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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): December 12, 2012**

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**SUPERIOR ENERGY SERVICES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction)

**001-34037**  
(Commission  
File Number)

**75-2379388**  
(IRS Employer  
Identification No.)

**11000 Equity Dr., Suite 300**  
**Houston, TX**  
(Address of principal executive offices)

**77041**  
(Zip Code)

**(281) 999-0047**  
(Registrant's telephone number, including area code)

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

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

*(e) New Change of Control Severance Plan and Employment Agreements with Executive Officers*

On December 12, 2012, the Board of Directors (the “Board”) of Superior Energy Services, Inc. (the “Company”), following the recommendation of the Compensation Committee of the Board (the “Committee”), approved a new form of executive employment agreement (the “Employment Agreement”) and a related Change of Control Severance Plan (“Severance Plan”). As discussed in more detail below, following approval by the Board, the new Employment Agreements were entered into by the Company and most of its executive officers, including David D. Dunlap, President and Chief Executive Officer, Robert S. Taylor, Executive Vice President, Treasurer, and Chief Financial Officer, A. Patrick Bernard, Senior Executive Vice President, and William B. Masters, Executive Vice President and General Counsel. The new program, which includes the Employment Agreements and the Severance Plan, will not become effective until June 15, 2013, subject to the Board’s unilateral right to cancel the arrangements prior to that date.

We believe this program is unique in that it eliminates excise tax gross up payments, places a cap on the cash severance amounts due our executive officers at a small fraction of the change of control transaction value, and calculates each executive’s benefit as a percentage of this capped amount. This structure creates a team-based cash severance benefit that focuses our executives’ attention on maximizing shareholder value in the event of a change of control. Under the new program, each executive executing a new Employment Agreement will become a participant in the Severance Plan and will be entitled to a cash severance payment if his employment is terminated in connection with a change of control (as defined in the Severance Plan). The severance payments are made from a transaction sharing pool that is calculated as of the date of the change of control and based on the transaction value of the Company at the time of the change of control (with the transaction pool increasing or decreasing as the transaction value or consideration increases or decreases, respectively). Each participant’s portion of the transaction sharing pool is determined by reference to the participant’s annual base salary, target bonus and unvested long-term incentive awards as compared to other participants, and is set as of the date of the change of control. The severance payment is calculated for each participant in a way that takes into account taxes on the participant, however, each participant is liable for any taxes, including any excise taxes, due as a result of the severance payments. If a participant is not terminated during the protected period, his interest in the pool is not paid and is not allocated to other participants. The terms of the new program, as set forth in the Employment Agreements and the Severance Plan, are summarized below.

**Background**

For over a year, the Committee has worked extensively with outside compensation advisers and management to evaluate the Company’s existing change of control severance benefits in light of current trends and shareholder views, with the goal of developing a new program that better aligns the interests of shareholders, executives and the Company by:

- Eliminating excise tax gross ups;
- Providing consistent treatment among executive officers to create a more team-based approach;
- Motivating executive officers to enhance shareholder value by incorporating a performance-based element into the program that aligns the interests of the executives and shareholders, even in a declining stock price environment;
- Allowing and fostering the Company's ability to effectively compete for and retain executive talent by maintaining protections for the executives if their employment is terminated in connection with a change of control; and
- Providing a predictable severance expense through the use of a transaction pool from which executive cash severance benefits are payable following a change of control.

The Committee recognized that there is dissatisfaction among shareholders of public companies and their advisers regarding the traditional manner in which executive change of control severance benefits are structured. In particular, the provision of excise tax gross up payments has received criticism as a potentially excessive benefit, where the Company's cost to provide the benefit can be disproportionate to the financial benefit realized by the executive. The Committee believes, however, that excise tax gross up payments can serve important purposes by (i) equalizing the benefits realized by similarly situated executives, which in turn benefits shareholders by promoting uniform interest in pursuing strategic opportunities for the Company by the entire executive team, and (ii) ensuring that key executives are not disadvantaged in their ability to realize a promised benefit by their past compensation history or tenure with the Company. As such, we endeavored to structure a program that eliminated the excise tax gross up provisions currently provided to most of our executives, while at the same time addressing our desire to ensure that our executives are treated uniformly in the event of a termination following a change of control. In addition, we sought to incorporate a performance element into the program, under which the aggregate pool available to fund cash severance payments to our executives following termination would increase or decrease based upon the change of control transaction value. This further aligns the program with shareholder interests.

After considerable review and discussion, negotiations with the executive team, and efforts to seek input from the Company's largest shareholders and advisory groups during 2012, the Committee and the full Board approved the new program, which they believe effectively incorporates all of their objectives outlined above.

### **Executive Employment Agreement**

The Employment Agreements address the terms of executive employment, compensation and potential severance benefits in the event of a termination of employment. Each Employment Agreement becomes operative on June 15, 2013. Once the Employment Agreements become effective, the term of each Employment Agreement shall continue until June 15, 2016, with the term automatically extending on June 15, 2015 and each anniversary thereof for an additional year unless either party provides at least 60 days prior written notice of that party's election not to extend the term. In the event the Board chooses to terminate the new program before June 15, 2013, the new Employment Agreements will not become effective, and any existing executive

employment agreements, and change of control severance benefits provided therein, will remain in effect.

The Employment Agreements provide that the executives will (i) receive a base salary that is no less than their base salary level in effect on January 1, 2013, (ii) be eligible for annual incentive bonuses and long-term equity-based incentive awards as approved by the Committee, (iii) participate in the retirement and welfare benefit plans of the Company, and (iv) be participants in the Severance Plan.

Under the Employment Agreements, if (i) the Company terminates an executive's employment due to the executive's incapacity, or (ii) the Company terminates his employment without "cause" or the executive terminates the executive's employment for "good reason" (each as defined in the Employment Agreement) and such termination does not occur within six months before or 24 months after a "change of control" (as defined in the Severance Plan), then the Company will be required to pay to the executive (a) the executive's base salary through the date of termination, any unpaid incentive compensation for calendar years completed prior to the date of termination, any rights under the terms of equity awards and any medical or other welfare benefits required by law (the "Accrued Amounts"), (b) on the first business day following the date that is 60 days after the date of termination, a lump sum amount equal to two times the sum of the executive's (1) annual salary plus (2) target annual bonus, and (iii) on the first business day following the date that is 60 days after the date of termination, a lump sum amount equal to the executive's target annual bonus for the year of termination, pro-rated for days of employment during such year. In addition, following such termination, the executive and the executive's spouse and/or family, as applicable, will be entitled to continued participation in the Company's group health benefit plans for a period of 24 months (the "Welfare Continuation Benefit"). The payments and benefits described in connection with such terminations are subject to the executive's timely execution of a release of claims against the Company, and are also subject to the six month payment delay requirements under Internal Revenue Code Section 409A, if applicable.

If the executive is terminated by the Company without cause or if the executive terminates his employment for good reason and such termination occurs within six months before or 24 months after a change of control, then the Company will be required to pay or provide to the executive (i) the Accrued Amounts, (ii) a cash severance payment pursuant to the terms of the Severance Plan, (iii) on the first business day following the date that is 60 days after the date of termination, a lump sum amount equal to the executive's target annual bonus for the year of termination, pro-rated for days of employment during such year, (iv) outplacement services at a cost of up to \$10,000, and (v) the Welfare Continuation Benefit. The executive is liable for any taxes, including any excise taxes on excess parachute payments, on the executive due to payments or benefits pursuant to the Employment Agreement.

If the executive is terminated by the Company for cause, due to the executive's death or by the executive without good reason, then the Company will be required to pay to the executive (or to the executive's estate) the Accrued Amounts.

Each Employment Agreement contains an indefinite confidentiality and protection of information covenant, as well as a mutual non-disparagement covenant and non-solicitation covenant extending for one year after termination of employment. If the executive is terminated

by the Company for cause or if the executive terminates the executive's employment without good reason, the executive will be bound by a non-compete extending for one year after the date of the executive's termination. A composite form of the new Employment Agreement is included as Exhibit 10.1 to this Current Report on Form 8-K, incorporated by reference herein, and the description of the agreement herein is qualified in its entirety by reference to such Exhibit.

### **Change of Control Severance Plan**

The Severance Plan provides an enhanced severance payment to participants to encourage retention during periods of uncertainty when a change of control has occurred and assist participants with transition to other employment. The initial participants in the Severance Plan are those executive officers who are party to an effective Employment Agreement on the effective date. Additional participants may become eligible under the Severance Plan by written agreement.

Participants in the Severance Plan are entitled to a cash severance payment if the participant's employment is terminated by the Company without "cause" or by the participant for "good reason" during the period beginning six months prior to a "change of control" and ending two years after the change of control (each as defined in the Severance Plan). The severance payments are made from a transaction sharing pool that is calculated as of the date of the change of control. The amount of the transaction sharing pool is determined with respect to the transaction value of the Company at the time of the change of control (with such transaction pool increasing or decreasing as such transaction value increases or decreases, respectively) pursuant to the terms of the Severance Plan. Specifically, the transaction sharing pool ranges from \$15 million if the transaction value is \$1 billion (representing 1.50% of the transaction value), up to \$50 million if the transaction value is \$20 billion (representing 0.25% of the transaction value), with the Committee determining the pool should the transaction value fall outside this range. A participant's share of the transaction pool is not set in advance, and is determined at the time of the change of control by reference to the participant's annual base salary, target bonus and unvested long-term incentive awards as compared to other participants. The severance payment will be calculated for each participant in a way that takes into account taxes on the participant, including any applicable excise taxes on excess parachute payments, so that the participants are treated equitably according to their position in the organization on an after-tax basis. Participants in the Severance Plan, however, are liable for any taxes, including any excise taxes on excess parachute payments, on the participant due to severance payments pursuant to the Severance Plan. If a participant is not terminated during the protected period, his interest in the pool is not paid and is not allocated to other participants. The Severance Plan is included as Exhibit 10.2 to this Current Report on Form 8-K, incorporated by reference herein, and the description of the plan herein is qualified in its entirety by reference to such Exhibit.

#### *Amendment of Mr. Dunlap's Employment Agreement*

On December 12, 2012, the Company and Mr. Dunlap entered into Amendment No. 1 to Mr. Dunlap's current employment agreement (the "Amendment"). As noted above, the new Employment Agreement between the Company and Mr. Dunlap will not become effective until June 15, 2013. Mr. Dunlap's current employment agreement will expire on April 27, 2013. In order to ensure continuity of the employment relationship between the Company and Mr. Dunlap

pending the effectiveness of the new Employment Agreement, the Amendment (i) extends the term of the current employment agreement to April 27, 2014 (although this agreement will be superseded by the new Employment Agreement if it becomes effective on June 15, 2013), and (ii) replaces the mandatory reduction of benefits in connection with a change of control with a provision providing for such a reduction of benefits if the net after-tax benefit of such reduction exceeds the net after-tax benefit if such reduction is not made (a “best-net” approach). The Amendment is included as Exhibit 10.3 to this Current Report on Form 8-K, incorporated by reference herein, and the description of the Amendment herein is qualified in its entirety by reference to such Exhibit.

*Approval of Base Salary Increases*

On December 12, 2012, the Committee approved increases to the base salaries of certain executive officers of the Company, including Mr. Dunlap, the Company’s Chief Executive Officer, and the named executive officers (as that term is defined in Item 402(a)(3) of Regulation S-K) noted below. The base salary increases are effective January 1, 2013. The adjusted base salaries will be as follows:

Recipient	Title	Salary
David D. Dunlap	President and Chief Executive Officer	\$ 960,000
Robert S. Taylor	Executive Vice President, Treasurer, and Chief Financial Officer	\$ 515,000
William B. Masters	Executive Vice President and General Counsel	\$ 437,800

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit Number	Description
10.1	Composite Form of Employment Agreement by and between Superior Energy Services, Inc. and its executive officers.
10.2	Superior Energy Services, Inc. Change of Control Severance Plan.
10.3	Amendment No. 1 to Employment Agreement between Superior Energy Services, Inc. and David D. Dunlap.

**SIGNATURE**

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

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor

Robert S. Taylor  
Executive Vice President, Treasurer,  
and Chief Financial Officer

Date: December 18, 2012

**Composite Form of Employment Agreement for  
Messrs. Dunlap, Taylor, Bernard, Masters,  
Young, Rosenstein, Cook and Ballard**

EMPLOYMENT AGREEMENT

between

SUPERIOR ENERGY SERVICES, INC.

and

[ \_\_\_\_\_ ]

Dated as of December 12, 2012



EMPLOYMENT AGREEMENT

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

WITNESSETH:

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

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

**[WHEREAS**, Executive and the Company are parties to that certain Employment Agreement, effective \_\_\_\_\_, 20\_\_ (the "Original Employment Agreement") which shall be superseded effective as of the Effective Date by this Agreement.]<sup>1</sup>

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

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

2. Position and Duties.

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

<sup>1</sup> All executive officers except Mr. Ballard, as he does not have a prior employment agreement

<sup>2</sup> Mr. Dunlap only

<sup>3</sup> All executive officers except Mr. Dunlap

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

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

### 3. Term and Effectiveness.

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

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

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

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

<sup>4</sup> All executive officers except Mr. Ballard

(a) Salary. The Company shall pay to Executive a minimum annual base salary that is no less than Executive's annual base salary in effect as of January 1, 2013 (such annual base salary, as it may be increased from time to time as provided herein, the "Base Salary"), which shall be paid in equal semi-monthly installments in accordance with the Company's regular payroll practices for its executive officers. The Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "Compensation Committee"). Any increase in Base Salary shall not serve to limit or reduce any other obligation of the Company to Executive hereunder. At no time during the Employment Period shall the Base Salary of Executive, as increased from time to time, be reduced without the prior written consent of Executive.

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

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

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

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

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

(g) Automobile. The Company shall provide an automobile allowance to Executive so that Executive may obtain an automobile for Executive's use in the

discharge of his duties, and such automobile shall be maintained at the expense of the Company, in accordance with the Company's policies and practices for its executive officers.

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

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

#### 5. Termination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notwithstanding the foregoing, Good Reason shall not exist unless: (i) Executive provides written notice to the Company of the existence of the Good Reason event within 60 days of Executive having knowledge of its initial existence, (ii) the Company is provided 30 days from the receipt of such notice during which it may remedy the Good Reason event (if

such Good Reason event is cured by the Company by the end of such 30 day period, Executive shall not have Good Reason to terminate employment), (iii) Executive gives written notice to the Company of his intent to terminate employment within 30 days after the Company's right to cure has lapsed, and (iv) Executive actually terminates Executive's employment no later than the date that is one year after the date Executive had knowledge of the initial existence of Good Reason.

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

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

#### 6. Compensation Upon Termination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 7. Nondisclosure and Non-Competition.

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

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



involved in well development and production; (f) marine and subsea services, including, without limitation, engineering, design, construction, installation and project management of subsea wells and related intervention, inspection, repair and maintenance; (g) providing oilfield decommissioning, plugging and abandonment services, including, without limitation, dismantling and removing of infrastructure.

(ii) “Confidential Information” means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned was not known by or available to Executive through means other than his employment by the Company and is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including, without limitation, (a) information relating to the Company’s or its subsidiaries’ products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants’ reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software; (b) information, ideas, concepts, improvements, discoveries or inventions, whether patentable or not, which Executive conceived, made, developed or acquired, individually or in conjunction with others, during Executive’s employment by the Company that relate to the Company’s Business; (c) ideas, prospects, proposals or other opportunities relating to the Company’s Business that any third party originated and brought to Executive’s attention during his employment by the Company; and (d) and internal notes and memoranda relating to any of the foregoing.

(b) Nondisclosure of Confidential Information. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive’s employment by the Company and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the Employment Period, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process,

and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

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

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

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for

hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

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

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

(d) Protection of Information.

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

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

customers, suppliers, partners, joint ventures, and the like, of the Company, Executive also agrees to preserve and protect the confidentiality of such third party Business Information to the same extent, and on the same basis, as the Company's Business Information.

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

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

(e) Non-Disparagement. Throughout the Employment Period and for 12 months thereafter, Executive and the Company each agree that neither shall engage in, directly or through another, any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) that are disparaging, deleterious, or damaging to the integrity, reputation or good will of (i) the

Company, (ii) its management, products or services, or (iii) Executive; however, it is expressly understood that neither this paragraph nor any other term of this Agreement is intended to or shall have the effect of precluding Executive or the Company from good faith compliance with federal or state laws or regulations requiring factual disclosures concerning Executive or the Company.

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

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

(h) Executive's Understanding of this Section. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section 7. Executive acknowledges that the geographic scope and duration of the covenants contained in Section 7(c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is

restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable. The provisions of this Section 7 are supplemental to and do not supersede Executive's obligations under applicable law, regulation, or policy. Executive understands and acknowledges that the Company has made substantial investments in its business, including its goodwill and Confidential Information. Executive agrees that such investments are worthy of protection, and that the Company's need for the protection afforded by this Section 7 is greater than any hardship Executive might experience by complying with its terms. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section 7.

#### 8. Successors.

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

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

9. Arbitration. Executive shall submit any dispute or claim arising from or relating to the Agreement that cannot be resolved to mandatory and binding arbitration administered by the American Arbitration Association ("AAA") to be held in Houston, Texas, U.S.A. The arbitration shall be in accordance with the terms of the Plan and the Commercial Arbitration Procedures of the AAA (the "Rules"). The arbitration shall be conducted before a panel of three (3) arbitrators from the AAA National Roster of approved arbitrators who each have at least fifteen (15) years of employment law experience, of which each of the parties shall select one and the third of which shall be mutually selected by the two (2) arbitrators; provided, that if the two (2) arbitrators are unable to agree to the selection of the third arbitrator within a period of fifteen (15) days following the date in which the two (2) arbitrators are selected by the parties pursuant to this Section, the third arbitrator shall instead be selected by the AAA pursuant to the Rules. Each party in such an arbitration proceeding shall be responsible for the costs and expenses incurred by such party in connection therewith (including attorneys' fees) which shall

not be subject to recovery from the other party in the arbitration except that any and all charges that may be made for the cost of the arbitration and the fees of the arbitrators which shall in all circumstances be paid by the Company. Any court having jurisdiction may enter a judgment upon the award rendered by the arbitrator. In the event of litigation to enforce an arbitration award in connection with or concerning the subject matter of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable out-of-pocket costs and disbursements incurred by such party in connection therewith (including reasonable attorneys' fees). Notwithstanding the provisions of this Section 9, the Employer may, if it so chooses, bring an action in any court of competent jurisdiction for injunctive relief to enforce Executive's obligations under Section 7.

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

If to Executive:

\_\_\_\_\_  
\_\_\_\_\_

If to the Company:

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

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

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

12. **Validity.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Neither party shall be in breach of this Agreement if subsequent law changes make any provision unenforceable or illegal. The parties

agree to negotiate in good faith any modifications that may be necessary to comply with future law changes.

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

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

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

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

(a) Interpretation and Amendment. This Agreement is intended to comply with Section 409A and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A, as appropriate. This Agreement shall not be amended in a manner that would cause the Agreement or any amounts payable under the Agreement to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Agreement.

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

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

<sup>5</sup> All executive officers except Mr. Ballard



accumulated amounts at the earliest date which complies with the requirements of Section 409A.

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

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

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

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

*[signatures appear on the following page]*

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

SUPERIOR ENERGY SERVICES, INC.

By: \_\_\_\_\_  
[Name]  
[Title]

EXECUTIVE

\_\_\_\_\_  
Name:  
Title:

---

**APPENDIX A**

**[Insert Copy of Change of Control Severance Plan]**

## APPENDIX B

### Form of Waiver and Release

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

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

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

after the execution of this Release and that Executive may revoke this Release within seven (7) calendar days from the date of execution hereof. Executive has read and understood the Agreement, and it is incorporated herein by reference. Executive was advised in the Agreement as to the eligibility factors for the Agreement and the time limits applicable to the Agreement. If Executive's employment is ending as part of a group termination, Executive has received a list of the job titles and the ages of all employees eligible or selected for the Agreement and a list of the ages and job titles of employees in the same job classification or organizational unit who are not eligible or selected for the Agreement.

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

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

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

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

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

within such seven (7) day period, no separation benefits pursuant to Section 6(b)(ii), Section 6(b)(iii) or Section 6(c) of the Agreement will be payable to Executive.

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

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

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

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

\_\_\_\_\_  
Executive's Printed Name

\_\_\_\_\_  
Executive's Signature

\_\_\_\_\_  
Executive's Signature Date

**APPENDIX C**  
**Louisiana Parishes**

Acadia  
Ascension  
Assumption  
Bienville  
Bossier  
Caddo  
Calcasieu  
Cameron  
Claiborne  
De Soto  
East Baton Rouge  
Iberia  
Iberville  
Jackson  
Jefferson  
Jefferson Davis  
Lafayette  
Lafourche  
Lincoln  
Livingston  
Natchitoches  
Orleans  
Ouachita  
Plaquemines  
Red River  
Sabine  
St. Bernard  
St. Charles  
St. James  
St. John the Baptist  
St. Martin  
St. Mary  
Terrebonne  
Union  
Vermillion  
Webster  
West Baton Rouge

**SUPERIOR ENERGY SERVICES, INC.  
CHANGE OF CONTROL SEVERANCE PLAN**

The Company (as defined below) hereby adopts this Superior Energy Services, Inc. Change of Control Severance Plan, effective as of June 15, 2013.

**ARTICLE 1  
PURPOSE AND TERM**

1.1 Purpose. The purposes of this Plan are to secure the interests of the Company's stockholders in the event of a Change of Control of the Company and to better align the interests of stockholders and executive officers. In the event of a Change of Control, this Plan would provide an enhanced and performance-based severance payment to (i) encourage executive officers to remain employed with the Company or its Affiliate during that period of financial uncertainty preceding and following the Change of Control and (ii) assist such executive officers in their transition to other employment.

1.2 Term. The Plan shall be effective as of the Effective Date, subject to amendment from time to time in accordance with Section 7.2. The Plan shall continue until terminated pursuant to Article 7.

**ARTICLE 2  
DEFINITIONS**

As used herein, the following words and phrases shall have the following meanings:

2.1 "Accounting Firm" means the independent certified public accounting firm designated according to Section 3.3.

2.2 "Acknowledgment and Acceptance" means the acknowledgment and acceptance required to be executed by a Participant prior to receipt of a Severance Benefit under this Plan as described in Section 5.2(b).

2.3 "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Business Day" means a day (A) other than Saturday or Sunday, and (B) on which commercial banks are open for business in Houston, Texas.

2.6 "Cause" shall have the meaning of such term in the Participant's Employment Agreement, or if there is no such definition or if the Participant is not party to an Employment Agreement, "Cause" shall mean:



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

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

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

2.7 "Change of Control" shall mean:

(a) the acquisition by any person of beneficial ownership of 50% or more of the outstanding shares of the Common Stock or 50% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control:

(i) any acquisition (other than a Business Combination (as defined below) which constitutes a Change of Control under Section 2.7(b) hereof) of Common Stock directly from the Company,

(ii) any acquisition of Common Stock by the Company,

(iii) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or

(iv) any acquisition of Common Stock by any corporation or other entity pursuant to a Business Combination that does not constitute a Change of Control under Section 2.7(b) hereof; or

(b) consummation of a recapitalization, reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of the Company) or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination:

(i) the individuals and entities who were the beneficial owners of the Company's outstanding Common Stock and the Company's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect beneficial ownership, respectively,

of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the surviving or successor corporation, or, if applicable, the ultimate parent company thereof (the "Post-Transaction Corporation"), and

(ii) except to the extent that such ownership existed prior to the Business Combination, no person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either the Company, the Post-Transaction Corporation or any subsidiary of either corporation) beneficially owns, directly or indirectly, 25% or more of the then outstanding voting securities entitled to vote generally in the election of directors of the Post-Transaction Corporation or 25% or more of the combined voting power of the then outstanding voting securities of such corporation, and

(iii) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination;

provided, that for purposes of any payment hereunder that is deferred compensation pursuant to Section 409A of the Code and is payable on account of a Change of Control, the event must also constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

For purposes of this Section 2.7, the term "person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more persons act as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "person" shall not include an underwriter temporarily holding a security pursuant to an offering of the security.

For purposes of this Section 2.7, "Incumbent Board" shall mean the individuals who, as of the Effective Date, constitute the Board; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors then composing the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Incumbent Board.

2.8 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and includes a reference to the underlying regulations.

2.9 "Committee" means the Compensation Committee of the Board.

2.10 "Common Stock" means the common stock of the Company, \$.001 par value per share.

2.11 "Company" means Superior Energy Services, Inc., or its successor as provided in Section 8.6.

2.12 "Consultant" means the compensation consultant designated according to Section 3.2.

2.13 "Disability" means a Participant's incapacity due to physical or mental illness and such Participant becoming eligible to receive benefits under the Company's long-term disability plan.

2.14 "Effective Date" means June 15, 2013.

2.15 "Employment Agreement" means a written agreement between a Participant and the Company or an Affiliate governing the terms of the Participant's employment with the Company or an Affiliate.

2.16 "Good Reason" shall (i) mean that the Company does not fulfill its obligation under Section 8.6 to require a successor to the Company to expressly assume and agree to perform the Plan and (ii) have the meaning of such term in the Participant's Employment Agreement; provided, however, that if there is no such definition or if the Participant is not party to an Employment Agreement, in addition to (i) above "Good Reason" shall also mean:

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

(b) without a Participant's prior written consent, there is a material reduction in Participant's base salary or annual bonus opportunity (whether in one reduction or cumulatively), excluding an elimination or reduction of a benefit under any benefit plan or arrangement in which the Participant participates that affects other executive officers in a similar way; or

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

Good Reason shall not exist unless: (x) the Participant provides written Notice of Termination to the Company of the existence of the Good Reason event within 60 days of the Participant having knowledge of its initial existence, (y) the Company is provided 30 days from the receipt of such notice during which it may remedy the Good Reason event (if such Good Reason event is cured by the Company by the end of such 30 day period, the Participant shall not have Good Reason to terminate employment), and (z) the Participant actually terminates the Participant's employment no later than the date that is one year after the date the Participant had knowledge of the initial existence of Good Reason.

2.17 "Notice of Termination" means written notice to the Company by the Participant that sets forth in reasonable detail the facts and circumstances supporting the Good Reason event and specifies a Termination Date that satisfies the requirements of Article 6.

2.18 "Officer" means any employee of the Company designated by the Board as an executive officer.

2.19 "Participation Agreement" means an agreement between the Company and an Officer that provides for such Officer's participation in the Plan.

2.20 "Participant" means any Officer of the Company who is eligible to participate in the Plan pursuant to Section 4.1.

2.21 "Plan" means this Superior Energy Services, Inc. Change of Control Severance Plan.

2.22 "Prior Severance Payment" has the meaning set forth in Section 5.2(b).

2.23 "Protected Period" means the period beginning on the date that is six (6) months prior to the date of the consummation of a Change of Control and ending on the date that is two (2) years after the date of the consummation of such Change of Control.

2.24 "Qualifying Termination" means a Participant's termination of employment with the Company and its Affiliates (i) by the Company without Cause or (ii) by the Participant for Good Reason. A Qualifying Termination shall not include a Participant's (a) voluntary termination of employment (other than for Good Reason), (b) termination of employment due to death or (c) involuntary termination by the Company for Cause or due to Disability.

2.25 "Severance Benefit" means the lump sum cash benefit potentially payable to a Participant under Section 5.2.

2.26 "Termination Date" means the date of the termination of a Participant's employment with the Company and its Affiliates as determined in accordance with Article 6.

**ARTICLE 3  
ADMINISTRATION**

3.1 Administration. The Plan shall be administered by the Committee, which shall have full and exclusive power to interpret this Plan and to adopt rules, regulations and guidelines to carry out this Plan as it deems necessary or appropriate. Any Committee decision in interpreting and administering this Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. After the occurrence of a Change of Control, the Board shall assume all powers and responsibilities designated to the Committee under the Plan.

3.2 Consultant. The Consultant shall be designated by the Committee no later than the tenth day following the public announcement by the Company of an event which, if consummated, would constitute a Change of Control. If the Consultant has not been designated by such date, the Consultant shall be designated by the majority vote of all Participants, with each Participant having one vote.

3.3 Accounting Firm. The Accounting Firm shall be designated by the Committee no later than the tenth day following the public announcement by the Company of an event which, if consummated, would constitute a Change of Control. If the Accounting Firm has not been designated by such date, the Accounting Firm shall be the independent certified public accounting firm serving as the Company's auditor immediately prior to the Change of Control; provided, that if the Accounting Firm has not been designated by such date and the firm serving as the Company's auditor declines to serve as the Accounting Firm, the Accounting Firm shall be designated by the majority vote of all Participants, with each Participant having one vote.

3.4 Determination of Severance Benefits. The Committee shall determine the Severance Benefit potentially payable with respect to each Participant under Section 5.2(b) and such determination of the Committee shall be final and binding; provided, that the Committee may review and revise the initial determination of Severance Benefits within the 60 days following the Change of Control. The Committee, as needed, shall consult the Accounting Firm and the Consultant with respect to the calculation of any "excess parachute payments" as defined in Section 280G(b) of the Code and of Severance Benefits, respectively. The Company shall provide such data as necessary for the Accounting Firm and the Consultant to make calculations related to the Severance Benefits. The Company shall be responsible for all fees and expenses of the Accounting Firm and the Consultant.

**ARTICLE 4  
ELIGIBILITY**

4.1 Participation. An Officer shall be a Participant in the Plan if so provided under any written agreement between the Company and the Officer, including an Employment Agreement or a Participation Agreement.

4.2 Duration of Participation. Subject to Article 5 and Article 7, a Participant shall cease to be a Participant in the Plan if his or her employment is terminated under circumstances

in which he or she is not entitled to Severance Benefits under the terms of the Plan or if the written agreement providing for participation in the Plan is terminated or expires; provided, however, that if such written agreement is terminated or expires during the Protected Period, the individual shall remain a Participant in the Plan until the earlier of the end of such Protected Period or the settlement of all obligations of the Company under the Plan pursuant to the individual's Qualifying Termination. Notwithstanding the foregoing, a Participant who has terminated employment and is entitled to Severance Benefits under Section 5.1 shall remain a Participant in the Plan until the full amount of the Severance Benefits and any other amounts payable under the Plan have been paid to the Participant.

## ARTICLE 5 SEVERANCE BENEFITS

5.1 Right to Severance Benefits. A Participant shall be entitled to receive from the Company Severance Benefits in the amount provided in Section 5.2 if, within the Protected Period, the Participant experiences a Qualifying Termination.

5.2 Amount of Severance Benefits.

(a) *Notification*. Within 20 days after the occurrence of a Change of Control, the Company will provide written notification to each Participant in the Plan of the potential Severance Benefit that the Participant would receive under the Plan pursuant to Section 5.2(b), including the data used to determine such amount. The Participant shall have through the 35th day after the Change of Control to provide to the Company a written request that the amount of his or her Severance Benefit be reviewed, and the Company shall review and respond to any such written request by the first Business Day after the 50th day following the Change of Control.

(b) *Severance Benefit*. If a Participant's employment is terminated in circumstances entitling him or her to Severance Benefits as provided in Section 5.1, then the Company shall pay to the Participant in a single lump sum cash payment on the Payment Date (as defined hereinafter) or such later date as may be required by Section 5.4, the Severance Benefit for such Participant as determined in accordance with *Exhibit A* hereto; provided, however, that if the Participant received a cash severance payment under the Participant's Employment Agreement (a "Prior Severance Payment"), the Participant's Severance Benefit shall be reduced by the Prior Severance Payment; and further provided, that as a condition to the receipt of the Severance Benefit under this Section 5.2(b), the Participant must execute and return to the Company on or before the Payment Date the Acknowledgement and Acceptance substantially in the form attached hereto as *Exhibit B*, which Acknowledgement and Acceptance shall be provided by the Company to the Participant within 30 days after the Change of Control. For purposes of this Section 5.2(b), the "Payment Date" with respect to each Participant shall be the first Business Day following the later of (i) the date 60 days following the Change of Control or (ii) the date 60 days following the Participant's Termination Date.

(c) *Preservation of Maximum Benefit.* Notwithstanding any contrary provision in this Plan, if (i) the sum of a Participant's potential Severance Benefit plus Total Change of Control Value (as defined in *Exhibit A* hereto) as calculated pursuant to Section 5.2(b) at the time specified under Section 5.2(a) would not subject the Participant to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto, by reason of being considered "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G(b)(2) of the Code, or any successor provision thereto (the "Excise Tax"), (ii) the Participant subsequently becomes entitled to receive a Severance Benefit pursuant to Section 5.1, (iii) as of the date of the Participant's Qualifying Termination, the Participant received or becomes entitled to receive, in addition to the Severance Benefit and Total Change of Control Value, any other payment or distribution by the Company to or for the benefit of the Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement (excluding the Severance Benefit and Total Change of Control Value, individually and collectively, a "Payment"), and (iv) as a result of the Payment, the sum of Severance Benefit, the Total Change of Control Value and the Payment (collectively, the "Total Payment") would, but for the application of this Section 5.2(c), cause the Participant to be subject to the Excise Tax, then:

(i) if the After-Tax Payment Amount (as defined below) would be greater by reducing the amount of the Total Payment otherwise payable to the Participant to the minimum extent necessary (but in no event less than zero) so that, after such reduction, no portion of the Total Payment would be subject to the Excise Tax, then the Total Payment shall be so reduced; and

(ii) if the After-Tax Payment Amount would be greater without the reduction then there shall be no reduction in the Total Payment.

Solely as used in this Section 5.2(c), "After-Tax Payment Amount" means (i) the Total Payment less (ii) the amount of federal income taxes payable with respect to the Total Payment calculated at the maximum marginal income tax rate for each year in which the Total Payment shall be paid to the Participant (based upon the rate in effect for such year as set forth in the Code at the time of the Total Payment), less (iii) the amount of the Excise Tax, if any, imposed on the Total Payment. For purposes of any reduction made under Section 5.2(c), (A) the Payment, if not already paid, shall be subject to reduction first, (B) if the Payment has already been paid or further reduction is required, other amounts of the Total Payment shall be subject to reduction in such order as would provide the Participant the best economic benefit, and (C) the reduction shall not result in an increase in the Severance Benefit of any other Participant.

5.3 Full Settlement; No Mitigation. The Company's obligation to make the payments provided for in this Plan and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Participant or others, other than with respect to a Prior Severance Payment. In no event shall the Participant be obligated to seek other employment or

take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

5.4 Section 409A of the Code. Notwithstanding any provisions of the Plan or the foregoing provisions of this Article 4 to the contrary:

(a) *Compliance*. It is the intent of the parties that the Plan comply with Section 409A of the Code and related regulations and guidance (“Section 409A”). Accordingly, the Plan will be interpreted and operated consistent with such requirements of Section 409A in order to avoid the application of penalty taxes under Section 409A to the extent reasonably practicable. The Company shall neither cause nor permit any payment, benefit or consideration to be substituted for a benefit that is payable under the Plan if the Company knows that such action would result in the failure of any amount that is subject to Section 409A to comply with the applicable requirements of Section 409A. To the extent that any amount or benefit that would constitute “deferred compensation” for purposes of Section 409A would otherwise be payable or distributable under the Plan by reason of a Participant’s termination of employment, such amount or benefit will not be payable or distributable to the Participant unless (i) such termination of employment meets the requirements of a “Separation from Service” (as defined in Section 409A), or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the “short term deferral exemption” under Section 409A or otherwise. Notwithstanding the foregoing, the Company makes no representations regarding the tax treatment of amounts or benefits paid under the Plan and, consistent with Section 5.5, Participants shall be liable for any taxes that may be incurred by Participants under Section 409A.

(b) *Waiting Period for Specified Employees*. Notwithstanding Section 5.2 or any provision of the Plan to the contrary, if a Participant is a “specified employee” (as that term is defined in Section 409A) as of the Participant’s Termination Date, then the amounts which (i) are payable under the Plan upon the Participant’s “Separation from Service” (as defined above), (ii) are subject to the provisions of Section 409A and not otherwise excluded under Section 409A, and (iii) would otherwise be payable during the first six-month period following such Separation from Service, shall be paid on the first business day that (x) is at least six months after the date after the Participant’s Termination Date or (y) follows the Participant’s date of death, if earlier.

(c) *Reimbursements and In-Kind Benefits*. All reimbursements and in-kind benefits provided pursuant to the Plan shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) such that any reimbursements or in-kind benefits will be deemed payable at a specified time or on a fixed schedule relative to a permissible payment event. Specifically, (i) the amounts reimbursed and in-kind benefits provided under the Plan during the Participant’s taxable year may not affect the amounts reimbursed or in-kind benefits provided in any other taxable year, (ii) the reimbursement of an eligible expense shall be made on or before the last day of the Participant’s taxable year following the taxable year in which the expense was incurred, and (iii) the right to



reimbursement or an in-kind benefit is not subject to liquidation or exchange for another benefit.

5.5 Income, Excise and Other Taxes. The Participant will be liable for and will pay all applicable tax liability, including federal, state, local and foreign income, excise or other taxes, by virtue of any payments made to the Participant under the Plan.

## **ARTICLE 6 TERMINATION OF EMPLOYMENT**

6.1 Termination Date. In the case of the termination of the Participant's employment by the Company without Cause, the Participant's Termination Date is the date the Company terminates the Participant. In the case of the Participant's termination of employment for Good Reason, the Participant's Termination Date shall be the date specified in the Notice of Termination, provided that such date must be at least 30 days from the date the Notice of Termination is given to the Company (and subject to the Company's cure right during such 30-day period) and the Participant actually terminates his or her employment no later than the date that is one year after the date the Participant had knowledge of the initial existence of Good Reason.

## **ARTICLE 7 DURATION, AMENDMENT AND TERMINATION**

7.1 Duration. The Plan shall become effective as of the Effective Date and shall continue in full force and effect until the full payment by the Company of its obligations under the Plan after a Change of Control. The Plan shall be effective for only one Change of Control.

7.2 Amendment and Termination. The Plan may be amended or terminated by the Committee; provided, however, that the Plan shall not be subject to amendment, change, substitution, deletion, revocation or termination in any respect which adversely affects the rights of any Participant without the consent of at least 75% of the Participants; and further provided that any such amendment, change, substitution, deletion, revocation or termination of the Plan shall be deemed ineffective during the Protected Period without the consent of 100% of the Participants.

## **ARTICLE 8 MISCELLANEOUS**

8.1 Employment Status. The Plan does not constitute a contract of employment or impose on the Participant or the Company or its Affiliates any obligation to retain the Participant as an employee, to change the status of the Participant's employment, or to change the Company's policies regarding termination of employment.

8.2 Nature of Plan and Benefits. Participants and any other person who may have rights hereunder shall be mere unsecured general creditors of the Company with respect to the Severance Benefits due hereunder, and all amounts shall be payable from the general assets of the Company.

8.3 Withholding of Taxes. The Company may withhold from any amount payable or benefit provided under the Plan such federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.

8.4 No Effect on Other Benefits. Severance Benefits shall not be counted as compensation for purposes of determining benefits under other benefit plans, programs, policies and agreements, except to the extent expressly provided therein or herein.

8.5 Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.6 Successors. The Plan shall bind any successor of or to the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under the Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by the Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under the Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term "Company," as used in the Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by the Plan.

8.7 Assignment. The Plan shall inure to the benefit of and shall be enforceable by a Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If a Participant should die while any amount is still payable to the Participant under the Plan had the Participant continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to the Participant's estate. A Participant's rights under the Plan shall not otherwise be transferable or subject to lien or attachment.

8.8 Enforcement. The Plan is intended to constitute an enforceable contract between the Company and each Participant subject to the terms hereof.

8.9 Disputes.

(a) Arbitration. In consideration for participation in the Plan and eligibility for the benefits thereunder, the Participant shall submit any dispute or claim arising from or relating to the Plan that cannot be resolved to mandatory and binding arbitration administered by the American Arbitration Association ("AAA") to be held in Houston, Texas, U.S.A. The arbitration shall be in accordance with the terms of the Plan and the Commercial Arbitration Procedures of the AAA (the "Rules"). The arbitration shall be conducted before a panel of three (3) arbitrators from the AAA National Roster of approved arbitrators who each have at least fifteen (15) years of employment law experience, of which each of the parties shall select one and the third of which shall be



## EXHIBIT A

### SEVERANCE BENEFIT CALCULATION METHODOLOGY

This Exhibit A describes the variables and the process by which the Committee will determine the Severance Benefit potentially payable under the Plan with respect to a Participant. All capitalized terms not defined under Part I: Definitions of this Exhibit A have the meanings ascribed to them in the Superior Energy Services, Inc. Change of Control Severance Plan.

#### PART I: DEFINITIONS

“Average Trading Price” means, with respect to a share of any equity security of the Company on any date, the average of the daily closing price per share of such shares for the ten consecutive trading days immediately prior to such date; provided, however, if prior to the expiration of such requisite ten trading day period the issuer announces either (i) a dividend or distribution on a Company security payable in such shares or securities convertible into such shares or (ii) any subdivision, combination or reclassification of a Company security, then, following the ex-dividend date for such dividend or the record date for such subdivision, as the case may be, the Average Trading Price shall be properly adjusted to take into account such event. The closing price for each day shall be, if the shares are listed and admitted to trading on a national securities exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Company security is listed or admitted to trading or, if such shares are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the lowest bid price in the over-the-counter market, as reported by The NASDAQ Stock Market, Inc.’s OTC Bulletin Board service or such other system then in use. If the Company security is not publicly held or not so listed or traded or if, for the ten days prior to such date, no market maker is making a market in such shares, the Average Trading Price of such Company security on such shares shall be deemed to be the fair value of such shares as determined in good faith by the Committee.

“Base Salary” means a Participant’s annual rate of base salary in effect on the date of the Change of Control (excluding any bonus or incentive compensation).

“Combined Compensation” means, with respect to each Participant, the sum value of the Participant’s Base Salary, Target Bonus, and Unvested Long-Term Incentives. The Combined Compensation is calculated solely for the purpose of determining each Participant’s Participation Alignment.

“Fully Diluted Shares Outstanding” means the total number of shares of Common Stock outstanding plus the total number of shares of Common Stock issuable upon exercise, conversion or exchange of any outstanding securities exercisable, convertible or exchangeable into or for shares of Common Stock including, without limitation, all outstanding stock options of the Company.

“Net After-Tax Benefit” with respect to each Participant means the sum of the Participant’s Total Change of Control Value and Severance Benefit, reduced by the Total Tax

Liability. Each Participant's Net After-Tax Benefit as a percentage of the total Net After-Tax Benefit for all Participants must be within +/- 0.1% of his or her Participation Alignment.

"Participation Alignment" means, with respect to each Participant, the percentage the Participant's Combined Compensation represents of the sum of the Combined Compensation for all Participants, determined and subject to adjustment as described in the "Participation Alignment" section of Part II of this Exhibit A.

"Sharing Pool" means the value of the total amount of Severance Benefits available to be allocated to all Participants for the applicable Transaction Value and is determined as set forth under the "Sharing Pool" section of Part II of this Exhibit A.

"Target Bonus" means the targeted annual bonus(es) with respect to a Participant for the fiscal year in which the Change of Control occurs.

"Total Change of Control Value" with respect to each Participant means the sum of the value of any Company-paid continuation coverage benefits for which the Participant is eligible after the Change of Control and the value of the Participant's Unvested Long-Term Incentives vesting in connection with the Change of Control, with the value of all equity based on the Average Trading Price of the underlying Common Stock.

"Total Tax Liability" means the (i) the state income tax, federal income tax and Social Security and Medicare tax liability estimated to be payable with respect to a Participant's Total Change of Control Value and Severance Benefit and (ii) any excise tax liability under Section 4999 of the Code estimated to be payable with respect to the Participant's Severance Benefit and the equity awards underlying the Participant's Unvested Long-Term Incentives, disregarding for purposes of this excise tax calculation any other payments that may constitute a "Payment" as defined in Section 5.2(c) and determined as if the Participant terminated employment as of the date of the Change of Control. For purposes of calculating each Participant's Total Tax Liability, applicable taxes are applied at the highest rate in effect at the time of the Change of Control and achievement of the Social Security wage base is disregarded.

"Trading Day" means, if such shares are listed or admitted to trading on any national securities exchange, a day on which the principal national securities exchange on which the Company security is listed or admitted to trading is open for the transaction of business or, if such shares are not listed or admitted, a day of the week that is not a bank holiday.

"Transaction Value" means (1)(a) in the case of a Change of Control involving a share exchange, merger or consolidation or the sale of the capital stock of the Company, the total fair market value (determined at the time of announcement) of all consideration paid or payable, or otherwise to be distributed (whether or not pursuant to any escrow, holdback, earnout or comparable arrangement), directly or indirectly, in respect of a Company common share in connection with the Change of Control multiplied by the Company's Fully Diluted Shares Outstanding, less the aggregate exercise price amounts paid or to be paid by holders of stock options in connection with the Change of Control, (b) in the case of a Change of Control involving the sale of assets of the Company, the total fair market value (at the time of the

announcement) of all consideration paid or payable, or otherwise to be distributed, directly or indirectly, to the Company or its stockholders in connection with the Change of Control, and (c) in the case of a Change of Control involving a recapitalization or reorganization of the Company, the total fair market value (at the time of announcement) of all equity securities to be retained and/or received by the Company's stockholders upon consummation of such transaction, together with all other consideration paid or payable, or otherwise to be distributed, directly or indirectly, to Company stockholders in connection therewith; plus (2) the amount of all indebtedness for borrowed money, preferred stock, capital leases and any other liabilities and obligations for borrowed money on the Company's financial statements immediately prior to the time of announcement or directly or indirectly to be assumed, retired, repaid, redeemed or defeased (to the extent not so retired, repaid, redeemed or defeased with consideration described in clause (1) above) in connection with the Change of Control. For purposes of determining Transaction Value, consideration includes cash, securities, property, rights (contractual or otherwise), any dividends payable to stockholders of the Company after the date of the Change of Control (other than normal, ordinary course, recurring dividends) and any other form of consideration. In the case of a Change of Control in which the consideration consists of another company's publicly traded securities, the fair market value of the consideration shall be calculated using the Average Trading Price of such publicly traded security for the trading day immediately preceding the day of the announcement of the Change of Control.

"Unvested Long-Term Incentives" means the value of all unvested equity held by a Participant as of the date of the Change of Control, including restricted stock, stock options, performance units, and any other long-term equity compensation. For purposes of determining the value of a Participant's Unvested Long-Term Incentives, the value of equity will be the value based on the Average Trading Price of the underlying Common Stock and all performance units will be valued as if performance goals were met at target, without taking into account the length of time remaining prior to vesting with respect to such Unvested Long-Term Incentives.

## **PART II: EXPLANATION**

### **Overview**

The determination of each Participant's Severance Benefit will be made by the Committee according to the principles set forth in this Exhibit A. The Committee will determine the Severance Benefit with respect to each Participant at the time of the Change of Control as if the Participant had a Qualifying Termination on the date of the Change of Control. The Severance Benefit determined by the Committee to be potentially payable to each Participant is final and binding and will not be redetermined, subject to Section 5.2(a) of the Plan.

The Severance Benefit is each Participant's portion of the total cash available under the Plan to be distributed to all the Participants as cash severance. The Severance Benefit will be determined with respect to each Participant assuming that each Participant experiences a Qualifying Termination on the date of the Change of Control and further according to two principles: (1) each Participant receives as Net After-Tax Benefit the same percentage (to within +/- 0.1%) of the total Net After-Tax Benefit that would be received by all Participants under the

Plan as his or her Participation Alignment and (2) the total Net After-Tax Benefit received by all Participants is maximized.

### Sharing Pool

The total Severance Benefits payable under the Plan may not exceed the Sharing Pool. The Sharing Pool is determined based on the Transaction Value at the time of the Change of Control, as shown in Figure 1 below:

**Figure 1:**

Transaction Value (in Billions)	Sharing Pool (8 Executives)	Sharing Pool as a Percentage of Transaction Value (Approximate)
1.0	\$15,000,000	1.50%
2.0	\$18,725,601	0.94%
2.5	\$19,726,908	0.79%
3.0	\$20,745,266	0.69%
3.5	\$21,781,202	0.62%
4.0	\$22,835,260	0.57%
4.5	\$23,908,000	0.53%
5.0	\$25,000,000	0.50%
5.5	\$26,092,000	0.47%
6.0	\$27,203,260	0.45%
6.5	\$28,334,358	0.44%
7.0	\$29,485,889	0.42%
7.5	\$30,658,465	0.41%
8.0	\$31,852,719	0.40%
8.5	\$33,069,301	0.39%
9.0	\$34,308,880	0.38%
9.5	\$35,572,146	0.37%
10.0	\$36,859,811	0.37%
10.5	\$38,172,605	0.36%
11.0	\$39,511,283	0.36%
20.0	\$50,000,000	0.25%

Figure 1 shows Sharing Pool values for only selected Transaction Values. If the actual Transaction Value at the time of a Change of Control falls between the Transaction Values shown in Figure 1, the Sharing Pool for that Transaction Value will be interpolated between the Transaction Value and Sharing Pool combinations shown in Figure 1. The Committee will determine the Sharing Pool should the applicable Transaction Value fall outside the scope of Figure 1.

Additionally, the Sharing Pool value in Figure 1 will be adjusted if Participants have been added or removed from the Plan between the Effective Date and the date of the Change of Control. For each individual who is a Participant as of the Effective Date and is no longer a Participant as of the date of the Change of Control, the Sharing Pool for the applicable Transaction Value will be decreased by the amount that is equal to the applicable Transaction

Value multiplied by 0.07% or 0.04% if the individual is in the top half or bottom half, respectively, of Participants ranked by Combined Compensation, as determined by the Committee. For each individual who is a Participant as of the date of the Change of Control and was not a Participant as of the Effective Date, the Sharing Pool for the applicable Transaction Value will be increased by the amount that is equal to the applicable Transaction Value multiplied by 0.07% or 0.04% if the individual is in the top half or bottom half, respectively, of Participants ranked by Combined Compensation, as determined by the Committee; provided, however, that with respect to an individual who becomes a Participant in the Plan no later than one year after the Company acquires (whether by stock purchase, asset purchase or merger) the employer (or an affiliate of the employer) of such individual, the Sharing Pool for the applicable Transaction Value may be increased to account for such individual's participation in the Plan solely as determined by the Committee.

### **Participation Alignment**

The Participation Alignment with respect to each Participant is initially determined by dividing the Participant's Combined Compensation by the sum of the Combined Compensation for all Participants, thus resulting in a percentage amount for each Participant which, in total, add up to 100%.

The difference between the Participation Alignment of the Participant with the highest Combined Compensation and the Participation Alignment of the Participant with the second highest Combined Compensation of all the Participants as of the date of the Change of Control may not exceed the percentage that is equal to  $(1/n)\% + 12\%$ , where  $n$  is the number of Participants as of the date of the Change of Control. If necessary, the Participation Alignment of the Participant with the highest Combined Compensation as of the date of the Change of Control will be decreased and the Participation Alignments of each of the other Participants increased on a pro rata basis such that (1) the rule contained in the preceding sentence is respected and (2) the sum of the Participation Alignments of all Participants is equal to 100%. If the Participation Alignment of any Participant is so decreased or increased, the calculations in this *Exhibit A* shall be performed as if such Participant's Combined Compensation when compared to the total Combined Compensation for all Participants resulted in such decreased or increased Participation Alignment.

### **Determination of Severance Benefit**

Ultimately, the Severance Benefit for each Participant is determined by the allocation of the Sharing Pool that maximizes the sum of the Net After-Tax Benefit with respect to all Participants while ensuring that the Net After-Tax Benefit allocated with respect to each Participant constitutes the same percentage (to within +/- 0.1%) of the total Net After-Tax Benefit determined for all Participants as his Participation Alignment. If any Participant's Severance Benefit is reduced under Section 5.2(b) of the Plan due to his or her receipt of a Prior Severance Payment, the amount by which his or her Severance Benefit is reduced shall not be reallocated among other Participants.



**EXHIBIT B**

**SUPERIOR ENERGY SERVICES, INC.  
CHANGE OF CONTROL SEVERANCE PLAN**

**FORM OF ACKNOWLEDGEMENT AND ACCEPTANCE**

I acknowledge that I have received and reviewed the summary of the severance benefit potentially payable to me under the Superior Energy Services, Inc. Change of Control Severance Plan (the "Summary"). I acknowledge that the calculated severance benefit as presented in the Summary is the Severance Benefit applicable to me and that I accept this determination.

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[Name of Participant]

Date

**AMENDMENT NO. 1  
TO  
EMPLOYMENT AGREEMENT**

This Amendment No. 1 to Employment Agreement (this "Amendment") dated and effective as of December 12, 2012 ("Effective Date"), is by and between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and David D. Dunlap (the "Executive").

**WITNESSETH:**

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated as of April 28, 2010 (the "Employment Agreement");

WHEREAS, the term of the Employment Agreement expires April 27, 2013, and the Employment Agreement contains a provision requiring mandatory reduction of benefits provided to the Executive in connection with a change of control in the event that such benefits trigger an excise tax under Internal Revenue Code Section 4999;

WHEREAS, the Company and the Executive have executed a new employment agreement that will become effective June 15, 2013, unless such agreement is terminated by the Company prior to such date, and upon effectiveness of the new agreement, the Employment Agreement will be terminated; and

WHEREAS, in order to ensure continuity of the employment relationship between the Executive and the Company pending the effectiveness of the new employment agreement, the Company and Executive desire to amend the Employment Agreement to (i) extend the term of the Employment Agreement to April 27, 2014, and (ii) replace the mandatory reduction of benefits in connection with a change of control with a provision providing for such a reduction of benefits if the net after-tax benefit of such reduction exceeds the net after-tax benefit if such reduction is not made (a "best-net" approach).

NOW THEREFORE, the Company and Executive agree as follows:

**Section 1. Definitions.** Initially capitalized terms used in this Amendment but not otherwise defined shall have the meanings ascribed to them in the Employment Agreement.

**Section 2. Amendments.** As of the Effective Date, the Employment Agreement is hereby amended as follows:

(a) Section 3(a) of the Employment Agreement is hereby deleted in its entirety and restated to read as follows:

"(a) Subject to the terms of this Agreement, Executive's employment with the Company hereunder shall continue until April 27, 2014 (the "Term")."

(b) Section 6(f) of the Employment Agreement is hereby deleted in its entirety and restated to read as follows:

“(f) Notwithstanding any other provisions of this Agreement, payments under this Agreement, together with any other payments made to Executive, that would be “excess parachute payments” under Code Section 280G may be reduced according to the terms and conditions set forth in Appendix A hereto.”

(c) Paragraph A of Appendix A to the Employment Agreement is hereby deleted in its entirety and restated to read as follows:

“Notwithstanding any contrary provision in this Agreement, in the event that it shall be determined (as hereinafter provided) that any payment or distribution by the Company or any of its subsidiaries to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement including, without limitation, any stock option, restricted stock, stock appreciation right or similar right or the lapse or termination of any restriction on, or the vesting or exercisability of, any of the foregoing (the “Total Payment”), would be subject, but for the application of this Paragraph A, to the excise tax imposed by Code Section 4999, or any successor provision thereto (the “Excise Tax”), by reason of being considered “contingent on a change in ownership or control” of the Company, within the meaning of Code Section 280G(b)(2), or any successor provision thereto, then

(A) if the After-Tax Payment Amount would be greater by reducing the amount of the Total Payment otherwise payable to Executive to the minimum extent necessary (but in no event less than zero) so that, after such reduction, no portion of the Total Payment would be subject to the Excise Tax, then the Total Payment shall be so reduced; and

(B) if the After-Tax Payment Amount would be greater without the reduction then there shall be no reduction in the Total Payment.

As used in this Paragraph A, “After-Tax Payment Amount” means (i) the amount of the Total Payment, less (ii) the amount if federal income taxes payable with respect to the Total Payment calculated at the maximum marginal income tax rate for each year in which the Total Payment shall be paid to Executive (based upon the rate in effect for

such year as set forth in the Code at the time of the Total Payment), less (iii) the amount of the Excise Tax, if any, imposed on the Total Payment. For purposes of any reduction made under this Paragraph A, the portion of the Total Payment that shall be reduced shall be those that provide Executive the best economic benefits, and to the extent any individual components of the Total Payment are economically equivalent, each shall be reduced pro rata.”

**Section 3. Extent of Amendments and References.** Except as expressly set forth in this Amendment, all of the terms, conditions, covenants, representations, warranties and all other provisions of the Employment Agreement are ratified and confirmed and shall remain in full force and effect. From and after the effectiveness of this Amendment, the terms “this Agreement,” “hereof,” “herein,” “hereunder” and terms of like import, when used herein or in the Employment Agreement shall, except where the context otherwise requires, refer to the Employment Agreement as amended by this Amendment.

**Section 4. Headings.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

**Section 5. Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and signed as of the date indicated above.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Terence E. Hall  
Terence E. Hall  
Chairman of the Board

EXECUTIVE

/s/ David D. Dunlap  
David D. Dunlap