit is below the carrying value, then a second step must be performed to determine the goodwill impairment, if any. In this second step, the estimated fair value is used as the purchase price in a hypothetical acquisition of the reporting unit. The hypothetical purchase price is allocated to the reporting unit's assets and liabilities, with the residual amount representing an implied fair value of the goodwill. The carrying amount of the goodwill is then compared to the implied fair value of the goodwill for each reporting unit and is written down to the implied fair value amount, if lower. We use all available information to estimate fair values of the reporting units, including discounted cash flows. We engage third-party appraisal firms to assist in fair value determination of property, plant and equipment, intangible assets and any other significant assets or liabilities when appropriate. Our estimates of the fair value of these reporting units represent our best estimates based on industry trends and reference to market transactions. A significant amount of judgment is involved in performing these evaluations since the results are based on estimated future events. During 2016, we recorded a reduction in value of goodwill of $330.5 million, of which $140.0 million related to impairment of the goodwill in our Onshore Completion and Workover Services segment and $190.5 million related to the impairment of goodwill in our Production Services segment. See note 3 to our consolidated financial statements for further information about these impairments.

Income Taxes. We use the asset and liability method of accounting for income taxes. This method takes into account the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our deferred tax calculation requires us to make certain estimates about our future operations. Changes in state, federal and foreign tax laws, as well as changes in our financial condition or the carrying value of existing assets and liabilities, could affect these estimates. The effect of a change in tax rates is recognized as income or expense in the period that the rate is enacted.

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

Revenue Recognition. Our products and services are generally sold based upon purchase orders or contracts with customers that include fixed or determinable prices. We recognize revenue when services or equipment are provided and collectability is reasonably assured. We contract for a majority of our services on a day rate basis. We rent products on a day rate basis, and revenue from the sale of equipment is recognized when the title to the equipment has transferred to the customer.

Self-Insurance. We self-insure, through deductibles and retentions, up to certain levels for losses under our insurance programs. We have elected to retain more risk by increasing our self-insurance levels. We accrue for these liabilities based on estimates of the ultimate cost of claims incurred as of the balance sheet date. We regularly review our estimates of reported and unreported claims and provide for losses through reserves. We obtain actuarial reviews to evaluate the reasonableness of internal estimates for losses related to workers' compensation, auto liability and group medical on an annual basis. Our financial results could be impacted if litigation trends, claims settlement patterns and future inflation rates are different from our estimates.

Off-Balance Sheet Arrangements

At December 31, 2016, we had no off-balance sheet arrangements.

Hedging Activities

At December 31, 2016, we had three interest rate swap agreements for notional amounts of $100 million each related to our 7 1/8% senior notes maturing in December 2021, whereby we were entitled to receive semi-annual interest payments at a fixed rate of 7 1/8% per annum and were obligated to make semi-annual interest payments at variable rates. The variable interest rates, which were adjusted every 90 days, were based on LIBOR plus a fixed margin and were scheduled to terminate on December 15, 2021. Subsequent to year-end, in January 2017, we sold these interest rate swaps to the counterparties for $0.8 million.

Recently Adopted and Issued Accounting Guidance

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

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

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

Foreign Currency Exchange Rate Risk

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

Assets and liabilities of certain subsidiaries in the United Kingdom and Europe are translated at end of period exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as the foreign currency translation component of accumulated other comprehensive loss in stockholders' equity.

We do not hold derivatives for trading purposes or use derivatives with complex features. When we believe prudent, we enter into forward foreign exchange contracts to hedge the impact of foreign currency fluctuations. We do not enter into forward foreign exchange contracts for trading purposes. At December 31, 2016, we had no outstanding foreign currency forward contracts.

Interest Rate Risk

At December 31, 2016, our debt was comprised of the following (in thousands):

	Fixed Rate Debt	Variable Rate Debt
6 3/8 % Senior Notes due 2019	$ 500,000	$ -
7 1/8% Senior Notes due 2021	500,000	300,000
Total Debt	$ 1,000,000	$ 300,000

Variable debt of $300 million represents the portion of the $800 million aggregate principal amount of our 7 1/8% senior notes subject to the fixed-to-variable interest rate swap agreements. Based on the amount of this debt outstanding at December 31, 2016, a 10% increase in the variable interest rate would increase our interest expense for the year ended December 31, 2016 by $1.7 million, while a 10% decrease would decrease our interest expense by $1.7 million.

Commodity Price Risk

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

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II, Valuation and Qualifying Accounts. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Superior Energy Services, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Superior Energy Services, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2017 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

Houston, Texas
February 23, 2017

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2016 and 2015
(in thousands, except share data)

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 187,591	$ 564,017
Accounts receivable, net of allowance for doubtful accounts of $29,740 and $28,242 at December 31, 2016 and 2015, respectively	297,164	428,514
Income taxes receivable	101,578	-
Prepaid expenses	37,288	42,298
Inventory and other current assets	130,772	165,062
Assets held for sale	27,158	95,234
Total current assets	781,551	1,295,125
Property, plant and equipment, net of accumulated depreciation and depletion	1,605,365	2,123,291
Goodwill	803,917	1,140,101
Notes receivable	56,650	52,382
Intangible and other long-term assets, net of accumulated amortization	222,772	303,345
Total assets	$ 3,470,255	$ 4,914,244
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 94,831	$ 114,475
Accrued expenses	218,192	271,246
Income taxes payable	694	9,185
Current portion of decommissioning liabilities	22,164	19,052
Current maturities of long-term debt	-	29,957
Liabilities held for sale	8,653	4,661
Total current liabilities	344,534	448,576
Deferred income taxes	243,611	383,069
Decommissioning liabilities	101,513	98,890
Long-term debt, net	1,284,600	1,588,263
Other long-term liabilities	192,077	184,634
Stockholders' equity:		
Preferred stock of $0.01 par value. Authorized - 5,000,000 shares; none issued	-	-
Common stock of $0.001 par value		
Authorized-250,000,000, Issued and Outstanding - 151,861,661 at December 31, 2016 Authorized-250,000,000, Issued and Outstanding - 150,861,500 at December 31, 2015	152	151
Additional paid in capital	2,691,553	2,664,517
Accumulated other comprehensive loss, net	(80,248)	(45,694)
Retained deficit	(1,307,537)	(408,162)
Total stockholders' equity	1,303,920	2,210,812
Total liabilities and stockholders' equity	$ 3,470,255	$ 4,914,244

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years Ended December 31, 2016, 2015 and 2014
(in thousands, except per share data)

	2016	2015	2014
Revenues:			
Services	$ 1,162,244	$ 2,104,942	$ 3,466,279
Rentals	287,803	669,623	1,090,343
Total revenues	1,450,047	2,774,565	4,556,622
Costs and expenses:			
Cost of services (exclusive of depreciation, depletion, amortization and accretion)	975,941	1,575,653	2,308,270
Cost of rentals (exclusive of depreciation, depletion, amortization and accretion)	147,333	290,159	426,563
Depreciation, depletion, amortization and accretion - services	408,752	465,232	494,619
Depreciation, depletion, amortization and accretion - rentals	101,219	146,915	156,195
General and administrative expenses	346,606	510,708	624,371
Reduction in value of assets	500,405	1,738,887	-
Income (loss) from operations	(1,030,209)	(1,952,989)	546,604
Other income (expense):			
Interest expense, net	(92,753)	(97,318)	(96,734)
Other income (expense)	22,621	(9,476)	(7,681)
Income (loss) from continuing operations before income taxes	(1,100,341)	(2,059,783)	442,189
Income taxes	(267,001)	(252,020)	161,399
Net income (loss) from continuing operations	(833,340)	(1,807,763)	280,790
Loss from discontinued operations, net of income tax	(53,559)	(46,955)	(22,973)
Net income (loss)	$ (886,899)	$ (1,854,718)	$ 257,817
Earnings (loss) per share information:			
Basic:			
Continuing operations	$ (5.50)	$ (12.02)	$ 1.81
Discontinued operations	(0.35)	(0.31)	(0.15)
Basic earnings (loss) per share	$ (5.85)	$ (12.33)	$ 1.66
Diluted:			
Continuing operations	$ (5.50)	$ (12.02)	$ 1.79
Discontinued operations	(0.35)	(0.31)	(0.14)
Diluted earnings (loss) per share	$ (5.85)	$ (12.33)	$ 1.65
Cash dividends declared per share	$ 0.08	$ 0.32	$ 0.24
Weighted average common shares used in computing earnings (loss) per share:			
Basic	151,558	150,461	155,154
Incremental common shares from stock based compensation	-	-	1,572
Diluted	151,558	150,461	156,726

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2016, 2015 and 2014
(in thousands)

	2016	2015	2014
Net income (loss)	$ (886,899)	$ (1,854,718)	$ 257,817
Reclassification adjustment of unrealized net loss on available-for-sale securities, net of tax	-	-	1,153
Change in cumulative translation adjustment, net of tax	(34,554)	(9,414)	(19,933)
Comprehensive income (loss)	$ (921,453)	$ (1,864,132)	$ 239,037

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2016, 2015 and 2014
(in thousands, except share data)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained earnings (deficit)	Total
Balances, December 31, 2013	158,976,784	$ 159	$ 2,873,579	$ (17,500)	$ 1,275,206	$ 4,131,444
Net income	-	-	-	-	257,817	257,817
Foreign currency translation adjustment	-	-	-	(19,933)	-	(19,933)
Reclassification adjustment of unrealized net loss on available-for-sale securities, net of tax	-	-	-	1,153	-	1,153
Cash dividends declared ($0.24 per share)	-	-	-	-	(37,483)	(37,483)
Stock-based compensation expense, net of forfeitures	(152,447)	-	30,982	-	-	30,982
Exercise of stock options	880,687	1	10,560	-	-	10,561
Restricted stock units vested	95,914	-	-	-	-	-
Shares withheld and retired	(267,340)	-	(7,315)	-	-	(7,315)
Tax effect	-	-	6,160	-	-	6,160
Shares issued under Employee Stock Purchase Plan	246,480	-	6,096	-	-	6,096
Vesting of restricted stock assumed with acquisition of Complete	114,839	-	-	-	-	-
Shares repurchased and retired	(10,246,091)	(10)	(299,734)	-	-	(299,744)
Balances, December 31, 2014	149,648,826	$ 150	$ 2,620,328	$ (36,280)	$ 1,495,540	$ 4,079,738
Net loss	-	-	-	-	(1,854,718)	(1,854,718)
Foreign currency translation adjustment	-	-	-	(9,414)	-	(9,414)
Cash dividends declared ($0.32 per share)	-	-	-	-	(48,984)	(48,984)
Stock-based compensation expense, net of forfeitures	-	-	32,661	-	-	32,661
Restricted stock forfeited	(48,374)	-	-	-	-	-
Exercise of stock options	506,029	1	8,819	-	-	8,820
Restricted stock units vested	460,400	-	-	-	-	-
Shares withheld and retired	(323,537)	-	(5,696)	-	-	(5,696)
Tax effect	-	-	(2,174)	-	-	(2,174)
Shares issued under Employee Stock Purchase Plan	332,534	-	5,568	-	-	5,568
Shares issued to pay performance share units	224,303	-	5,011	-	-	5,011
Vesting of restricted stock assumed with acquisition of Complete	61,319	-	-	-	-	-
Balances, December 31, 2015	150,861,500	$ 151	$ 2,664,517	$ (45,694)	$ (408,162)	$ 2,210,812

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity (continued)
Years Ended December 31, 2016, 2015 and 2014
(in thousands, except share data)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained earnings (deficit)	Total
Balances, December 31, 2015	150,861,500	$ 151	$ 2,664,517	$ (45,694)	$ (408,162)	$ 2,210,812
Net loss	-	-	-	-	(886,899)	(886,899)
Foreign currency translation adjustment	-	-	-	(34,554)	-	(34,554)
Cash dividends declared ($0.08 per share)	-	-	-	-	(12,476)	(12,476)
Stock-based compensation expense, net of forfeitures	-	-	30,122	-	-	30,122
Restricted stock forfeited	(1,495)	-	-	-	-	-
Exercise of stock options	40,723	-	524	-	-	524
Restricted stock units vested	1,034,068	1	(1)	-	-	-
Shares withheld and retired	(364,122)	-	(3,669)	-	-	(3,669)
Tax effect	-	-	(5,112)	-	-	(5,112)
Shares issued under Employee Stock Purchase Plan	290,987	-	5,172	-	-	5,172
Balances, December 31, 2016	151,861,661	$ 152	$ 2,691,553	$ (80,248)	$ (1,307,537)	$ 1,303,920

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended December 31, 2016, 2015 and 2014

(in thousands)

	2016	2015	2014
Cash flows from operating activities:			
Net income (loss)	$ (886,899)	$ (1,854,718)	$ 257,817
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion, amortization and accretion	509,971	612,147	652,143
Deferred income taxes	(142,520)	(288,671)	(49,567)
Reduction in value of assets	500,405	1,738,887	-
Stock based compensation expense	41,779	46,485	42,748
Other reconciling items, net	62,056	41,882	(11,470)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	128,086	501,269	(9,487)
Inventory and other current assets	(7,646)	33,282	53,594
Accounts payable	3,667	(105,801)	36,450
Accrued expenses	(73,902)	(116,573)	16,411
Income taxes	(107,643)	(30,891)	46,134
Other, net	33,898	55,314	(1,762)
Net cash provided by operating activities	61,252	632,612	1,033,011
Cash flows from investing activities:			
Payments for capital expenditures	(80,548)	(358,226)	(616,102)
Purchase of leased vessels	-	(46,442)	-
Cash proceeds from sales of assets and businesses	-	14,110	147,305
Sale of available-for-sale securities	-	-	10,622
Acquisitions of businesses, net of cash acquired	-	-	(24,327)
Other	6,309	2,290	7,767
Net cash used in investing activities	(74,239)	(388,268)	(474,735)
Cash flows from financing activities:			
Proceeds from revolving line of credit	325,123	7,475	14,736
Payments on revolving line of credit	(325,123)	(7,475)	(14,736)
Payment to extinguish capital lease obligation	-	(20,933)	-
Proceeds from issuance of long-term debt	-	14,733	2,602
Principal payments on long-term debt	(337,576)	(21,038)	(21,564)
Share repurchases	-	-	(299,734)
Cash dividends	(12,111)	(48,139)	(49,756)
Payment of debt issuance costs	(2,711)	-	-
Proceeds from exercise of stock options	-	8,820	10,560
Other	(3,082)	(2,302)	724
Net cash used in financing activities	(355,480)	(68,859)	(357,168)
Effect of exchange rate changes on cash	(7,959)	(4,514)	(4,109)
Net increase (decrease) in cash and cash equivalents	(376,426)	170,971	196,999
Cash and cash equivalents at beginning of period	564,017	393,046	196,047
Cash and cash equivalents at end of period	$ 187,591	$ 564,017	$ 393,046

See accompanying notes to consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
Years Ended December 31, 2016, 2015 and 2014

(1) Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Superior Energy Services, Inc. and subsidiaries (the Company). All significant intercompany accounts and transactions are eliminated in consolidation. Certain previously reported amounts have been reclassified to conform to the 2016 presentation.

Business

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

Use of Estimates

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

Major Customers and Concentration of Credit Risk

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

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

The Company derives a large amount of revenue from a small number of major and independent oil and gas companies. Anadarko accounted for approximately 11% of the Company's revenues in 2016, primarily within the Onshore Completion and Workover Services segment. There were no customers that exceeded 10% of our total revenues in 2015 and 2014.

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

Cash Equivalents

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

Accounts Receivable and Allowances

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

Inventory

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

	December 31, 2016	December 31, 2015
Finished goods	$ 49,888	$ 71,951
Raw materials	17,948	23,418
Work-in-process	5,214	18,203
Supplies and consumables	30,029	35,189
Total	$ 103,079	$ 148,761

During 2016, the Company recorded an inventory write-down charge of $20.8 million, primarily for excess and/or obsolete inventory at its completion products and services division in the Technical Solutions segment.

Property, Plant and Equipment

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

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

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

Reduction in Value of Long-Lived Assets

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

Goodwill

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

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Total
Balance, December 31, 2014	$ 142,839	$ 1,419,550	$ 906,020	$ 2,468,409
Acquisition activities	-	-	1,170	1,170
Reduction in value of assets	-	(740,000)	(586,701)	(1,326,701)
Foreign currency translation adjustment	(1,557)	-	(1,220)	(2,777)
Other	-	44,000	(44,000)	-
Balance, December 31, 2015	141,282	723,550	275,269	1,140,101
Reduction in value of assets	-	(140,000)	(190,500)	(330,500)
Foreign currency translation adjustment	(5,321)	-	(363)	(5,684)
Balance, December 31, 2016	$ 135,961	$ 583,550	$ 84,406	$ 803,917

Goodwill is tested for impairment annually as of October 1st or on an interim basis if events or circumstances indicate that the fair value of the asset has decreased below its carrying value. In order to estimate the fair value of the reporting units (which is consistent with the reported business segments), the Company used a weighting of the discounted cash flow method and the public company guideline method of determining fair value of each reporting unit. The Company weighted the discounted cash flow method 80% and the public company guideline method 20% due to differences between the Company's reporting units and the peer companies' size, profitability and diversity of operations. In order to validate the reasonableness of the estimated fair values obtained for the reporting units, a reconciliation of fair value to market capitalization was performed for each unit on a standalone basis. A control premium, derived from market transaction data, was used in this reconciliation to ensure that fair values were reasonably stated in conjunction with the Company's capitalization. These fair value estimates were then compared to the carrying value of the reporting units. If the fair value of the reporting unit exceeds the carrying amount, no impairment loss is recognized. If the estimated fair value of the reporting unit is below the carrying value, then a second step must be performed to determine the goodwill impairment, if any. In this second step, the estimated fair value is used as the purchase price in a hypothetical acquisition of the reporting unit. The hypothetical purchase price is allocated to the reporting unit's assets and liabilities, with the residual amount representing an implied fair value of the goodwill. The carrying amount of the goodwill is then compared to the implied fair value of the goodwill for each reporting unit and is written down to the implied fair value, if lower. The Company uses all available information to estimate fair value of the reporting units, including discounted cash flows. The Company engages third-party appraisal firms to assist in fair value determination of property, plant and equipment, intangible assets and any other significant assets or liabilities when appropriate. A significant amount of judgment was involved in performing these evaluations since the results are based on estimated future events. See note 3 for a discussion of the reduction in value of goodwill recorded during 2016 and 2015. At December 31, 2016 and 2015, the Company's accumulated reduction in value of goodwill was $1,748.2 million and $1,417.7 million, respectively.

Notes Receivable

The Company's wholly owned subsidiary, Wild Well, has decommissioning obligations related to its ownership of the Bullwinkle platform. Notes receivable consist of a commitment from the seller of the platform towards its eventual abandonment. Pursuant to an agreement with the seller, the Company will invoice the seller an agreed upon amount at the completion of certain decommissioning activities. The gross amount of this obligation totaled $115.0 million and is recorded at present value using an effective interest rate of 6.58%. The related discount is amortized to interest income based on the expected timing of the platform's removal. The Company recorded interest income related to notes receivable of $3.6 million, $1.7 million and $1.6 million during 2016, 2015 and 2014, respectively.

Intangible and Other Long-Term Assets

Intangible assets consist of the following (in thousands):

		December 31,					
		2016			2015		
	Estimated Useful Lives	Gross Amount	Accumulated Amortization	Net Balance	Gross Amount	Accumulated Amortization	Net Balance
Customer relationships	17 years	$ 164,603	$ (52,747)	$ 111,856	$ 257,364	$ (65,209)	$ 192,155
Tradenames	10 years	30,519	(14,123)	16,396	36,119	(15,371)	20,748
Non-compete agreements	3 years	2,790	(2,718)	72	3,242	(2,940)	302
Total		$ 197,912	$ (69,588)	$ 128,324	$ 296,725	$ (83,520)	$ 213,205

Amortization expense was $16.2 million, $23.0 million and $25.9 million during 2016, 2015 and 2014, respectively. Based on the carrying values of intangible assets at December 31, 2016, amortization expense for the next five years (2017 through 2021) is estimated to be $12.7 million per year.

During 2016, the Company recorded $68.9 million of expense related to the reduction in carrying values of intangibles primarily in the Onshore Completion and Workover Services and Production Services segments (see note 3).

Intangible and other long-term assets, net included $58.5 million and $58.4 million of escrowed cash at December 31, 2016 and 2015, respectively, primarily related to the future decommissioning obligations of the Bullwinkle platform.

Decommissioning Liabilities

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

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

	December 31,	
	2016	2015
Decommissioning liabilities, December 31, 2015 and 2014, respectively	$ 117,942	$ 88,000
Revisions in estimated timing and cash flows	(2,132)	24,660
Accretion	6,959	5,016
Liability acquisitions and dispositions	908	266
Total decommissioning liabilities, December 31, 2016 and 2015, respectively	$ 123,677	$ 117,942

Revenue Recognition

Products and services are generally sold based upon purchase orders or contracts with customers that include fixed or determinable prices. Revenue is recognized when services or equipment are provided and collectability is reasonably assured. The Company's drilling products and services are billed on a day rate basis, and revenue from the sale of equipment is recognized when the title to the equipment has been transferred. Reimbursements from customers for the cost of drilling products and services that are damaged or lost down-hole are reflected as revenue at the time of the incident. The Company recognizes oil and gas revenue from its interests in producing wells as oil and natural gas is sold. Taxes collected from customers and remitted to governmental authorities are reported on a net basis in the Company's financial statements.

Income Taxes

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

Earnings per Share

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

During 2016 and 2015, the Company incurred losses from continuing operations; therefore the impact of any incremental shares would be anti-dilutive. Stock options for 1,100,000 shares of the Company's common stock were excluded in the computation of diluted earnings per share for 2014, as the effect would have been anti-dilutive.

Fair Value Measurements

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

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

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

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

Financial Instruments

The fair value of the Company's financial instruments of cash equivalents, accounts receivable, accounts payable, accrued expenses and borrowings under its credit facility approximates their carrying amounts due to their short maturity or market interest rates. The fair value of the Company's debt was $1,307.6 million and $1,508.0 million at December 31, 2016 and 2015, respectively, and was categorized as Level 1 in the fair value hierarchy. The fair value of these debt instruments is determined by reference to the market value of the instrument as quoted in an over-the-counter market.

Foreign Currency

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

For international subsidiaries where the functional currency is the U.S. dollar, financial statements are remeasured into U.S. dollars using the historical exchange rate for most of the long-term assets and liabilities and the balance sheet date exchange rate for most of the current assets and liabilities. An average exchange rate is used for each period for revenues and expenses. These transaction gains and losses, as well as any other transactions in a currency other than the functional currency, are included in other income (expense) in the consolidated statements of operations in the period in which the currency exchange rates change. During 2016, 2015 and 2014, the Company recorded $23.5 million, $(9.6) million and $(7.3) million of foreign currency gains/(losses), respectively.

Stock-Based Compensation

The Company records compensation costs relating to share-based payment transactions and includes such costs in general and administrative expenses in the consolidated statements of operations. The cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity award). Excess tax benefits of awards that are recognized in equity related to stock option exercises and restricted stock vesting are reflected as financing cash flows.

Derivative Instruments and Hedging Activities

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

In an attempt to achieve a more balanced debt portfolio between fixed and variable interest, the Company has entered into interest rate swaps. Under these agreements, the Company was entitled to receive semi-annual interest payments at a fixed rate and was obligated to make quarterly interest payments at a variable rate. The Company had fixed-rate interest on 77% and 62% of its long-term debt at December 31, 2016 and 2015, respectively. The Company had notional amounts of $300 million related to interest rate swaps with a variable interest rate, adjusted every 90 days, based on LIBOR plus a fixed margin at December 31, 2016 and 2015. Subsequent to year-end, during January 2017, the Company sold these interest rate swaps to the counterparties for $0.8 million.

Self-Insurance Reserves

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

Recently Issued Accounting Guidance

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

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

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

In October, 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory.* The guidance in this update requires entities to recognize at the transaction date the income tax consequences of intercompany asset transfers other than inventory. The new standard is effective for the Company beginning on January 1, 2018. The Company is evaluating the effect that ASU 2016-16 will have on its consolidated financial statements and related disclosures.

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

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

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

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which will replace most existing revenue recognition guidance in GAAP. The guidance in this update requires an entity to recognize the amount of revenue that it expects to be entitled for the transfer of promised goods or services to customers. The new standard is effective for the Company on January 1, 2018. The Company is in the process of determining the impacts of the new standard on its various revenue streams. The Company's approach includes performing a detailed review of key contracts representative of the different businesses and comparing historical accounting policies and practices to the new accounting guidance. The Company's services and rental contracts are primarily short-term in nature, and therefore, based on the initial assessment, the Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements. Remaining implementation matters include establishing new policies, procedures, and controls and quantifying any adoption date adjustments. The Company will adopt this standard utilizing the modified retrospective method.

Subsequent Events

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

(2) Supplemental Cash Flow Information

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

	Years ended December 31,		
	2016	2015	2014
Cash paid for interest	$ 93,353	$ 93,946	$ 102,880
Cash paid for income taxes, net of refunds	$ (28,933)	$ 40,074	$ 127,132
Details of business acquisitions:			
Fair value of assets	$ -	$ -	$ 29,468
Fair value of liabilities	-	-	(5,125)
Cash paid	-	-	24,343
Less cash acquired	-	-	(16)
Net cash paid for acquisitions	$ -	$ -	$ 24,327
Non-cash investing activity:			
Capital expenditures included in accounts payable and accrued expenses	$ 4,905	$ 28,704	$ 49,118

(3) Reduction in Value of Assets and Other Charges

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

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

Reduction in Value of Goodwill

During 2016, the Company recorded $330.5 million reduction in value of goodwill relating to its Onshore Completion and Workover Services and Production Services segments. The Company determined that the implied fair value of its goodwill for the Onshore Completion and Workover Services segment was less than its carrying value and recorded a $140.0 million impairment of the Onshore Completion and Workover Services segment's goodwill. In addition, the Company determined that the implied fair value of its goodwill for the Production Services segment was less than its carrying value and recorded a $190.5 million impairment of the Production Services segment's goodwill. The reduction in value of goodwill in the Onshore Completion and Workover Services and Production Services segments was primarily driven by further deterioration of market conditions during 2016 and the Company's forecast did not indicate a timely recovery sufficient to support the carrying values of the goodwill.

During 2015, the Company recorded $1,326.7 million reduction in value of goodwill relating to its Onshore Completion and Workover Services and Production Services segments. The Company determined that the implied fair value of its goodwill for the Onshore Completion and Workover Services segment was less than its carrying value and recorded a $740.0 million impairment of the Onshore Completion and Workover Services segment's goodwill. In addition, the Company determined that the implied fair value of its goodwill for the Production Services segment was less than its carrying value and recorded a $586.7 million impairment of the Production Services segment's goodwill. The reduction in value of goodwill in the Onshore Completion and Workover Services and Production Services segments was primarily driven by deteriorated market conditions during the year and the Company's forecast did not indicate a timely recovery sufficient to support the carrying values of the goodwill.

Reduction in Value of Long-Lived Assets

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

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

Retirements of Long-Lived Assets

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

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

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

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

Other Charges

During 2016, the Company recorded $39.2 million primarily relating to severance and facility closures. At December 31, 2016, the accrued lease termination liability balances were $4.9 million and $7.8 million, included in accrued expenses and other long-term liabilities, respectively, on the consolidated balance sheet.

During 2015, in connection with the reorganization of several of its businesses, the Company recorded $46.8 million relating to severance expense and reorganization costs. Included in the total reorganization costs is $20.2 million relating to the impairment of certain real estate operating leases included in the Onshore Completion and Workover Services segment. At December 31, 2015, the accrued lease termination liability balances were $7.2 million and $11.1 million, included in accrued expenses and other long-term liabilities, respectively, on the consolidated balance sheet.

(4) Property, Plant and Equipment

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

	December 31, 2016	December 31, 2015
Machinery and equipment	$ 3,513,907	$ 3,771,046
Buildings, improvements and leasehold improvements	307,658	318,906
Automobiles, trucks, tractors and trailers	37,103	45,013
Furniture and fixtures	66,045	67,483
Construction-in-progress	11,048	74,683
Land	59,774	58,731
Oil and gas producing assets	64,169	66,285
Total	4,059,704	4,402,147
Accumulated depreciation and depletion	(2,454,339)	(2,278,856)
Property, plant and equipment, net	$ 1,605,365	$ 2,123,291

The Company had $82.5 million and $84.9 million of leasehold improvements at December 31, 2016 and 2015, respectively. These leasehold improvements are depreciated over the shorter of the life of the asset or the term of the lease using the straight line method. Depreciation expense (excluding depletion, amortization and accretion) was $486.9 million, $584.1 million and $620.6 million during 2016, 2015 and 2014, respectively. During 2016, the Company recorded $101.0 million related to reduction in value of property, plant and equipment (see note 3).

(5) Debt

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

	December 31, 2016		December 31, 2015	
	Long-term	Current	Long-term	Current
Senior Notes due May 2019	$ 500,000	$ -	$ 500,000	$ -
Senior Notes due December 2021	800,000	-	800,000	-
Term loan	-	-	305,000	20,000
Other	-	-	3,089	9,957
Total debt, gross	1,300,000	-	1,608,089	29,957
Unamortized debt issuance costs	(15,400)	-	(19,826)	-
Total debt, net	$ 1,284,600	$ -	$ 1,588,263	$ 29,957

Debt maturities presented as of December 31, 2016 are as follows (in thousands):

2017	$ -
2018	-
2019	500,000
2020	-
2021	800,000
Thereafter	-
Total	$ 1,300,000

Credit Facility

At December 31, 2015, the Company had a credit facility that was comprised of a $600.0 million revolving line of credit and a $325.0 million term loan. In February 2016, the Company amended its credit facility. The amendment, among other things, reduced the size of the facility to $470.3 million, extended the maturity date to 2019 and eliminated the term loan component. In July 2016, the Company amended the credit facility. The amendment, among other things, reduced the size of the facility to $400.0 million, suspended the maximum leverage ratio covenant until the fourth quarter of 2017 and replaced it with a senior secured debt to earnings before interest, taxes, depreciation and amortization ratio covenant during this period and modifies the restricted payment covenant to eliminate our ability to pay dividends and make equity repurchases until September 2017. During 2016, the Company made payments totaling $325.0 million on the revolving credit facility and currently has no outstanding debt balance under the facility.

Subsequent to year-end, in February 2017, the Company amended its credit facility. The amendment, among other things, reduced the size of the credit facility from $400.0 million to $300.0 million (with a $100.0 million accordion feature) and amended the financial covenants, in part to suspend the interest coverage ratio until the third quarter of 2017.

Senior Unsecured Notes

The Company has outstanding $500 million of 6 3/8% unsecured senior notes due 2019. The indenture governing the 6 3/8% senior notes requires semi-annual interest payments on May 1st and November 1st of each year through the maturity date of May 1, 2019.

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

(6) Stock-Based and Long-Term Compensation

During 2016, the 2016 Incentive Award Plan was approved and it replaced the previous plan. The Compensation Committee determines the recipients of the equity awards, the type of awards made, the required performance measures, and the timing and duration of each grant. At December 31, 2016, 8,700,000 shares of the Company's common stock were available for future grants under the plan.

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

Compensation Expense	Years ended December 31,		
	2016	2015	2014
Stock options	$ 4,870	$ 3,663	$ 3,900
Restricted stock	382	9,219	15,800
Restricted stock units	24,762	19,699	11,282
Performance and strategic performance share units	10,167	12,991	13,092
Total	$ 40,181	$ 45,572	$ 44,074

Tax Benefit	Years ended December 31,		
	2016	2015	2014
Stock options	$ 1,802	$ 1,355	$ 1,443
Restricted stock	141	3,411	5,846
Restricted stock units	9,162	7,289	4,174
Total	$ 11,105	$ 12,055	$ 11,463

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

Stock Options

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

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

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

	Years ended December 31, 2016	2015	2014
Weighted average fair value of stock options granted	$ 3.61	$ 6.25	$ 6.95
Black-Scholes-Merton Assumptions:			
Risk free interest rate	1.46 %	1.33 %	1.42 %
Expected life (years)	5	5	4
Volatility	55.72 %	47.07 %	34.50 %
Dividend yield	3.28	1.30	1.23

The following table summarizes stock option activity for 2016:

	Number of Options	Weighted Average Option Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2015	4,591,141	$ 23.60	5.3	$ 256
Granted	2,121,417	$ 9.76		
Exercised	(40,723)	$ 12.86		
Forfeited	(289,820)	$ 9.76		
Expired	(371,181)	$ 27.21		
Outstanding as of December 31, 2016	6,010,834	$ 19.23	6.0	14,145
Exercisable as of December 31, 2016	3,671,241	$ 23.86	4.2	$ 1,104
Options expected to vest as of December 31, 2016	2,339,593	$ 11.97	8.8	$ 13,041

The total intrinsic value of stock options exercised during 2016, 2015 and 2014 was $0.3 million, $2.3 million and $17.1 million, respectively. The Company received $0.5 million, $8.8 million and $10.6 million during 2016, 2015 and 2014, respectively, from employee stock option exercises. The Company has reported tax benefits of $0.1 million, $0.9 million and $5.6 million from the exercise of stock options for 2016, 2015 and 2014, respectively.

The following table summarizes non-vested stock option activity for 2016:

	Number of Options	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2015	1,102,879	$ 20.81
Granted	2,121,417	$ 9.76
Vested	(594,883)	$ 21.54
Forfeited	(289,820)	$ 9.76
Non-vested as of December 31, 2016	2,339,593	$ 11.97

At December 31, 2016, the unrecognized compensation expense related to non-vested stock options was $5.7 million. The Company expects to recognize $3.3 million and $2.4 million of compensation expense associated with these options during 2017 and 2018, respectively.

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Restricted Stock

Since 2014, no restricted stock has been granted. The following table summarizes restricted stock activity for 2016:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2015	292,937	$ 23.13
Vested	(291,779)	$ 23.13
Forfeited	(1,158)	$ 23.03
Non-vested as of December 31, 2016	-	$ -

The total fair value of restricted stock vested during 2016, 2015 and 2014 was $6.8 million, $12.1 million and $23.0 million, respectively.

Restricted Stock Units

Beginning in 2014, restricted stock unit awards (RSUs) were granted to eligible employees instead of restricted stock. Prior to 2014, only non-employee directors were granted RSUs. RSUs granted to employees vest in equal annual installments over three years. On the vesting date, each RSU is converted to one share of the Company's common stock having an aggregate value determined by the Company's closing stock price on the vesting date. Holders of RSUs are not entitled to any rights of a stockholder, such as the right to vote shares.

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

The following table summarizes RSU activity for 2016:

	Number of RSUs	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2015	2,787,889	$ 20.41
Granted	2,549,112	$ 9.98
Vested	(1,127,930)	$ 20.62
Forfeited	(522,779)	$ 13.56
Non-vested as of December 31, 2016	3,686,292	$ 14.10

At December 31, 2016, there was $24.2 million of unrecognized compensation expense related to unvested RSUs. The Company expects to recognize $16.6 million, $7.3 million, and $0.3 million associated with unvested RSUs for 2017, 2018, and 2019, respectively.

Performance Share Units

The Company has issued performance share units (PSUs) to its employees as part of the Company's long-term incentive program. There is a three-year performance period associated with each PSU grant. The two performance measures applicable to all participants are the Company's return on invested capital and total stockholder return relative to those of the Company's pre-defined "peer group." If the participant has met specified continued service requirements, the PSUs will settle in cash or a combination of cash and up to 50% of equivalent value in the Company's common stock, at the discretion of the Compensation Committee of the Board of Directors. At December 31, 2016, there were 368,394 PSUs outstanding (121,168, 129,852 and 117,374 related to performance periods ending December 31, 2016, 2017 and 2018, respectively). The Company has recorded both current and long-term liabilities for this liability-based compensation award.

In February 2014, the Company granted strategic performance share units (SPSUs) to the executive officers of the Company. The number of target SPSUs was established at the beginning of a two-calendar year performance period. The final value of SPSUs earned was based upon the level of the Company's free cash flow achieved for 2015 and 2014. All SPSU awards were paid out during 2016.

Employee Stock Purchase Plan (ESPP)

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

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

	Years ended December 31,		
	2016	2015	2014
Cash received for shares issued	$ 3,681	$ 4,803	$ 4,870
Compensation expense	$ 1,492	$ 835	$ 1,078
Shares issued	290,987	332,467	246,480

401(k)/Profit Sharing Plan

The Company maintains a defined contribution profit sharing plan for employees who have satisfied minimum service requirements. Employees may contribute up to 75% of their eligible earnings to the plan subject to the contribution limitations imposed by the Internal Revenue Service. The Company provides a nondiscretionary match of 100% of an employee's contributions to the plan, up to 4% of the employee's salary. The Company made contributions of $8.7 million, $13.9 million and $16.7 million 2016, 2015 and 2014, respectively.

Non-Qualified Deferred Compensation Plans

The Company has a non-qualified deferred compensation plan which allows senior management to defer up to 75% of their base salary, up to 100% of their bonus, up to 100% of the cash portion of their PSU compensation and up to 100% of the vested RSUs to the plan. The Company also has a non-qualified deferred compensation plan for its non-employee directors which allows each director to defer up to 100% of their cash compensation paid by the Company and up to 100% of the vested RSUs to the plan. Payments are made to participants based on their annual enrollment elections and plan balances. Participants earn a return on their deferred compensation that is based on hypothetical investments in certain mutual funds. Changes in market value of these hypothetical participant investments are reflected as an adjustment to the deferred compensation liability of the Company with an offset to compensation expense. 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) in the consolidated statements of operations.

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

		December 31,	
	Balance sheet location	2016	2015
Deferred compensation assets	Intangible and other long-term assets, net	$ 12,360	$ 11,548
Deferred compensation liabilities, short-term	Accounts payable	$ 1,115	$ 721
Deferred compensation liabilities, long-term	Other long-term liabilities	$ 18,489	$ 17,367

Supplemental Executive Retirement Plan

The Company has a supplemental executive retirement plan (SERP). The SERP provides retirement benefits to the Company's executive officers and certain other designated key employees. The SERP is an unfunded, non-qualified defined contribution retirement plan, and all contributions under the plan are unfunded credits to a notional account maintained for each participant. Under the SERP, the Company will generally make annual contributions to a retirement account based on age and years of service. The participants in the plan receive contributions ranging from 5% to 35% of salary and annual cash bonus, which totaled $2.2 million, $1.2 million and $1.2 million during 2016, 2015 and 2014, respectively. The Company recorded compensation expense of $1.4 million, $2.1 million and $1.6 million in general and administrative expenses during 2016, 2015 and 2014, respectively. The Company may also make discretionary contributions to a participant's account. During 2016, 2015 and 2014, the Company paid $1.4 million, $3.7 million and $3.0 million, respectively, to eligible participants in the SERP.

(7) Income Taxes

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

	Years ended December 31,		
	2016	2015	2014
Domestic	$ (1,097,109)	$ (2,069,019)	$ 372,672
Foreign	(3,232)	9,236	69,517
	$ (1,100,341)	$ (2,059,783)	$ 442,189

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

	Years ended December 31,		
	2016	2015	2014
Current:			
Federal	$ (101,578)	$ (952)	$ 150,997
State	(159)	2,818	11,339
Foreign	19,156	19,227	36,287
	(82,581)	21,093	198,623
Deferred:			
Federal	(179,721)	(249,193)	(33,172)
State	(9,348)	(10,034)	648
Foreign	4,649	(13,886)	(4,700)
	(184,420)	(273,113)	(37,224)
	$ (267,001)	$ (252,020)	$ 161,399

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

	Years ended December 31,		
	2016	2015	2014
Computed expected tax expense (benefit)	$ (385,119)	$ (720,923)	$ 154,766
Increase (decrease) resulting from			
State and foreign income taxes	(8,038)	(6,353)	8,467
Reduction in value of assets	115,725	464,395	-
Other	10,431	10,861	(1,834)
Income tax expense (benefit)	$ (267,001)	$ (252,020)	$ 161,399

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

	December 31, 2016	December 31, 2015
Deferred tax assets:		
Allowance for doubtful accounts	$ 9,172	$ 8,275
Operating loss and tax credit carryforwards	85,383	92,798
Compensation and employee benefits	59,351	59,310
Decommissioning liabilities	40,994	30,400
Other	51,069	57,768
	245,969	248,551
Valuation allowance	(6,722)	(5,395)
Net deferred tax assets	239,247	243,156
Deferred tax liabilities:		
Property, plant and equipment	352,683	469,728
Notes receivable	14,796	14,796
Goodwill and other intangible assets	98,868	119,661
Other	16,511	22,040
Deferred tax liabilities	482,858	626,225
Net deferred tax liability	$ 243,611	$ 383,069

The net deferred tax assets reflect management's estimate of the amount that will be realized from future profitability and the reversal of taxable temporary differences that can be predicted with reasonable certainty. A valuation allowance has been recognized on a portion of the state net operating loss carryforward deferred tax asset. After considering all available evidence at December 31, 2016, the Company determined that it was more likely than not that a portion of the carryforward would not be realized. Accordingly, the Company increased deferred income tax expense by an additional $1.3 million of the valuation allowance.

At December 31, 2016, the Company had $320.8 million in U.S. net operating loss carryforwards, which are available to reduce future or prior taxable income. The expiration dates for utilization of the loss carryforwards are 2021 through 2036. At December 31, 2016, the Company also had various state net operating loss carryforwards with expiration dates from 2017 to 2031. A net deferred tax asset of $26.5 million reflects the expected future tax benefit for the state loss carryforwards. At December 31, 2016, the Company also had a U.S. foreign tax credit carryforward of $49.1 million with expiration dates from 2021 to 2026.

The Company has not provided U.S. income tax expense on earnings of its foreign subsidiaries, since the Company has reinvested or expects to reinvest outside the U.S. the undistributed earnings indefinitely. At December 31, 2016, the Company's foreign subsidiaries had an accumulated deficit in earnings. The Company does not intend to repatriate the earnings of its foreign subsidiaries. The Company has not provided U.S. income taxes for such earnings, except to the extent that such earnings were previously subject to U.S. income taxes. These earnings could become subject to U.S. income tax if remitted, or if deemed remitted as a dividend. It is not practicable to estimate the amount of taxes that might be payable on such undistributed earnings.

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

The Company had unrecognized tax benefits of $29.9 million, $29.7 million and $30.3 million as of December 31, 2016, 2015 and 2014, respectively, all of which would impact the Company's effective tax rate if recognized.

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

	Years ended December 31,		
	2016	2015	2014
Unrecognized tax benefits,			
December 31, 2015, 2014 and 2013, respectively	$ 29,715	$ 30,344	$ 29,899
Additions based on tax positions related to prior years	6,874	6,752	7,860
Reductions based on tax positions related to prior years	(3,582)	-	(5,438)
Reductions as a result of a lapse of the applicable statute of limitations	(3,051)	-	(1,977)
Reductions relating to settlements with taxing authorities	-	(7,381)	-
Unrecognized tax benefits,			
December 31, 2016, 2015 and 2014, respectively	$ 29,956	$ 29,715	$ 30,344

The Company recorded $2.5 million, $1.0 million and $0.6 million of interest and penalty for 2016, 2015 and 2014, respectively, classified as a component of income tax expense in the consolidated statements of operations. The amounts in the table above include cumulative accrued interest and penalties of $7.4 million, $4.6 million and $5.0 million at December 31, 2016, 2015 and 2014, respectively, which are included in other non-current liabilities on the consolidated balance sheets.

(8) Segment Information

Business Segments

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

The Company evaluates the performance of its reportable segments based on income or loss from operations. The segment measure is calculated as follows: segment revenues less segment operating expenses, depreciation, depletion, amortization and accretion expense, reduction in value of assets and allocated corporate general and administrative expenses. Corporate general and administrative expenses are allocated to the segments based primarily on specific identification and, to the extent that such identification is not practical, other methods which the Company believes to be a reasonable reflection of the utilization of services provided. The Company believes this segment measure is useful in evaluating the performance of its reportable segments because it highlights operating trends and aids analytical comparisons.

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

2016

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Unallocated	Consolidated Total
Revenues	$ 293,543	$ 523,965	$ 348,363	$ 284,176	$ -	$ 1,450,047
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	136,719	515,784	276,223	194,548	-	1,123,274
Depreciation, depletion, amortization and accretion	161,378	209,455	95,416	43,722	-	509,971
General and administrative expenses	89,574	91,508	76,817	88,707	-	346,606
Reduction in value of assets	48,903	190,835	235,067	25,600	-	500,405
Loss from operations	(143,031)	(483,617)	(335,160)	(68,401)	-	(1,030,209)
Interest expense, net	-	-	(1,343)	3,553	(94,963)	(92,753)
Other expense	-	-	-	-	22,621	22,621
Loss from continuing operations before income taxes	$ (143,031)	$ (483,617)	$ (336,503)	$ (64,848)	$ (72,342)	$ (1,100,341)

2015

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Unallocated	Consolidated Total
Revenues	$ 547,530	$ 934,274	$ 795,215	$ 497,546	$ -	$ 2,774,565
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	178,629	773,119	612,578	301,486	-	1,865,812
Depreciation, depletion, amortization and accretion	187,336	225,667	136,992	62,152	-	612,147
General and administrative expenses	120,637	121,289	146,192	122,590	-	510,708
Reduction in value of assets	40,237	783,229	790,517	124,904	-	1,738,887
Income (loss) from operations	20,691	(969,030)	(891,064)	(113,586)	-	(1,952,989)
Interest expense, net	-	-	(2,013)	1,707	(97,012)	(97,318)
Other expense	-	-	-	-	(9,476)	(9,476)
Income (loss) from continuing operations before income taxes	$ 20,691	$ (969,030)	$ (893,077)	$ (111,879)	$ (106,488)	$ (2,059,783)

2014

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Unallocated	Consolidated Total
Revenues	$ 852,499	$ 1,732,833	$ 1,402,815	$ 568,475	$ -	$ 4,556,622
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	255,613	1,205,443	967,440	306,337	-	2,734,833
Depreciation, depletion, amortization and accretion	179,934	233,430	171,380	66,070	-	650,814
General and administrative expenses	141,762	159,687	195,731	127,191	-	624,371
Income from operations	275,190	134,273	68,264	68,877	-	546,604
Interest expense, net	-	-	-	1,577	(98,311)	(96,734)
Other expense	-	-	-	-	(7,681)	(7,681)
Income (loss) from continuing operations before income taxes	$ 275,190	$ 134,273	$ 68,264	$ 70,454	$ (105,992)	$ 442,189

Identifiable Assets

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Consolidated Total
December 31, 2016	$ 849,046	$ 1,573,801	$ 598,909	$ 448,499	$ 3,470,255
December 31, 2015	$ 1,154,425	$ 1,929,185	$ 1,036,485	$ 794,149	$ 4,914,244
December 31, 2014	$ 1,212,900	$ 2,993,824	$ 2,170,534	$ 940,524	$ 7,317,782

Capital Expenditures

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Consolidated Total
December 31, 2016	$ 35,504	$ 20,185	$ 20,939	$ 3,920	$ 80,548
December 31, 2015	$ 124,015	$ 103,001	$ 77,537	$ 53,673	$ 358,226
December 31, 2014	$ 261,451	$ 152,742	$ 102,171	$ 99,738	$ 616,102

Geographic Segments

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

Revenues

	Years ended December 31,		
	2016	2015	2014
United States	$ 1,080,513	$ 2,185,071	$ 3,848,929
Other Countries	369,534	589,494	707,693
Total	$ 1,450,047	$ 2,774,565	$ 4,556,622

Long-Lived Assets

	December 31,	
	2016	2015
United States	$ 1,288,077	$ 1,799,418
Other Countries	317,288	323,873
Total, net	$ 1,605,365	$ 2,123,291

(9) Commitments and Contingencies

The Company leases many of its office, service and assembly facilities under operating leases. In addition, the Company also leases certain assets used in providing services under operating leases. The leases expire at various dates over an extended period of time. Total rent expense was $24.1 million, $29.6 million and $26.2 million during 2016, 2015 and 2014, respectively. Future minimum lease payments under non-cancelable leases for the five years ending December 31, 2017 through 2021 and thereafter are as follows: $42.7 million, $27.5 million, $16.8 million, $12.2 million and $29.8 million, respectively.

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

(10) Fair Value Measurements

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

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

	December 31, 2015	Level 1	Level 2	Level 3
Intangible and other long-term assets, net				
Non-qualified deferred compensation assets	$ 11,548	$ 368	$ 11,180	-
Interest rate swaps	$ 6,905	-	$ 6,905	-
Accounts payable				
Non-qualified deferred compensation liabilities	$ 721	-	$ 721	-
Other long-term liabilities				
Non-qualified deferred compensation liabilities	$ 17,367	-	$ 17,367	-

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

At December 31, 2016, the Company had three interest rate swap agreements related to its fixed rate debt maturing in 2021 for notional amounts of $100 million each (see note 11).

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

	Years ended December 31, 2016 Impairment	2016 Fair Value	2015 Impairment	2015 Fair Value
Goodwill	$ 330,500	$ 668,864	$ 1,326,701	$ 998,288
Intangible assets	$ 68,865	$ -	$ 68,890	$ 6,345
Property, plant and equipment, net	$ 74,938	$ 294,457	$ 177,442	$ 179,612

Fair value is measured as of the impairment date using Level 3 inputs. See note 3 for discussion of reduction in value of assets recorded during 2016 and 2015.

(11) Derivative Financial Instruments

From time to time, the Company may enter into interest rate swaps in an attempt to achieve a more balanced debt portfolio between fixed and variable debt. The Company does not use derivative financial instruments for trading or speculative purposes.

At December 31, 2016, the Company had three interest rate swaps for notional amounts of $100 million each related to its 7 1/8% senior notes maturing in December 2021. These transactions were designated as fair value hedges since the swaps hedged against the change in fair value of fixed rate debt resulting from changes in interest rates. The Company recorded a derivative asset of $8.6 million and $6.9 million within intangible and other long term assets in the consolidated balance sheets at December 31, 2016 and 2015, respectively, relating to these swaps.

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

		Years ended December 31,		
Effect of derivative instrument	Location of (gain) loss recognized	2016	2015	2014
Interest rate swap	Interest expense, net	$ 2,306	$ (1,932)	$ (11,054)
Hedged item - debt	Interest expense, net	(3,980)	(790)	7,208
		$ (1,674)	$ (2,722)	$ (3,846)

During 2016, 2015 and 2014 $1.7 million, $2.7 million and $3.8 million of interest income, respectively, was related to the ineffectiveness associated with these fair value hedges. Hedge ineffectiveness represents the difference between the changes in fair value of the derivative instruments and the changes in fair value of the fixed rate debt attributable to changes in the benchmark interest rate.

Subsequent to year-end, during January 2017, the Company sold these interest rate swaps to the counterparties for $0.8 million.

(12) Discontinued Operations

During the first quarter of 2016, the Company's management determined that the conventional decommissioning business no longer met the held for sale criteria. Accordingly, property, plant and equipment related to the conventional decommissioning business was reclassified back to continuing operations.

At December 31, 2016, the assets of the subsea construction business were being actively marketed and the Company's management was committed to selling the remaining assets, which were classified as held for sale and were included in the Technical Solutions segment.

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

	Years ended December 31,		
	2016	2015	2014
Revenues	$ -	$ 18,723	$ 145,463
Loss from discontinued operations, net of tax expense/(benefit) of $1,908, ($5,626) and ($19,330), respectively	$ (53,559)	$ (46,955)	$ (22,973)

For 2015 and 2014, loss from discontinued operations included $7.5 million and $21.7 million, respectively, of loss related to the conventional decommissioning business.

During 2016, loss from discontinued operations included $33.0 million for the reduction in value of marine vessels in the subsea construction business.

During 2015, loss from discontinued operations included $25.8 million and $8.8 million for the reduction in value of marine vessels in the subsea construction and conventional decommissioning businesses, respectively.

During 2014, loss from discontinued operations included an $18.8 million gain related to the sale of marine vessels and equipment in the subsea construction business.

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

	December 31,	
	2016	2015
Current assets	$ 158	$ 2,600
Property, plant and equipment, net	27,000	92,634
Total assets	$ 27,158	$ 95,234
Current liabilities	$ 8,653	$ 4,661

At December 31, 2015, assets held for sale also included $26.6 million of property, plant and equipment related to the conventional decommissioning business.

(13) Related Party Transactions

The Company's President and Chief Executive Officer serves as an independent director of the board of Linn Energy, LLC (Linn), an independent oil and gas development company. The Company recorded revenues from Linn of $5.4 million, $7.2 million and $19.7 million during 2016, 2015 and 2014, respectively. The Company had trade receivables from Linn of $0.5 million and $2.0 million at December 31, 2016 and 2015, respectively.

During 2014, the Company purchased services, products and equipment, as well as leased certain facilities, from companies affiliated with a former officer, who retired during the first quarter of 2015, of one of its subsidiaries. During 2014 these transactions totaled $221.1 million, of which, $92.1 million was purchased from ORTEQ Energy Services, a heavy equipment construction company which also manufactures pressure pumping equipment, $0.7 million was purchased from Ortowski Construction, primarily related to the manufacture of pressure pumping units, $21.6 million was paid to Resource Transport, LLC, related to the transportation of sand used in pressure pumping activities, $79.3 million was purchased from Texas Specialty Sands, LLC primarily for the purchase of sand used for pressure pumping activities, $25.5 million was purchased from ProFuel, LLC, primarily related to the purchase of diesel used to operate equipment and trucks and $1.9 million was related to facilities leased from Timber Creek Real Estate Partners.

(14) Interim Financial Information (Unaudited)

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

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

	2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 917,235	$ 710,784	$ 601,396	$ 545,150
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	582,246	465,533	420,485	397,548
Depreciation, depletion, amortization and accretion	162,220	158,352	146,757	144,818
Reduction in value of assets	-	807,637	755,632	175,618
Loss from continuing operations	(1,497)	(775,132)	(816,587)	(214,547)
Loss from discontinued operations, net of tax	(9,640)	(9,857)	(4,610)	(22,848)
Net loss	$ (11,137)	$ (784,989)	$ (821,197)	$ (237,395)
Loss per share from continuing operations:				
Basic and diluted	$ (0.02)	$ (5.15)	$ (5.42)	$ (1.43)
Loss per share from discontinued operations:				
Basic and diluted	$ (0.06)	$ (0.07)	$ (0.03)	$ (0.15)

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

None.

Item 9A. Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures to provide reasonable assurances that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is appropriately recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission (SEC). In addition, the disclosure controls and procedures ensure that information required to be disclosed, accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), allow timely decisions regarding required disclosure. An evaluation was carried out, under the supervision and with the participation of our management, including our CEO and CFO, regarding the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on that evaluation, our CEO and CFO have concluded that our disclosure controls and procedures as of December 31, 2016 were effective to provide reasonable assurance that information required to be disclosed by us in reports we file with the SEC is recorded, processed, summarized and reported within the time periods required by the SEC's rules and forms, and is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow timely decisions regarding disclosures. Management's report and the independent registered public accounting firm's attestation report are included herein under the captions "Management's Annual Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," and are incorporated herein by reference.

There has been no change in our internal control over financial reporting during the three months ended December 31, 2016, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, and for performing an assessment of the effectiveness of internal control over our financial reporting as of December 31, 2016. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Our management, including our CEO and CFO, performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016 based upon criteria in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management determined that as of December 31, 2016, our internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2016 has been audited by KPMG, LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm
The Board of Directors and Stockholders
Superior Energy Services, Inc.:

We have audited Superior Energy Services, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Superior Energy Services, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Superior Energy Services, Inc.'s internal control over financial reporting based on our audit.

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

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

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

In our opinion, Superior Energy Services, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated February 23, 2017 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Houston, Texas
February 23, 2017

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

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

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

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

Item 14. Principal Accounting Fees and Services

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

PART IV

Item 15. Exhibits, Financial Statement Schedules

(1) Financial Statements

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

Report of Independent Registered Public Accounting Firm - Audit of Financial Statements
Consolidated Balance Sheets as of December 31, 2016 and 2015
Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015 and 2014
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(2) Financial Statement Schedule

Schedule II – Valuation and Qualifying Accounts for the years ended December 31, 2016, 2015 and 2014

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

(3) Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Superior Energy Services, Inc. (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 7, 2013 (File No. 001-34037)).
3.2	Amended and Restated Bylaws of Superior Energy Services, Inc. (as amended through March 7, 2012) (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 12, 2012 (File No. 001-34037)).
4.1	Specimen Stock Certificate (incorporated herein by reference to Post-Effective Amendment No. 1 to Superior Energy Services, Inc.'s Form S-4 on Form SB-2 filed January 9, 1997 (Registration Statement No. 33-94454)).
4.2	Indenture, dated April 27, 2011, among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated herein by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed April 27, 2011 (File No. 001-34037)), as amended by Supplemental Indenture, dated February 29, 2012, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 1, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated May 7, 2012, by and among SESI, L.L.C. the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 8, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 29, 2014, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed September 2, 2014 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 3, 2015, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 4, 2015 (File No. 001-34037)).
4.3	Indenture, dated December 6, 2011, among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated herein by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 12, 2011 (File No. 001-34037)), as amended by Supplemental Indenture, dated February 29, 2012, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 1, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated May 7, 2012, by and among SESI, L.L.C. the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 8, 2012 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 29, 2014, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed September 2, 2014 (File No. 001-34037)), as further amended by Supplemental Indenture dated August 3, 2015, by and among SESI, L.L.C., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 4, 2015 (File No. 001-34037)).
10.1^	Superior Energy Services, Inc. 2013 Employee Stock Purchase Plan (incorporated herein by reference to Appendix B to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 29, 2013 (File No. 001-34037)).
10.2^	Superior Energy Services, Inc. Amended and Restated Nonqualified Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.5 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-34037)).

10.3^	Superior Energy Services, Inc. 2005 Stock Incentive Plan (incorporated herein by reference to Appendix A to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 19, 2005 (File No. 333-22603)).
10.4^	Amended and Restated Superior Energy Services, Inc. 2004 Directors Restricted Stock Units Plan (incorporated herein by reference to Appendix B to Superior Energy Services, Inc.'s Definitive Proxy Statement filed April 20, 2006 (File No. 333-22603)).
10.5^	Superior Energy Services, Inc. Supplemental Executive Retirement Plan (incorporated herein by reference to Exhibit 10.21 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-34037)), as amended by Amendment No. 1 to the Superior Energy Supplemental Executive Retirement Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 10.21 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 001-34037)), as further amended by Amendment No. 2 to the Superior Energy Services, Inc. Supplemental Executive Retirement Plan, effective as of March 3, 2010 (incorporated herein by reference to Exhibit 10.8 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-34037)).
10.6^	Superior Energy Services, Inc. 2009 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 27, 2009 (File No. 001-34037)).
10.7^	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2005 Stock Incentive Plan and the 2009 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 16, 2009 (File No. 001-34037)).
10.8^	Superior Energy Services, Inc. 2011 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 26, 2011 (File No. 001-34037)).
10.9^	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2011 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 14, 2011 (File No. 001-34037)).
10.10^	Superior Energy Services, Inc. Annual Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed August 14, 2013 (File No. 001-34037)).
10.11^	Superior Energy Services, Inc. Amended and Restated 2013 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed May 28, 2015 (File No. 001-34037)).
10.12^	Superior Energy Services, Inc. 2016 Incentive Award Plan (incorporated herein by reference to Exhibit 99.1 pf the Company's Registration Statement on Form S-8 filed May 24, 2016).
10.13^	Form of Restricted Stock Agreement under the Superior Energy Services, Inc. 2013 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.19 to Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 001-34037)).
10.14^*	Form of Restricted Stock Unit Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan.
10.15^*	Form of Stock Option Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan.
10.16^*	Form of Performance Share Unit Agreement under the Superior Energy Services, Inc. 2016 Incentive Award Plan.

10.17^*	Form of Notice of Grant of Restricted Stock Units for Non-Management Directors under the Superior Energy Services, Inc. 2016 Incentive Award Plan.
10.18^	Complete Production Services, Inc. Amended and Restated 2001 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.23 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 28, 2012 (File No. 001-34037)), as amended by Amendment No. 1 to the Complete Production Services, Inc. Amended and Restated 2001 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.24 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 28, 2012 (File No. 001-34037))
10.19^	Superior Energy Services, Inc. Directors Deferred Compensation Plan, as amended and restated December 8, 2014 (incorporated herein by reference to Exhibit 10.29 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 26, 2015 (File No. 001-34037)).
10.20^	Composite Form of Employment Agreement by and between Superior Energy Services, Inc. and its executive officers (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 18, 2012 (File No. 001-34037)).
10.21^	Superior Energy Services, Inc. Change of Control Severance Plan (incorporated herein by reference to Exhibit 10.2 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed December 18, 2012 (File No. 001-34037)).
10.32^	Superior Energy Services, Inc. Amended and Restated Legacy CPX 2008 Incentive Award Plan (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed November 8, 2012 (File No. 001-34037)).
10.23	Fourth Amended and Restated Credit Agreement, dated February 22, 2016, among SESI, L.L.C., Superior Energy Services, Inc., JPMorgan Chase Bank, N.A. and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed February 22, 2016 (File No. 001-34037)), as amended by the First Amendment to Fourth Amended and Restated Credit Agreement and Security Agreement, dated as of July 13, 2016 (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed July 14, 2016 (File No. 001-34037)), as further amended by the Second Amendment to Fourth Amended and Restated Credit Agreement and Security Agreement, dated as of October 25, 2016 (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed October 26, 2016 (File No. 001-34037)), as further amended by the Third Amendment to Fourth Amended and Restated Credit Agreement and Security Agreement, dated as of February 10, 2017 (incorporated herein by reference to Exhibit 10.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed February 13, 2017 (File No. 001-34037)).
14.1	Our Shared Core Values at Work (Code of Conduct) (incorporated herein by reference to Exhibit 14.1 to Superior Energy Services, Inc.'s Annual Report on Form 10-K filed February 26, 2015 (File No. 001-34037)).
21.1*	Subsidiaries of Superior Energy Services, Inc.
23.1*	Consent of KPMG LLP, independent registered public accounting firm.
31.1*	Officer's certification pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Officer's certification pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1*	Officer's certification pursuant to Section 1350 of Title 18 of the U.S. Code.
32.2*	Officer's certification pursuant to Section 1350 of Title 18 of the U.S. Code.
101.INS*	XBRL Instance Document

101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herein
^ Management contract or compensatory plan or arrangement

Table of Contents

SIGNATURES

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

SUPERIOR ENERGY SERVICES, INC.

Date: February 23, 2017

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

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

Signature	Title	Date
/s/ David D. Dunlap **David D. Dunlap**	President and Chief Executive Officer (Principal Executive Officer)	February 23, 2017
/s/ Robert S. Taylor **Robert S. Taylor**	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	February 23, 2017
/s/ Terence E. Hall **Terence E. Hall**	Chairman of the Board	February 23, 2017
/s/ Harold J. Bouillion **Harold J. Bouillion**	Director	February 23, 2017
/s/ James M. Funk **James M. Funk**	Director	February 23, 2017
/s/ Peter D. Kinnear **Peter D. Kinnear**	Director	February 23, 2017
/s/ Janiece M. Longoria **Janiece M. Longoria**	Director	February 23, 2017
/s/ Michael M. McShane **Michael M. McShane**	Director	February 23, 2017
/s/ W. Matt Ralls **W. Matt Ralls**	Director	February 23, 2017

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Schedule II Valuation and Qualifying Accounts
Years Ended December 31, 2016, 2015 and 2014
(in thousands)

Description	Balance at the beginning of the year	Charged to costs and expenses	Deductions	Discontinued operations	Balance at the end of the year
2016:					
Allowance for doubtful accounts	$ 28,242	$ 7,825	$ 6,327	$ -	$ 29,740
2015:					
Allowance for doubtful accounts	$ 22,076	$ 14,341	$ 4,795	$ 3,380	$ 28,242
2014:					
Allowance for doubtful accounts	$ 31,030	$ 6,299	$ 10,639	$ 4,614	$ 22,076

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this "Agreement") is by and between Superior Energy Services, Inc. ("Superior") and **<<Participant Name>>** (the "Award Recipient").

WHEREAS, Superior maintains the 2016 Incentive Award Plan (the "Plan"), under which the Compensation Committee of the Board of Directors of Superior (the "Committee") may, directly or indirectly, among other things, grant restricted stock units payable in shares of Superior's common stock, $.001 par value per share (the "Common Stock"), to key employees of Superior or its subsidiaries (collectively, the "Company"); and

WHEREAS, pursuant to the Plan the Committee has awarded to the Award Recipient restricted stock units on the terms and conditions specified below;

NOW, THEREFORE, the parties agree as follows:

1.

AWARD OF RESTRICTED STOCK UNITS

1.1 On **<<Grant Date>>** (the "Date of Grant"), and upon the terms and conditions of the Plan and this Agreement, and in consideration of services rendered, Superior awarded to the Award Recipient **<<Number Of Awards Granted>>** restricted stock units (the "RSUs"), that vest, subject to Sections 2 and 4 hereof, in annual installments (disregarding any fractional share) as follows:

Scheduled Vesting Date	Amount of RSUs To Vest
1st anniversary of the Date of Grant	33%
2nd anniversary of the Date of Grant	33%
3rd anniversary of the Date of Grant	Remaining balance

2.

TERMS OF RESTRICTED STOCK UNITS

2.1 Each RSU represents the right to receive from Superior, upon vesting, one share of Common Stock, free of any restrictions, and all Related Credits credited to the Award Recipient's Dividend Equivalent Account (as such terms are defined in Section 3.1) with respect to such RSU.

2.2 Neither the RSUs nor the right to receive Related Credits may be sold, assigned, donated, transferred, exchanged, pledged, hypothecated or otherwise encumbered. The Award

Recipient shall have no rights, including but not limited to, voting and dividend rights, in the shares of Common Stock underlying the RSUs unless and until such shares are issued to the Award Recipient, or as otherwise provided in this Agreement.

2.3 If the RSUs have not already vested in accordance with Section 1 above, the RSUs shall vest on the earlier of:(a) the date on which the employment of the Award Recipient terminates as the result of death or disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the “Code”)), (b) if permitted by the Committee and subject to any additional restrictions the Committee may impose, retirement or termination by the Company, or (c) the occurrence of a Change of Control (as defined in the Plan). Unless the Committee determines otherwise in the case of retirement of the Award Recipient or termination by the Company of the Award Recipient’s employment, termination of employment for any other reason, except termination upon a Change of Control, shall automatically result in the termination and forfeiture of all unvested RSUs.

3.

DIVIDEND EQUIVALENTS; ISSUANCE OF SHARES UPON VESTING

3.1 From and after the Date of Grant of an RSU until the issuance of the share of Common Stock payable in respect of such RSU, the Award Recipient shall be credited, as of the payment date therefor, with (a) the amount of any cash dividends and (b) the amount equal to the Fair Market Value of any shares of Common Stock, securities, or other property distributed or distributable in respect of one share of Common Stock to which the Award Recipient would have been entitled had the Award Recipient been a record holder of one share of Common Stock for each RSU at all times from the Date of Grant of such RSU to such issuance date (collectively, the “Related Credits”). All such Related Credits shall be made notionally to a dividend equivalent account (a “Dividend Equivalent Account”) established for the Award Recipient with respect to all RSUs granted on the same date. All such Related Credits shall vest or be forfeited at the same time and on the same terms as the RSUs to which they relate.

3.2 As soon as practicable after the vesting of the RSUs, but no later than 30 days from such date, Superior will credit the Award Recipient’s brokerage account with the shares of Common Stock and the cash value of any Related Credits applicable to such RSUs. If the RSUs have vested in connection with a Change of Control under Section 2.3, and the event constituting the Change of Control does not qualify as a change in the ownership of the Company, a change in the effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company under Section 409A of the Internal Revenue Code and any related implementing regulations or guidance (“Section 409A”), then settlement of the RSUs and distribution of the shares of Common Stock or other property and any Related Credits shall be delayed until the applicable vesting date set forth in Section 1 or such earlier time as settlement would be permissible under Section 409A. If the Award Recipient has not established a brokerage account, the shares and any cash payment due will be held by Superior’s transfer agent until such time as the Award Recipient opens an account.

3.3 Upon issuance of such shares of Common Stock, the Award Recipient is free to hold or dispose of such shares, subject to applicable securities laws and any internal Company policy then in effect and applicable to the Award Recipient, such as Superior's Insider Trading Policy and Executive Stock Ownership Guidelines.

4.

FORFEITURE OF AWARD

4.1 If the Award Recipient engages in grossly negligent conduct or intentional misconduct that either (i) requires the Company's financial statements to be restated at any time beginning on the Date of Grant and ending on the third anniversary of the end of the final vesting date set forth in Section 1 or (ii) results in an increase of the value of the RSUs upon vesting, then the Committee, after considering the costs and benefits to the Company of doing so, may seek recovery for the benefit of the Company of the difference between the shares of Common Stock received upon vesting during the three-year period following such conduct and the shares of Common Stock that would have been received based on the restated financial statements or absent the increase described in part (ii) above (the "Excess Shares"). All determinations regarding the amount of the Excess Shares shall be made solely by the Committee in good faith.

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

4.3 If the Committee determines that the Award Recipient owes any amount to the Company under Sections 4.1 or 4.2 above, the Award Recipient shall return to the Company the Excess Shares (or the shares recoverable under Section 4.2) acquired by the Award Recipient pursuant to this Agreement (or other securities into which such shares have been converted or exchanged) or, if no longer held by the Award Recipient, the Award Recipient shall pay to the Company, without interest, all cash, securities or other assets received by the Award Recipient upon the sale or transfer of such shares. The Award Recipient acknowledges that the Company may, to the fullest extent permitted by applicable law, deduct such amount owed from any amounts the Company owes the Award Recipient from time to time for any reason (including without limitation amounts owed to the Award Recipient as salary, wages, reimbursements or other compensation, fringe benefits, retirement benefits or vacation pay). Whether or not the Company elects to make any such set-off in whole or in part, if the Company does not recover by means of set-off the full amount the Award Recipient owes it, the Award Recipient hereby agrees to pay immediately the unpaid balance to the Company.

5.

WITHHOLDING TAXES; SECTION 409A

5.1 At the time that all or any portion of the RSUs vest, the Award Recipient must deliver to Superior the amount of income tax withholding required by law. In accordance with and subject to the terms of the Plan, the Award Recipient may satisfy the tax withholding obligation in whole or in part by delivering currently owned shares of Common Stock or by electing to have Superior withhold from the shares the Award Recipient otherwise would receive upon vesting of the RSUs shares of Common Stock having a Fair Market Value equal to the minimum amount required to be withheld (as determined under the Plan).

5.2 It is intended that the payments and benefits provided under this Agreement will comply with the requirements of Section 409A or an exemption there from. This Agreement shall be interpreted, construed, administered, and governed in a manner that effects such intent. No acceleration of the settlement of RSUs shall be permitted unless permitted under Section 409A.

6.

ADDITIONAL CONDITIONS

Anything in this Agreement to the contrary notwithstanding, if at any time Superior further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of the shares of Common Stock issuable pursuant here to is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the issuance of shares of Common Stock pursuant here to, such shares of Common Stock shall not be issued, in whole or in part, or the restrictions there on removed, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to Superior. Superior agrees to use commercially reasonable efforts to issue all shares of Common Stock issuable hereunder on the terms provided herein.

7.

NO CONTRACT OF EMPLOYMENT INTENDED

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

8.

BINDING EFFECT

This Agreement may not be transferred, assigned pledged or hypothecated in any manner or law or otherwise, other than by will or by the laws of descent and distribution, and shall not be subject to execution, attachment or similar process. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives and permitted successors. Without limiting the generality of the foregoing, whenever the term "Award Recipient" is used in any provision of this Agreement under circumstances where the provision appropriately applies to the heirs, executors, administrators or legal representatives to whom this award may be transferred by will or by the laws of descent and distribution, the term “Award Recipient” shall be deemed to include such person or persons.

9.

INCONSISTENT PROVISIONS

The RSUs granted hereby are subject to the terms, conditions, restrictions and other provisions of the Plan as fully as if all such provisions were set forth in their entirety in this Agreement. If any provision of this Agreement conflicts with a provision of the Plan, the Plan provision shall control. The Award Recipient acknowledges that a copy of the Plan and a prospectus summarizing the Plan was distributed or made available to the Award Recipient and that the Award Recipient was advised to review such materials prior to entering into this Agreement. The Award Recipient waives the right to claim that the provisions of the Plan are not binding upon the Award Recipient and the Award Recipient’s heirs, executors, administrators, legal representatives and successors.

10.

GOVERNING LAW

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

11.

SEVERABILITY

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

12.

ENTIRE AGREEMENT; MODIFICATION; WAIVER

The Plan and this Agreement contain the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan, as it may be amended from time to time in the manner provided there in, or in this Agreement, as it may be amended from time to time by a written document signed by each of the parties hereto. Any oral or written agreements, representations, warranties, written inducements, or other communications with respect to the subject matter contained herein made prior to the execution of the Agreement shall be void and ineffective for all purposes. The Award Recipient acknowledges that a waiver by Superior of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Award Recipient or any other Plan participant.

13.

ELECTRONIC DELIVERY; ACCEPTANCE OF AGREEMENT

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

13.2 The Award Recipient must expressly accept the terms and conditions of this Agreement by electronically accepting this Agreement in a timely manner. If the Award Recipient does not accept the terms of this Agreement, this award of RSUs is subject to cancellation.

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

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

<<Electronic Signature>>

<<Acceptance Date>>

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

EXHIBIT 10.15

STOCK OPTION AGREEMENT

THIS AGREEMENT is by and between Superior Energy Services, Inc. (“Superior”), and **<<Participant Name>>** (“Optionee”).

WHEREAS Optionee is a key employee of Superior or one of its subsidiaries (collectively, the “Company”) and Superior considers it desirable and in its best interest that Optionee be given an inducement to acquire a proprietary interest in the Company and an added incentive to advance the interests of the Company by possessing an option to purchase shares of the common stock of Superior, $.001 par value per share (the “Common Stock”), in accordance with the 2016 Incentive Award Plan (the “Plan”).

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties as follows:

1.

GRANT OF OPTION

On **<<Grant Date>>** (the “Date of Grant”), Superior granted to Optionee the right, privilege and option to purchase **<<Number Of Awards Granted>>** shares of Common Stock (the “Option”) at an exercise price of **<<Grant Price>>** per share (the “Exercise Price”). The Option shall be exercisable at the time specified in Section 2 below. The Option is a non-qualified stock option and shall not be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).

2.

TIME OF EXERCISE

2.1 Subject to the provisions of the Plan and the other provisions of this Agreement, the Option shall vest in annual installments (disregarding any fractional shares) as follows:

Scheduled Vesting Date	Amount of Shares To Vest
1st anniversary of the Date of Grant	33%
2nd anniversary of the Date of Grant	33%
3rd anniversary of the Date of Grant	Remaining balance

The Option shall expire and may not be exercised later than the tenth anniversary of the Date of Grant.

2.2 Except as otherwise provided herein, upon the termination of Optionee's employment with the Company, any portion of the Option that has not yet become exercisable shall terminate immediately. If (a) Optionee's employment by the Company is terminated because of death or disability (within the meaning of Section 22(e)(3)of the Code), or (b) if there has been a Change of Control (as defined in the Plan), then any portion of the Option that has not yet vested shall become immediately exercisable on the date of such termination of employment or Change of Control. If Optionee's employment by the Company is terminated because of (a) Optionee's retirement on or after reaching age 55 with five years of service, or (b) the Company's termination of Optionee's employment without Cause (as defined below), then, if approved by the Compensation Committee of the Board of Directors of Superior, any portion of the Option that has not yet vested shall become immediately exercisable on the date of such termination of employment.

2.3 If Optionee's employment by the Company is terminated for Cause, the Option shall terminate in full immediately, whether or not exercisable at the time of termination of employment. "Cause" for termination of employment shall be deemed to exist upon either (a) a final determination is made in accordance with the terms of Optionee's employment agreement, if any, with the Company that Optionee's employment has been terminated for "cause" within the meaning of the employment agreement or (b), if Optionee is not subject to an employment agreement: (i) failure to abide by the Company's rules and regulations governing the transaction of its business, including without limitation, its policy titled "Our Shared Core Values at Work" (Code of Conduct); (ii) inattention to duties, or the commission of acts within employment with the Company amounting to negligence or misconduct; (iii) misappropriation of funds or property of the Company or committing any fraud against the Company or against any other person or entity in the course of employment with the Company; (iv) misappropriation of any corporate opportunity, or otherwise obtaining personal profit from any transaction which is adverse to the interests of the Company or to the benefits of which the Company is entitled; or (v) the commission of a felony or other crime involving moral turpitude.

2.4 Except as provided in Sections 2.5 and 2.6, if Optionee's employment with the Company is terminated, the Option must be exercised, to the extent exercisable at the time of termination of employment, within 30 days of the date on which Optionee ceases to be an employee, but in no event later than the tenth anniversary of the Date of Grant.

2.5 If Optionee's employment by the Company is terminated because of (a) death, (b) disability (within the meaning of Section 22(e)(3) of the Code) or (c) retirement on or after reaching age 55 with five years of service, the Option must be exercised, to the extent exercisable at the time of termination of employment, on or before the tenth anniversary of the Date of Grant. In the event of Optionee's death, the Option may, to the extent exercisable at the time of death, be exercised by his estate, or by the person to whom such right devolves from him by reason of his death. If Optionee's employment is terminated by the Company other than for Cause, then the Option must be exercised, to the extent exercisable at the time of termination of employment, within five years following the date of termination of employment, but in no event later than the tenth anniversary of the Date of Grant.

2.6 If there has been a Change of Control (as defined in the Plan) of Superior, (a) if the Option remains outstanding after the Change of Control, either as a right to purchase Common Stock or as a right to purchase that number and class of shares of stock or other securities or property (including without limitation, cash) to which Optionee would have been entitled if, immediately prior to the Change of Control, Optionee had been the record owner of the number of shares of Common Stock then covered by the Option and (b) if Optionee's employment is terminated by the Company other than for Cause within a one-year period following the Change of Control, then the Option must be exercised within five years following the date of termination of employment, but in no event later than the tenth anniversary of the Date of Grant.

3.

FORFEITURE OF OPTION GAIN

3.1 If the Optionee engages in grossly negligent conduct or intentional misconduct that either (i) requires the Company's financial statements to be restated at any time beginning on the Date of Grant and ending on the third anniversary of the end of the final vesting date set forth in Section 1 or (ii) results in an increase of the value of the Options upon exercise, then the Committee, after considering the costs and benefits to the Company of doing so, may seek recovery for the benefit of the Company of the difference between the shares of Common Stock received upon exercise of the Options during the three-year period following such conduct and the shares of Common Stock that would have been received based on the restated financial statements or absent the increase described in part (ii) above (the "Excess Shares"). All determinations regarding the amount of the Excess Shares shall be made solely by the Committee in good faith.

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

3.3 If the Committee determines that Optionee owes any amount to the Company under Sections 3.1 or 3.2 above, Optionee shall return to the Company the Excess Shares (or the shares recoverable under Section 3.2) acquired by Optionee pursuant to this Agreement (or other securities into which such shares have been converted or exchanged) or, if no longer held by Optionee, Optionee shall pay to the Company, without interest, all cash, securities or other assets received by Optionee upon the sale or transfer of such shares. Optionee acknowledges that the Company may, to the fullest extent permitted by applicable law, deduct such amount owed from any amounts the Company owes Optionee from time to time for any reason (including without limitation amounts owed to Optionee as salary, wages, reimbursements or other compensation, fringe benefits, retirement benefits or vacation pay). Whether or not the Company elects to make any such set-off in whole or in part, if the Company does not recover by means of set-off the full amount Optionee owes it, Optionee hereby agrees to pay immediately the unpaid balance to the Company.

4.

METHOD OF EXERCISE OF OPTION

Optionee may exercise all or a portion of the Option by contacting Fidelity Investments, the Company's third party administrator, or any successor administrator, in accordance with the procedures established by Superior. Optionee shall specify the number of shares to be purchased and must pay the total Exercise Price of the shares, which may be accomplished in any manner set forth in the Plan or approved by Superior. Once Superior or its delegee has received the Exercise Price for the shares, the appropriate officer of Superior shall cause the transfer of title of the shares purchased to Optionee on Superior's stock records and cause such shares to be issued in Optionee's name or to an account in Optionee's name with his brokerage firm. Optionee shall not have any rights as a stockholder until such shares are issued to him.

5.

NO CONTRACT OF EMPLOYMENT INTENDED

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

6.

NON-TRANSFERABILITY, BINDING EFFECT AND SUCCESSORS

6.1 The Option may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and shall not be subject to execution, attachment or similar process. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors and administrators and permitted successors.

6.2 If in connection with a Change of Control, the Option is assumed by a successor to the Company, then, as used herein, "Company" shall include any successor to the Company's business and assets that assumes and agrees to perform this Agreement.

7.

INCONSISTENT PROVISIONS

The Option is subject to the provisions of the Plan as in effect on the date hereof and as it may be amended. In the event any provision of this Agreement conflicts with such a provision of the Plan, the Plan provision shall control.

8.

GOVERNING LAW

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

9.

ENTIRE AGREEMENT; MODIFICATION; WAIVER

The Plan and this Agreement contain the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan, as it may be amended from time to time in the manner provided therein, or in this Agreement, as it may be amended from time to time by a written document signed by each of the parties hereto. Any oral or written agreements, representations, warranties, written inducements, or other communications with respect to the subject matter contained herein made prior to the execution of the Agreement shall be void and ineffective for all purposes. Optionee acknowledges that a waiver by Superior of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee or any other Plan participant.

10.

ELECTRONIC DELIVERY; ACCEPTANCE OF AGREEMENT

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

10.2 Optionee must expressly accept the terms and conditions of this Agreement by electronically accepting this Agreement in a timely manner. If Optionee does not accept the terms of this Agreement, this Option is subject to cancellation.

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

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

<<Electronic Signature>>

<<Acceptance Date>>

EXHIBIT 10.16

PERFORMANCE SHARE UNIT AWARD AGREEMENT

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

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

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

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

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

Section 2. Award.

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

(b) Depending on the Company’s achievement of the performance goals specified in Section 2(c) during the period beginning January 1, 2017 and ending December 31, 2019 (the “Performance Period”), the Participant shall be entitled to a payment equal to the value of the Units determined pursuant to Section 2(d) if, except as otherwise provided in Section 3, he remains actively employed with the Company through the end of the Performance Period.

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

Relative ROA

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

Relative TSR

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

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

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

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

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

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

Section 3. Early Termination; Change of Control.

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

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

Section 4. Forfeiture of Award.

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

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

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

Section 5. Miscellaneous.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<<Electronic Signature>>

<<Acceptance Date>>

PEER GROUP COMPANIES

Baker Hughes Incorporated
Basic Energy Services Inc.
FMC Technologies, Inc.
Halliburton Company
Helix Energy Solutions Group Inc.
Helmerich & Payne, Inc.
Key Energy Services, Inc.
Nabors Industries Ltd.
National Oilwell Varco, Inc.
Oceaneering International, Inc.
Oil States International, Inc.
Patterson-UTI Energy, Inc.
RPC, Inc.
Schlumberger Limited
Weatherford International, Ltd.

If any peer group company's Relative ROA or Relative TSR shall cease to be publicly available (due to a business combination, receivership, bankruptcy or other event) or if any such company is no longer publicly held, the Committee shall exclude that company from the peer group and, in its sole discretion, substitute another comparable company.

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

SUPERIOR ENERGY SERVICES, INC.

NOTICE OF GRANT OF
RESTRICTED STOCK UNITS
UNDER THE
2016 INCENTIVE AWARD PLAN

Pursuant to the terms of the Superior Energy Services, Inc. 2016 Incentive Award Plan (the "Plan"), **<<Director Name>>** (the "Director"), being a non-management member of the Board of Directors (the "Board") of Superior Energy Services, Inc. (the "Company"), was granted restricted stock units ("RSUs") as hereinafter set forth. The RSUs were granted as a matter of separate inducement in connection with his service as a director of the Company, and not in lieu of any fee or other compensation for service as a director. This Notice is subject to the provisions of the Plan, and all terms not otherwise defined herein shall have the meanings set forth in the Plan.

Grant Date:	**<<Date of Grant>>**
Number of RSUs Granted:	**<<Units Granted>>**
Scheduled Vesting Date:	The date of the Company's 2017 annual meeting of stockholders

1. The following terms and conditions shall apply to the RSUs.

1.1 Each RSU represents the right to automatically receive from the Company, on the Scheduled Vesting Date, one share (a "Share") of Common Stock, free of any restrictions, and all cash, securities and property credited to or deposited in the Director's Dividend Equivalent Account (as defined in Section 1.2) with respect to such RSU, except as otherwise set forth herein.

1.2 From and after the Grant Date of an RSU until the issuance of the Shares payable in respect of such RSU, the Director shall be credited, as of the payment date therefor, with (a) the amount of any cash dividends and (b) the amount equal to the Fair Market Value of any Shares, securities, or other property distributed or distributable in respect of one share of Common Stock to which the Director would have been entitled had the Director been a record holder of one share of Common Stock for each RSU at all times from the Grant Date of such RSU to such issuance date (collectively, the "Related Credits"). All such Related Credits shall be made notionally to a dividend equivalent account (a "Dividend Equivalent Account") established for the Director with respect to all RSUs granted on the same date.

1.3 (a) Except as otherwise set forth in this Section 1.3, the Director's termination of service on the Board prior to vesting of the RSUs shall have no effect on the outstanding RSUs and Related Credits.

(b) If the Director voluntarily resigns from the Board prior to the vesting of the RSUs, then all unvested RSUs and Related Credits shall immediately be forfeited on the date the Director ceases to serve on the Board.

(c) If the Director's service on the Board terminates by reason of the Director's death or disability (as defined herein), all unvested RSUs and Related Credits shall vest as of the date the Director ceases to serve on the Board, provided such cessation of service also constitutes a "separation from service" in accordance with Section 409A of the Internal Revenue Code and any related implementing regulations or guidance ("Section 409A").

(d) For purposes of this Section 1.3, a "disability" shall have occurred if the Director is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Director's employer.

1.4 Upon a Change of Control, all outstanding RSUs shall become fully vested; provided, however, that if the event constituting the Change of Control of the Company does not qualify as a change in the ownership of the Company, a change in the effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company under Section 409A, then settlement of the RSUs and distribution of the Shares shall be delayed until the Scheduled Vesting Date or such earlier time as settlement would be permissible under Section 409A.

2. The terms of this Notice shall bind and inure to the benefit of the Director, the Company and the successors and assigns of the Company and, to the extent provided in the Plan and in this Notice, the legal representatives of the Director.

3. This Notice may at any time be amended by the Committee provided that no amendment to this Notice that materially impairs the benefits provided to the Director hereunder may be made without the Director's consent.

4. It is intended that the payments and benefits provided under this Notice will comply with the requirements of Section 409A or an exemption therefrom. This Notice shall be interpreted, construed, administered, and governed in a manner that effects such intent. No acceleration of the settlement of RSUs shall be permitted unless permitted under Section 409A.

SUPERIOR ENERGY SERVICES, INC.

By: ________________________________
David D. Dunlap
President and Chief Executive Officer

SUPERIOR ENERGY SERVICES, INC.
List of Subsidiaries

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

SUBSIDIARY NAME	STATE OF JURISDICTION OF INCORPORATION OR ORGANIZATION
1105 Peters Road, L.L.C.	Louisiana
Alliance Energy Service Co. LLC	Colorado
Complete Energy Services, Inc.	Delaware
CSI Technologies, L.L.C.	Texas
H.B. Rentals, L.C.	Louisiana
Ingenieria y Technologia de Servicios S.A.S.	Colombia
Integrated Production Services, Inc.	Delaware
International Snubbing Services, L.L.C.	Louisiana
Monument Well Service Co.	Delaware
Pumpco Energy Services, Inc.	Delaware
SES Canada, ULC	Canada
SESI, L.L.C.	Delaware
Stabil Drill Specialties, L.L.C.	Louisiana
Superior Energy International, C.V.	Netherlands
Superior Energy Services (UK) Limited	United Kingdom
Superior Energy Services - Servicos de Petroleo do Brasil, Ltda.	Brazil
Superior Energy Services (SPN) B.V.	Netherlands
Superior Energy Services Group B.V.	Netherlands
Superior Energy Services S.A	Argentina
Superior Energy Services, L.L.C.	Louisiana
Superior Energy Services - North America Services, Inc.	Delaware
Superior-Wild Well Energy Services Limited	United Kingdom
Texas CES, Inc.	Texas
Warrior Energy Services Corporation	Delaware
Wild Well Control, Inc.	Texas
Workstrings International Limited	United Kingdom
Workstrings International, L.L.C.	Louisiana

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Superior Energy Services, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-125316, 333-116078, 333-136809, 333-161212, 333-174972, 333-177679, 333-189130, 333-204563, 333-211565) on Form S-8 of Superior Energy Services, Inc. and subsidiaries of our reports dated February 23, 2017, with respect to the consolidated balance sheets of Superior Energy Services, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows, for each of the years in the three-year period ended December 31, 2016, and related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2016, which reports appear in the December 31, 2016 annual report on Form 10-K of Superior Energy Services, Inc.

KPMG LLP

Houston, Texas
February 23, 2017

EXHIBIT 31.1

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

I, David D. Dunlap, President and Chief Executive Officer of Superior Energy Services, Inc., certify that:

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

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

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

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

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

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: February 23, 2017

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

EXHIBIT 31.2

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

I, Robert S. Taylor, Executive Vice President, Treasurer and Chief Financial Officer of Superior Energy Services, Inc., certify that:

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

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

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

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

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: February 23, 2017

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

EXHIBIT 32.1

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

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

1. the annual report on Form 10-K of the Company for the year ended December 31, 2016 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

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

Date: February 23, 2017

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

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

EXHIBIT 32.2

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

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

1. the annual report on Form 10-K of the Company for the year ended December 31, 2016 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

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

Date: February 23, 2017

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

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