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

FORM 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from to

Commission File No. 001-34037
Commission Company Name: SUPERIOR ENERGY SERVICES INC

SUPERIOR ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

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

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

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $.001 par value	**SPN**	**New York Stock Exchange**

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

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

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

Large Accelerated Filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of the registrant's common stock outstanding on November 1, 2019 was 146,849,439.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Quarterly Report on Form 10-Q for
the Quarterly Period Ended September 30, 2019

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements and Notes

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(unaudited)

	September 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 259,889	$ 158,050
Accounts receivable, net of allowance for doubtful accounts of $14,500 and $12,080 at September 30, 2019 and December 31, 2018, respectively	368,530	447,353
Prepaid expenses	64,760	45,802
Inventory and other current assets	139,840	121,700
Total current assets	833,019	772,905
Property, plant and equipment, net of accumulated depreciation and depletion of $2,620,197 and $2,640,344 at September 30, 2019 and December 31, 2018, respectively	891,540	1,109,126
Operating lease right-of-use assets	96,190	-
Goodwill	135,922	136,788
Notes receivable	67,042	63,993
Restricted cash	2,753	5,698
Intangible and other long-term assets, net of accumulated amortization of $24,686 and $76,358 at September 30, 2019 and December 31, 2018, respectively	97,285	127,452
Total assets	$ 2,123,751	$ 2,215,962
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 110,398	$ 139,325
Accrued expenses	220,623	219,180
Income taxes payable	3,842	734
Current portion of decommissioning liabilities	3,621	3,538
Total current liabilities	338,484	362,777
Long-term debt, net	1,285,755	1,282,921
Decommissioning liabilities	131,263	126,558
Operating lease liabilities	76,255	-
Other long-term liabilities	148,907	152,967
Stockholders' equity:		
Preferred stock of $0.01 par value. Authorized - 5,000,000 shares; none issued	-	-
Common stock of $0.001 par value		
Authorized - 250,000,000, Issued and Outstanding - 156,573,565 at September 30, 2019 Authorized - 250,000,000, Issued and Outstanding - 154,885,418 at December 31, 2018	157	155
Additional paid in capital	2,748,477	2,735,125
Accumulated other comprehensive loss, net	(76,987)	(73,177)
Retained deficit	(2,528,560)	(2,371,364)
Total stockholders' equity	143,087	290,739
Total liabilities and stockholders' equity	$ 2,123,751	$ 2,215,962

See accompanying notes to condensed consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Revenues:				
Services	$ 325,946	$ 471,218	$ 1,046,388	$ 1,317,798
Rentals	99,771	101,850	282,820	273,136
Total revenues	425,717	573,068	1,329,208	1,590,934
Costs and expenses:				
Cost of services (exclusive of depreciation, depletion, amortization and accretion)	255,087	372,837	801,143	1,017,102
Cost of rentals (exclusive of depreciation, depletion, amortization and accretion)	39,119	31,552	119,654	100,557
Depreciation, depletion, amortization and accretion - services	51,889	81,911	178,088	251,398
Depreciation, depletion, amortization and accretion - rentals	15,500	17,981	46,958	52,186
General and administrative expenses	62,768	68,895	208,597	214,611
Reduction in value of assets	9,571	-	40,952	-
Loss from operations	(8,217)	(108)	(66,184)	(44,920)
Other expense:				
Interest expense, net	(24,505)	(24,952)	(74,275)	(74,733)
Other income (expense)	(3,353)	(277)	(4,476)	(4,394)
Loss from continuing operations before income taxes	(36,075)	(25,337)	(144,935)	(124,047)
Income taxes	2,366	(3,521)	12,261	(16,846)
Net loss from continuing operations	(38,441)	(21,816)	(157,196)	(107,201)
Loss from discontinued operations, net of income tax	-	-	-	(729)
Net loss	$ (38,441)	$ (21,816)	$ (157,196)	$ (107,930)
Basic and diluted loss per share:				
Net loss from continuing operations	$ (0.25)	$ (0.14)	$ (1.01)	$ (0.70)
Loss from discontinued operations	-	-	-	-
Net loss	$ (0.25)	$ (0.14)	$ (1.01)	$ (0.70)
Weighted average shares outstanding	156,573	154,529	155,808	154,047

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net loss	$ (38,441)	$ (21,816)	$ (157,196)	$ (107,930)
Change in cumulative translation adjustment, net of tax	(2,967)	(826)	(3,810)	(3,491)
Comprehensive loss	$ (41,408)	$ (22,642)	$ (161,006)	$ (111,421)

See accompanying notes to condensed consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash flows from operating activities:		
Net loss	$ (157,196)	$ (107,930)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion, amortization and accretion	225,044	303,584
Deferred income taxes	-	(25,475)
Reduction in value of assets	40,952	-
Right-of-use assets amortization	16,341	-
Stock based compensation expense	14,155	23,303
Other reconciling items, net	(9,340)	(8,255)
Changes in operating assets and liabilities:		
Accounts receivable	68,239	(95,806)
Prepaid expenses	(20,012)	1,742
Inventory and other current assets	(19,966)	(16,879)
Accounts payable	(8,221)	18,367
Accrued expenses	(25,054)	(9,543)
Other, net	(8,438)	248
Net cash provided by operating activities	116,504	83,356
Cash flows from investing activities:		
Payments for capital expenditures	(105,393)	(186,283)
Proceeds from sales of assets	90,696	29,595
Net cash used in investing activities	(14,697)	(156,688)
Cash flows from financing activities:		
Tax withholding for vested restricted stock units	(1,677)	(5,189)
Other	621	1,239
Net cash used in financing activities	(1,056)	(3,950)
Effect of exchange rate changes on cash	(1,857)	(1,834)
Net change in cash, cash equivalents, and restricted cash	98,894	(79,116)
Cash, cash equivalents, and restricted cash at beginning of period	163,748	192,483
Cash, cash equivalents, and restricted cash at end of period	$ 262,642	$ 113,367

See accompanying notes to condensed consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Nine Months Ended September 30, 2019
(in thousands, except share data)
(unaudited)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained deficit	Total
Balances, December 31, 2018	154,885,418	$ 155	$ 2,735,125	$ (73,177)	$ (2,371,364)	$ 290,739
Net loss	-	-	-	-	(47,705)	(47,705)
Foreign currency translation adjustment	-	-	-	1,073	-	1,073
Stock-based compensation expense, net of forfeitures	-	-	5,625	-	-	5,625
Transactions under stock plans	1,071,182	1	(1,667)	-	-	(1,666)
Balances, March 31, 2019	155,956,600	$ 156	$ 2,739,083	$ (72,104)	$ (2,419,069)	$ 248,066
Net loss	-	-	-	-	(71,050)	(71,050)
Foreign currency translation adjustment	-	-	-	(1,916)	-	(1,916)
Stock-based compensation expense, net of forfeitures	-	-	4,650	-	-	4,650
Transactions under stock plans	116,374	-	(10)	-	-	(10)
Shares issued under Employee Stock Purchase Plan	500,186	1	650	-	-	651
Balances, June 30, 2019	156,573,160	$ 157	$ 2,744,373	$ (74,020)	$ (2,490,119)	$ 180,391
Net loss	-	-	-	-	(38,441)	(38,441)
Foreign currency translation adjustment	-	-	-	(2,967)	-	(2,967)
Stock-based compensation expense, net of forfeitures	-	-	4,104	-	-	4,104
Transactions under stock plans	405	-		-	-	-
Balances, September 30, 2019	156,573,565	$ 157	$ 2,748,477	$ (76,987)	$ (2,528,560)	$ 143,087

See accompanying notes to condensed consolidated financial statements.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Nine Months Ended September 30, 2018
(in thousands, except share data)
(unaudited)

	Common stock shares	Common stock	Additional paid-in capital	Accumulated other comprehensive loss, net	Retained deficit	Total
Balances, December 31, 2017	153,263,097	$ 153	$ 2,713,161	$ (67,427)	$ (1,513,458)	$ 1,132,429
Net loss	-	-	-	-	(59,724)	(59,724)
Foreign currency translation adjustment	-	-	-	4,388	-	4,388
Stock-based compensation expense, net of forfeitures	-	-	6,229	-	-	6,229
Transactions under stock plans	974,165	1	(5,154)	-	-	(5,153)
Balances, March 31, 2018	154,237,262	$ 154	$ 2,714,236	$ (63,039)	$ (1,573,182)	$ 1,078,169
Net loss	-	-	-	-	(26,390)	(26,390)
Foreign currency translation adjustment	-	-	-	(7,053)	-	(7,053)
Stock-based compensation expense, net of forfeitures	-	-	6,113	-	-	6,113
Transactions under stock plans	90,535	-	(30)	-	-	(30)
Shares issued under Employee Stock Purchase Plan	197,830	1	1,905	-	-	1,906
Balances, June 30, 2018	154,525,627	$ 155	$ 2,722,224	$ (70,092)	$ (1,599,572)	$ 1,052,715
Net loss	-	-	-	-	(21,816)	(21,816)
Foreign currency translation adjustment	-	-	-	(826)	-	(826)
Stock-based compensation expense, net of forfeitures	-	-	5,948	-	-	5,948
Transactions under stock plans	4,487	-	(5)	-	-	(5)
Balances, September 30, 2018	154,530,114	$ 155	$ 2,728,167	$ (70,918)	$ (1,621,388)	$ 1,036,016

See accompanying notes to condensed consolidated financial statements.

(1) Basis of Presentation

Certain information and footnote disclosures normally in financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (SEC); however, management believes the disclosures that are made are adequate to make the information presented not misleading. These financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in Superior Energy Services, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018, and Management's Discussion and Analysis of Financial Condition and Results of Operations herein.

The financial information of Superior Energy Services, Inc. and its subsidiaries (the Company) for the three and nine months ended September 30, 2019 and 2018 has not been audited. However, in the opinion of management, all adjustments necessary to present fairly the results of operations for the periods presented have been included therein. The results of operations for the first nine months of the year are not necessarily indicative of the results of operations that might be expected for the entire year.

The Company evaluates events that occur after the balance sheet date but before the financial statements are issued for potential recognition or disclosure. Based on the evaluation, the Company determined that there were no material subsequent events for recognition or disclosure.

(2) Revenue

Revenue Recognition

Revenues are recognized when performance obligations are satisfied in accordance with contractual terms, in an amount that reflects the consideration the Company expects to be entitled to in exchange for services rendered or rentals provided. Taxes collected from customers and remitted to governmental authorities and revenues are reported on a net basis in the Company's financial statements.

Performance Obligations

A performance obligation arises under contracts with customers to render services or provide rentals, and is the unit of account under Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company accounts for services rendered and rentals provided separately if they are distinct and the service or rental is separately identifiable from other items provided to a customer and if a customer can benefit from the services rendered or rentals provided on its own or with other resources that are readily available to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. A contract's standalone selling prices are determined based on the prices that the Company charges for its services rendered and rentals provided. The majority of the Company's performance obligations are satisfied over time, which is generally represented by a period of 30 days or less. The Company's payment terms vary by the type of products or services offered. The term between invoicing and when the payment is due is typically 30 days.

Services revenue primarily represents amounts charged to customers for the completion of services rendered, including labor, products and supplies necessary to perform the service. Rates for these services vary depending on the type of services provided and can be based on a per job, per hour or per day basis.

Rentals revenue is, primarily priced on a per day, per man hour or similar basis and consists of fees charged to customers for use of the Company's rental equipment over the term of the rental period, which is generally less than twelve months.

The Company expenses sales commissions when incurred because the amortization period would have been one year or less.

Disaggregation of revenue

The following table presents the Company's revenues by segment disaggregated by geography (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
U.S. land				
Drilling Products and Services	$ 46,590	$ 45,605	$ 142,073	$ 129,716
Onshore Completion and Workover Services	145,105	294,869	513,638	802,600
Production Services	32,620	47,858	112,095	148,259
Technical Solutions	7,283	8,453	32,589	23,144
Total U.S. land	$ 231,598	$ 396,785	$ 800,395	$ 1,103,719
U.S. offshore				
Drilling Products and Services	$ 33,895	$ 26,065	$ 91,048	$ 70,315
Onshore Completion and Workover Services	-	-	-	-
Production Services	18,295	16,776	58,977	47,910
Technical Solutions	40,771	47,286	95,195	120,181
Total U.S. offshore	$ 92,961	$ 90,127	$ 245,220	$ 238,406
International				
Drilling Products and Services	$ 30,700	$ 27,514	$ 79,825	$ 78,388
Onshore Completion and Workover Services	-	-	-	-
Production Services	47,872	41,236	134,167	112,422
Technical Solutions	22,586	17,406	69,601	57,999
Total International	$ 101,158	$ 86,156	$ 283,593	$ 248,809
Total Revenues	$ 425,717	$ 573,068	$ 1,329,208	$ 1,590,934

The following table presents the Company's revenues by segment disaggregated by type (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Services				
Drilling Products and Services	$ 32,471	$ 24,083	$ 91,640	$ 75,549
Onshore Completion and Workover Services	136,154	284,187	484,965	771,605
Production Services	89,571	97,551	280,171	285,843
Technical Solutions	67,750	65,397	189,612	184,801
Total services	$ 325,946	$ 471,218	$ 1,046,388	$ 1,317,798
Rentals				
Drilling Products and Services	$ 78,714	$ 75,101	$ 221,306	$ 202,870
Onshore Completion and Workover Services	8,951	10,682	28,673	30,995
Production Services	9,216	8,319	25,068	22,748
Technical Solutions	2,890	7,748	7,773	16,523
Total rentals	$ 99,771	$ 101,850	$ 282,820	$ 273,136
Total Revenues	$ 425,717	$ 573,068	$ 1,329,208	$ 1,590,934

Impact of adoption of ASU 2016-02, Leases (Topic 842)

Services revenue:

In connection with its adoption of Topic 842, the Company determined that certain of its services revenue contracts contain a lease component. The Company elected to adopt a practical expedient option available to lessors, which allows the Company to combine the lease and non-lease components and account for the combined component in accordance with the accounting treatment for the predominant component. Therefore, the Company combined the lease and service components for certain of the Company's service contracts and continues to account for the combined component under ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Rentals revenue:

The Company determined that its rentals revenue contracts represent short-term operating leases. Therefore, the adoption of the ASU 2016-02 did not result in any changes in the timing or method of revenue recognition for the Company's rental revenues.

(3) Inventory

Inventories are stated at the lower of cost or net realizable value. The Company applies net realizable value and obsolescence to the gross value of the inventory. Cost is determined using the first-in, first-out or weighted-average cost methods for finished goods and work-in-process. Supplies and consumables primarily consist of products used in our services provided to customers. The components of the inventory balances are as follows (in thousands):

	September 30, 2019	December 31, 2018
Finished goods	$ 62,301	$ 54,144
Raw materials	16,758	16,795
Work-in-process	9,504	5,544
Supplies and consumables	34,957	30,822
Total	$ 123,520	$ 107,305

(4) Notes Receivable

Notes receivable consist of a commitment from the seller of an oil and gas property acquired by the Company related to costs associated with the abandonment of the acquired property. Pursuant to an agreement with the seller, the Company will invoice the seller an agreed upon amount at the completion of certain decommissioning activities. The gross amount of this obligation totals $115.0 million and is recorded at present value using an effective interest rate of 6.58%. The related discount is amortized to interest income based on the expected timing of completion of the decommissioning activities. The Company recorded interest income related to notes receivable of $3.1 million and $2.9 million for the nine months ended September 30, 2019 and 2018, respectively.

(5) Debt

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

		September 30, 2019	December 31, 2018
	Stated Interest Rate (%)	Long-term	
Senior unsecured notes due September 2024	7.750	$ 500,000	$ 500,000
Senior unsecured notes due December 2021	7.125	800,000	800,000
Total debt, gross		1,300,000	1,300,000
Unamortized debt issuance costs		(14,245)	(17,079)
Total debt, net		$ 1,285,755	$ 1,282,921

Credit Facility

The Company has an asset-based revolving credit facility which matures in October 2022. The borrowing base under the credit facility is calculated based on a formula referencing the borrower's and the subsidiary guarantors' eligible accounts receivable, eligible inventory and eligible premium rental drill pipe less reserves. Availability under the credit facility is the lesser of (i) the commitments, (ii) the borrowing base and (iii) the highest principal amount permitted to be secured under the indenture governing the 7.125% senior unsecured notes due 2021. On September 20, 2019, the Company amended its credit facility to increase the letter of credit capacity from $100.0 million to $150.0 million. At September 30, 2019, the borrowing base was $229.6 million and the Company had $83.1 million of letters of credit outstanding that reduced its borrowing availability under the revolving credit facility. The credit agreement contains various covenants, including, but not limited to, limitations on the incurrence of indebtedness, permitted investments, liens on assets, making distributions, transactions with affiliates, merger, consolidations, dispositions of assets and other provisions customary in similar types of agreements.

Senior Unsecured Notes

The Company has outstanding $500 million of senior unsecured notes due September 2024. The indenture governing the 7.75% senior unsecured notes due 2024 requires semi-annual interest payments on March 15 and September 15 of each year through the maturity date of September 15, 2024.

The Company also has outstanding $800 million of senior unsecured notes due December 2021. The indenture governing the 7.125% senior unsecured notes due 2021 requires semi-annual interest payments on June 15 and December 15 of each year through the maturity date of December 15, 2021.

(6) Decommissioning Liabilities

The Company's decommissioning liabilities associated with an oil and gas property and its related assets include liabilities related to the plugging of wells, removal of the related platform and equipment, and site restoration. The Company reviews the adequacy of its decommissioning liabilities whenever indicators suggest that the estimated cash flows and/or relating timing needed to satisfy the liability have changed materially. The Company had decommissioning liabilities of $134.9 million and $130.1 million at September 30, 2019 and December 31, 2018, respectively.

(7) Leases

Adoption of ASU 2016-02, Leases

The Company adopted the new standard on January 1, 2019 and used the effective date as the date of initial application. Therefore, prior period financial information has not been adjusted and continues to be reflected in accordance with the Company's historical accounting policy. The standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months.

The standard provides a number of optional practical expedients in transition. The Company elected the "package of practical expedients," which, among other things, allows the Company to carry forward its historical lease classification.

The adoption of this standard resulted in the recording of operating lease assets and operating lease liabilities of approximately $100.0 million as of January 1, 2019, with no related impact on the Company's condensed consolidated statement of equity or condensed consolidated statement of operations. Short-term leases have not been recorded on the balance sheet.

Accounting Policy for Leases

The Company determines if an arrangement is a lease at inception. All of the Company's leases are operating leases and are included in ROU assets, accounts payable and operating lease liabilities in the condensed consolidated balance sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligations to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the respective lease term. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease.

Overview

The Company's operating leases are primarily for real estate, machinery and equipment, and vehicles. The terms and conditions for these leases vary by the type of underlying asset. Total operating lease expense was as follows (in thousands):

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Long-term fixed lease expense	$ 10,105	$ 29,433
Long-term variable lease expense	400	1,640
Short-term lease expense	3,355	13,356
Total operating lease expense	$ 13,860	$ 44,429

For the three and nine months ended September 30, 2018, total operating lease expense was $13.5 million and $40.4 million, respectively.

Supplemental Balance Sheet Information

Operating leases were as follows (in thousands):

		September 30, 2019
Operating lease ROU assets	$	96,190
Accrued expenses	$	26,368
Operating lease liabilities		76,255
Total operating lease liabilities	$	102,623
Cash paid for operating leases	$	26,242
ROU assets obtained in exchange for lease obligations	$	21,045
Weighted average remaining lease term		9 years
Weighted average discount rate		6.75%

Maturities of operating lease liabilities at September 30, 2019 are as follows (in thousands):

Remainder of 2019	$ 8,976
2020	30,144
2021	22,142
2022	13,955
2023	10,258
Thereafter	54,745
Total lease payments	140,220
Less imputed interest	(37,597)
Total	$ 102,623

At December 31, 2018, future minimum lease payments under long-term leases for the five years ending December 31, 2019 through 2023 and thereafter are as follows: $30.8 million, $24.3 million, $16.6 million, $9.8 million and $6.9 million and $37.8 million, respectively.

(8) Fair Value Measurements

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

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

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

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

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

	Fair Value at September 30, 2019			
	Level 1	Level 2	Level 3	Total
Intangible and other long-term assets, net:				
Non-qualified deferred compensation assets	$ -	$ 14,741	$ -	$ 14,741
Accounts payable:				
Non-qualified deferred compensation liabilities	$ -	$ 1,243	$ -	$ 1,243
Other long-term liabilities:				
Non-qualified deferred compensation liabilities	$ -	$ 22,224	$ -	$ 22,224
Total debt	$ 857,750	$ -	$ -	$ 857,750

	Fair Value at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Intangible and other long-term assets, net:				
Non-qualified deferred compensation assets	$ 376	$ 12,930	$ -	$ 13,306
Accounts payable:				
Non-qualified deferred compensation liabilities	$ -	$ 1,138	$ -	$ 1,138
Other long-term liabilities:				
Non-qualified deferred compensation liabilities	$ -	$ 19,766	$ -	$ 19,766
Total debt	$ 1,084,711	$ -	$ -	$ 1,084,711

The Company’s non-qualified deferred compensation plans allow officers, certain highly compensated employees and non-employee directors to defer receipt of a portion of their compensation and contribute such amounts to one or more hypothetical investment funds. These investments are reported at fair value based on unadjusted quoted prices in active markets for identifiable assets and observable inputs for similar assets and liabilities, which represent Levels 1 and 2, respectively, in the fair value hierarchy.

The carrying amount of cash equivalents, accounts receivable, accounts payable and accrued expenses, as reflected in the condensed consolidated balance sheets, approximates fair value due to the short maturities. The fair value of the debt instruments is determined by reference to the market value of such instruments as quoted in an over-the-counter market, which represents Level 1 in the fair value hierarchy.

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

	Nine Months Ended September 30, 2019	
	Impairment	Fair Value
Long-lived assets	$ 40,952	$ 292,277

Fair value is measured as of impairment date using Level 3 inputs. See Note 10 for a discussion of the reduction in value of assets recorded during the nine months ended September 30, 2019.

(9) Segment Information

Business Segments

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

The Company evaluates the performance of its reportable segments based on income or loss from operations excluding corporate expenses. The segment measure is calculated as follows: segment revenues less segment operating expenses, depreciation, depletion, amortization and accretion expense and reduction in value of assets. The Company uses this segment measure to evaluate its reportable segments because it is the measure that is most consistent with how the Company organizes and manages its business operations. Corporate and other costs primarily include expenses related to support functions, salaries and benefits for corporate employees and stock-based compensation expense.

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

Three Months Ended September 30, 2019

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 111,185	$ 145,105	$ 98,787	$ 70,640	$ -	$ 425,717
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	38,663	123,617	82,556	49,370	-	294,206
Depreciation, depletion, amortization and accretion	20,168	29,080	12,063	4,909	1,169	67,389
General and administrative expenses	14,363	10,046	2,905	14,935	20,519	62,768
Reduction in value of assets	-	566	1,997	7,008	-	9,571
Income (loss) from operations	37,991	(18,204)	(734)	(5,582)	(21,688)	(8,217)
Interest income (expense), net	-	-	-	1,051	(25,556)	(24,505)
Other income	-	-	-	-	(3,353)	(3,353)
Income (loss) from continuing operations before income taxes	$ 37,991	$ (18,204)	$ (734)	$ (4,531)	$ (50,597)	$ (36,075)

Three Months Ended September 30, 2018

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 99,184	$ 294,869	$ 105,870	$ 73,145	$ -	$ 573,068
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	37,328	239,348	84,312	43,401	-	404,389
Depreciation, depletion, amortization and accretion	27,830	47,299	17,085	6,329	1,349	99,892
General and administrative expenses	13,771	5,455	10,471	14,453	24,745	68,895
Income (loss) from operations	20,255	2,767	(5,998)	8,962	(26,094)	(108)
Interest income (expense), net	-	-	-	986	(25,938)	(24,952)
Other expense	-	-	-	-	(277)	(277)
Income (loss) from continuing operations before income taxes	$ 20,255	$ 2,767	$ (5,998)	$ 9,948	$ (52,309)	$ (25,337)

Nine Months Ended September 30, 2019

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 312,946	$ 513,638	$ 305,239	$ 197,385	$ -	$ 1,329,208
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	118,732	436,400	240,855	124,810	-	920,797
Depreciation, depletion, amortization and accretion	64,684	100,210	39,375	17,198	3,579	225,046
General and administrative expenses	44,173	29,626	18,687	46,394	69,717	208,597
Reduction in value of assets	-	31,947	1,997	7,008	-	40,952
Income/(loss) from operations	85,357	(84,545)	4,325	1,975	(73,296)	(66,184)
Interest income (expense), net	-	-	-	3,104	(77,379)	(74,275)
Other expense	-	-	-	-	(4,476)	(4,476)
Income/(loss) from continuing operations before income taxes	$ 85,357	$ (84,545)	$ 4,325	$ 5,079	$ (155,151)	$ (144,935)

Nine Months Ended September 30, 2018

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
Revenues	$ 278,419	$ 802,600	$ 308,591	$ 201,324	$ -	$ 1,590,934
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	108,997	630,205	255,377	123,080	-	1,117,659
Depreciation, depletion, amortization and accretion	86,061	142,377	50,668	20,332	4,146	303,584
General and administrative expenses	40,138	29,783	29,760	41,836	73,094	214,611
Income (loss) from operations	43,223	235	(27,214)	16,076	(77,240)	(44,920)
Interest income (expense), net	-	-	-	2,913	(77,646)	(74,733)
Other expense	-	-	-	-	(4,394)	(4,394)
Income (loss) from continuing operations before income taxes	$ 43,223	$ 235	$ (27,214)	$ 18,989	$ (159,280)	$ (124,047)

Identifiable Assets

	Drilling Products and Services	Onshore Completion and Workover Services	Production Services	Technical Solutions	Corporate and Other	Consolidated Total
September 30, 2019	$ 663,515	$ 607,947	$ 420,208	$ 361,434	$ 70,647	$ 2,123,751
December 31, 2018	$ 587,264	$ 808,037	$ 434,430	$ 340,161	$ 46,070	$ 2,215,962

During the nine months ended September 30, 2019, the Company sold its drilling rig service line, which was previously included in the Onshore Completion and Workover Services segment. This service line included twelve active U.S. land based drilling rigs and associated equipment with a carrying value of $66.2 million. The Company received $78.0 million in cash proceeds and recognized a $0.2 million loss on sale of assets. In addition, the Company recorded a $7.5 million impairment of the intangibles associated with the disposed assets.

Geographic Segments

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

Revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
United States	$ 324,559	$ 486,912	$ 1,045,615	$ 1,342,125
Other countries	101,158	86,156	283,593	248,809
Total	$ 425,717	$ 573,068	$ 1,329,208	$ 1,590,934

Long-Lived Assets

	September 30, 2019	December 31, 2018
United States	$ 712,661	$ 903,520
Other countries	178,879	205,606
Total	$ 891,540	$ 1,109,126

(10) Reduction in Value of Assets

Long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is assessed by a comparison of the carrying amount of such assets to their fair value calculated, in part, by the estimated undiscounted future cash flows expected to be generated by the assets. Cash flow estimates are based upon, among other things, historical results adjusted to reflect the best estimate of future market rates, utilization levels, and operating performance. Estimates of cash flows may differ from actual cash flows due to, among other things, changes in economic conditions or changes in an asset's operating performance. The Company's assets are grouped by line of business or division for the impairment testing, which represent the lowest level of identifiable cash flows. If the asset grouping's fair value is less than the carrying amount of the asset grouping, impairment losses are recorded in the amount by which the carrying amount of asset grouping exceeds the fair value. The estimate of fair value represents the Company's best estimate based on industry trends and reference to market transactions and is subject to variability.

During the three and nine months ended September 30, 2019, the Company recorded an estimated $9.6 million and $41.0 million, respectively, in connection with the reduction in value of its long-lived assets. The reduction in value of assets was primarily related to reduction in value of certain intangibles in the Onshore Completion and Workover Services segment and long-lived assets in the Technical Solutions segment.

(11) Stock-Based Compensation Plans

The Company maintains various stock incentive plans that provide long-term incentives to the Company's key employees, including officers, directors, consultants and advisors (Eligible Participants). Under the stock incentive plans, the Company may grant incentive stock options, restricted stock, restricted stock units, stock appreciation rights, other stock-based awards or any combination thereof to Eligible Participants. The Company's total compensation expense related to these plans was approximately $13.9 million and $22.8 million for the nine months ended September 30, 2019 and 2018, respectively, which is reflected in general and administrative expenses.

(12) Income Taxes

The Company had $30.6 million of unrecorded tax benefits as of September 30, 2019 and December 31, 2018, all of which would impact the Company's effective tax rate if recognized. It is the Company's policy to recognize interest and applicable penalties, if any, related to uncertain tax positions in income tax expense.

(13) Earnings per Share

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

The Company incurred a loss from continuing operations for the three and nine months ended September 30, 2019 and 2018; therefore the impact of any incremental shares would be anti-dilutive.

(14) Contingencies

Due to the nature of the Company's business, the Company is involved, from time to time, in routine litigation or subject to disputes or claims regarding its business activities. Legal costs related to these matters are expensed as incurred. In management's opinion, none of the pending litigation, disputes or claims is expected to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

A subsidiary of the Company is involved in legal proceedings with two employees regarding the payment of royalties for a patentable product developed by them. On April 2, 2018, the employees filed a lawsuit in the Harris County District Court alleging that the royalty payments they had received since 2010 should have been higher. In May 2019, the jury issued a verdict in favor of the plaintiffs. On October 25, 2019, the court issued a final judgment against the Company. The Company strongly disagrees with the verdict and believes the district court committed several legal errors that should result in a reversal or remand of the case by the Court of Appeals. The ultimate resolution of this matter could result in a loss of up to $11.0 million in excess of amounts accrued.

(15) Supplemental Guarantor Information

SESI, L.L.C. (the Issuer), a 100% owned subsidiary of Superior Energy Services, Inc. (Parent), has $500 million of 7.75% senior unsecured notes due 2024. The Parent, along with certain of its 100% owned domestic subsidiaries, fully and unconditionally guaranteed such senior unsecured notes, and such guarantees are joint and several.

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidating Balance Sheets

September 30, 2019

(in thousands)

(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 187,979	$ 1,341	$ 70,569	$ -	$ 259,889
Accounts receivable, net	-	30	280,704	87,796	-	368,530
Other current assets	-	8,592	133,669	62,339	-	204,600
Total current assets	-	196,601	415,714	220,704	-	833,019
Property, plant and equipment, net	-	11,372	722,830	157,338	-	891,540
Operating lease right-of-use assets	-	22,530	57,334	16,326	-	96,190
Goodwill	-	-	80,544	55,378	-	135,922
Notes receivable	-	-	67,042	-	-	67,042
Long-term intercompany accounts receivable	2,256,701	1,111,335	3,491,267	218,291	(7,077,594)	-
Intercompany notes receivable	-	1,200	-	6,000	(7,200)	-
Equity investments of consolidated subsidiaries	(2,113,614)	3,701,545	7,764	-	(1,595,695)	-
Restricted cash	-	-	2,708	45	-	2,753
Intangible and other long-term assets, net	-	19,203	71,239	6,843	-	97,285
Total assets	$ 143,087	$ 5,063,786	$ 4,916,442	$ 680,925	$ (8,680,489)	$ 2,123,751
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ -	$ 8,986	$ 67,127	$ 34,285	$ -	$ 110,398
Accrued expenses	-	80,810	104,122	35,691	-	220,623
Income taxes payable	-	(717)	-	4,559	-	3,842
Current portion of decommissioning liabilities	-	-	-	3,621	-	3,621
Total current liabilities	-	89,079	171,249	78,156	-	338,484
Long-term debt, net	-	1,285,755	-	-	-	1,285,755
Deferred income taxes	-	(149,512)	145,416	4,096	-	-
Decommissioning liabilities	-	-	131,263	-	-	131,263
Operating lease liabilities	-	23,093	42,009	11,153	-	76,255
Long-term intercompany accounts payable	-	5,876,786	1,082,435	118,373	(7,077,594)	-
Intercompany notes payable	-	6,000	-	1,200	(7,200)	-
Other long-term liabilities	-	46,199	76,510	26,198	-	148,907
Total stockholders' equity (deficit)	143,087	(2,113,614)	3,267,560	441,749	(1,595,695)	143,087
Total liabilities and stockholders' equity	$ 143,087	$ 5,063,786	$ 4,916,442	$ 680,925	$ (8,680,489)	$ 2,123,751

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidating Balance Sheets

December 31, 2018

(in thousands)

(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 102,224	$ 707	$ 55,119	$ -	$ 158,050
Accounts receivable, net	-	160	367,497	79,696	-	447,353
Intercompany accounts receivable	-	12,279	74,906	3,489	(90,674)	-
Other current assets	-	12,805	111,560	43,137	-	167,502
Total current assets	-	127,468	554,670	181,441	(90,674)	772,905
Property, plant and equipment, net	-	10,129	920,978	178,019	-	1,109,126
Goodwill	-	-	80,544	56,244	-	136,788
Notes receivable	-	-	63,993	-	-	63,993
Long-term intercompany accounts receivable	2,243,431	-	1,991,912	182,284	(4,417,627)	-
Equity investments of consolidated subsidiaries	(1,952,647)	3,754,887	5,992	-	(1,808,232)	-
Restricted cash	-	-	5,653	45	-	5,698
Intangible and other long-term assets, net	-	19,255	100,847	7,350	-	127,452
Total assets	$ 290,784	$ 3,911,739	$ 3,724,589	$ 605,383	$ (6,316,533)	$ 2,215,962
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ -	$ 8,807	$ 109,903	$ 20,615	$ -	$ 139,325
Accrued expenses	45	102,845	86,926	29,364	-	219,180
Income taxes payable	-	1,237	-	(503)	-	734
Intercompany accounts payable	-	724	6,869	83,081	(90,674)	-
Current portion of decommissioning liabilities	-	-	-	3,538	-	3,538
Total current liabilities	45	113,613	203,698	136,095	(90,674)	362,777
Long-term debt, net	-	1,282,921	-	-	-	1,282,921
Decommissioning liabilities	-	-	126,558	-	-	126,558
Long-term intercompany accounts payable	-	4,417,627	-	-	(4,417,627)	-
Other long-term liabilities	-	50,225	76,543	26,199	-	152,967
Total stockholders' equity (deficit)	290,739	(1,952,647)	3,317,790	443,089	(1,808,232)	290,739
Total liabilities and stockholders' equity	$ 290,784	$ 3,911,739	$ 3,724,589	$ 605,383	$ (6,316,533)	$ 2,215,962

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidating Statements of Operations

Three Months Ended September 30, 2019

(in thousands)

(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 352,158	80,018	(6,459)	$ 425,717
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	(1,373)	245,743	56,295	(6,459)	294,206
Depreciation, depletion, amortization and accretion	-	907	57,143	9,339	-	67,389
General and administrative expenses	-	16,581	35,320	10,867	-	62,768
Reduction in value of assets	-	-	9,571	-	-	9,571
Income (loss) from operations	-	(16,115)	4,381	3,517	-	(8,217)
Other income (expense):						
Interest income (expense), net	-	(25,911)	1,364	42	-	(24,505)
Intercompany interest income (expense)	-	(42)	-	42	-	-
Other income (expense)	-	(132)	411	(3,632)	-	(3,353)
Equity in losses of consolidated subsidiaries	(38,441)	(5,124)	(2,544)	-	46,109	-
Income (loss) from operations before income taxes	(38,441)	(47,324)	3,612	(31)	46,109	(36,075)
Income taxes	-	(8,883)	9,729	1,520	-	2,366
Net income (loss)	(38,441)	(38,441)	(6,117)	(1,551)	46,109	(38,441)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Statements of Comprehensive Income (Loss)

Three Months Ended September 30, 2019

(in thousands)

(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (38,441)	$ (38,441)	$ (6,117)	$ (1,551)	$ 46,109	$ (38,441)
Change in cumulative translation adjustment, net of tax	(2,967)	(2,967)	-	(2,967)	5,934	(2,967)
Comprehensive loss	$ (41,408)	$ (41,408)	$ (6,117)	$ (4,518)	$ 52,043	$ (41,408)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Three Months Ended September 30, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 511,510	$ 66,428	$ (4,870)	$ 573,068
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	(793)	366,568	43,484	(4,870)	404,389
Depreciation, depletion, amortization and accretion	-	965	87,973	10,954	-	99,892
General and administrative expenses	-	23,959	34,726	10,210	-	68,895
Income (loss) from operations	-	(24,131)	22,243	1,780	-	(108)
Other income (expense):						
Interest income (expense), net	-	(26,024)	993	79	-	(24,952)
Other income (expense)	-	(356)	264	(185)	-	(277)
Equity in earnings (losses) of consolidated subsidiaries	(21,816)	19,182	(53)	-	2,687	-
Income (loss) from continuing operations before income taxes	(21,816)	(31,329)	23,447	1,674	2,687	(25,337)
Income taxes	-	(9,513)	5,260	732	-	(3,521)
Net income (loss)	$ (21,816)	$ (21,816)	$ 18,187	$ 942	$ 2,687	$ (21,816)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Income (Loss)
Three Months Ended September 30, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (21,816)	$ (21,816)	$ 18,187	$ 942	$ 2,687	$ (21,816)
Change in cumulative translation adjustment, net of tax	(826)	(826)	-	(826)	1,652	(826)
Comprehensive income (loss)	$ (22,642)	$ (22,642)	$ 18,187	$ 116	$ 4,339	$ (22,642)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Nine Months Ended September 30, 2019
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 1,108,641	$ 238,154	$ (17,587)	$ 1,329,208
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	(8,244)	784,396	162,232	(17,587)	920,797
Depreciation, depletion, amortization and accretion	-	2,780	193,503	28,763	-	225,046
General and administrative expenses	-	64,319	109,983	34,295	-	208,597
Reduction in value of assets	-	-	40,952	-	-	40,952
Income (loss) from operations	-	(58,855)	(20,193)	12,864	-	(66,184)
Other income (expense):						
Interest income (expense), net	-	(78,195)	3,836	84	-	(74,275)
Intercompany interest income (expense)		(67)	-	67		
Other income (expense)	-	(1,207)	(799)	(2,470)	-	(4,476)
Equity in earnings (losses) of consolidated subsidiaries	(157,196)	(49,523)	(1,820)	-	208,539	-
Income (loss) from continuing operations before income taxes	(157,196)	(187,847)	(18,976)	10,545	208,539	(144,935)
Income taxes	-	(30,651)	34,891	8,021	-	12,261
Net income (loss)	$ (157,196)	$ (157,196)	$ (53,867)	$ 2,524	$ 208,539	$ (157,196)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Income (Loss)
Nine Months Ended September 30, 2019
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (157,196)	$ (157,196)	$ (53,867)	$ 2,524	$ 208,539	$ (157,196)
Change in cumulative translation adjustment, net of tax	(3,810)	(3,810)	-	(3,810)	7,620	(3,810)
Comprehensive income (loss)	$ (161,006)	$ (161,006)	$ (53,867)	$ (1,286)	$ 216,159	$ (161,006)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Nine Months Ended September 30, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 1,420,368	$ 192,976	$ (22,410)	$ 1,590,934
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	(6,382)	1,011,801	134,650	(22,410)	1,117,659
Depreciation, depletion, amortization and accretion	-	2,974	266,188	34,422	-	303,584
General and administrative expenses	-	70,721	109,083	34,807	-	214,611
Loss from operations	-	(67,313)	33,296	(10,903)	-	(44,920)
Other income (expense):						
Interest expense, net	-	(77,778)	2,940	105	-	(74,733)
Other income (expense)	-	(608)	802	(4,588)	-	(4,394)
Equity in losses of consolidated subsidiaries	(107,930)	13,073	(421)	-	95,278	-
Loss from continuing operations before income taxes	(107,930)	(132,626)	36,617	(15,386)	95,278	(124,047)
Income taxes	-	(24,696)	7,185	665	-	(16,846)
Net loss from continuing operations	(107,930)	(107,930)	29,432	(16,051)	95,278	(107,201)
Loss from discontinued operations, net of income taxes	-	-	-	(729)	-	(729)
Net loss	$ (107,930)	$ (107,930)	$ 29,432	$ (16,780)	$ 95,278	$ (107,930)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Income (Loss)
Nine Months Ended September 30, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (107,930)	$ (107,930)	$ 29,432	$ (16,780)	$ 95,278	$ (107,930)
Change in cumulative translation adjustment, net of tax	(3,491)	(3,491)	-	(3,491)	6,982	(3,491)
Comprehensive income (loss)	$ (111,421)	$ (111,421)	$ 29,432	$ (20,271)	$ 102,260	$ (111,421)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Nine Months Ended September 30, 2019
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	$ 14,295	$ (272,879)	$ 350,633	$ 24,455	$ 116,504
Cash flows from investing activities:					
Payments for capital expenditures	-	(5,514)	(94,757)	(5,122)	(105,393)
Proceeds from sales of assets	-	-	90,696	-	90,696
Net cash provided by (used in) investing activities	-	(5,514)	(4,061)	(5,122)	(14,697)
Cash flows from financing activities:					
Changes in notes with affiliated companies, net	(13,270)	364,179	(348,883)	(2,026)	-
Other	(1,025)	(31)	-	-	(1,056)
Net cash provided by (used in) financing activities	(14,295)	364,148	(348,883)	(2,026)	(1,056)
Effect of exchange rate changes on cash	-	-	-	(1,857)	(1,857)
Net change in cash, cash equivalents, and restricted cash	-	85,755	(2,311)	15,450	98,894
Cash, cash equivalents, and restricted cash at beginning of period	-	102,224	6,360	55,164	163,748
Cash, cash equivalents, and restricted cash at end of period	$ -	$ 187,979	$ 4,049	$ 70,614	$ 262,642

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Nine Months Ended September 30, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	$ 18,290	$ (118,313)	$ 174,198	$ 23,450	$ (14,269)	$ 83,356
Cash flows from investing activities:						
Payments for capital expenditures	-	(1,509)	(175,524)	(9,250)	-	(186,283)
Proceeds from sales of assets	-	-	16,226	13,369	-	29,595
Net cash provided by (used in) investing activities	-	(1,509)	(159,298)	4,119	-	(156,688)
Cash flows from financing activities:						
Intercompany dividends	-	-	-	(14,269)	14,269	-
Changes in notes with affiliated companies, net	(14,775)	31,469	(26,644)	9,950	-	-
Other	(3,515)	(435)	-	-	-	(3,950)
Net cash provided by (used in) financing activities	(18,290)	31,034	(26,644)	(4,319)	14,269	(3,950)
Effect of exchange rate changes on cash	-	-	-	(1,834)	-	(1,834)
Net change in cash, cash equivalents, and restricted cash	-	(88,788)	(11,744)	21,416	-	(79,116)
Cash, cash equivalents, and restricted cash at beginning of period	-	126,533	20,923	45,027	-	192,483
Cash, cash equivalents, and restricted cash at end of period	$ -	$ 37,745	$ 9,179	$ 66,443	$ -	$ 113,367

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q and other documents filed by us with the SEC contain, and future oral or written statements or press releases by us and our management may contain, forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks" and "estimates," variations of such words and similar expressions identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q or such other materials regarding our financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by our management in light of its experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to a number of risks and uncertainties that could cause our actual results to differ materially from such statements. Such risks and uncertainties include, but are not limited to: the conditions in the oil and gas industry, especially oil and natural gas prices and capital expenditures by oil and gas companies; our outstanding debt obligations and the potential effect of limiting our ability to fund future growth and operations and increasing our exposure to risk during adverse economic conditions; necessary capital financing may not be available at economic rates or at all; volatility of our common stock; operating hazards, including the significant possibility of accidents resulting in personal injury or death, property damage or environmental damage for which we may have limited or no insurance coverage or indemnification rights; we may not be fully indemnified against losses incurred due to catastrophic events; claims, litigation or other proceedings that require cash payments or could impair financial condition; credit risk associated with our customer base; the effect of regulatory programs (including regarding worker health and safety laws) and environmental matters on our operations or prospects, including the risk that future changes in the regulation of hydraulic fracturing could reduce demand for our pressure pumping and fluid management services, or that future changes in climate change legislation could result in increased operating costs or reduced commodity demand globally; the impact that unfavorable or unusual weather conditions could have on our operations; the potential inability to retain key employees and skilled workers; political, legal, economic and other risks and uncertainties associated with our international operations; laws, regulations or practices in foreign countries could materially restrict our operations or expose us to additional risks; potential changes in tax laws, adverse positions taken by tax authorities or tax audits impacting our operating results; changes in competitive and technological factors affecting our operations; risks associated with the uncertainty of macroeconomic and business conditions worldwide; not realizing the benefits of acquisitions or divestitures; our operations may be subject to cyber-attacks that could have an adverse effect on our business operations; counterparty risks associated with reliance on key suppliers; challenges with estimating our potential liabilities related to our oil and natural gas property; and risks associated with potential changes of Bureau of Ocean Energy Management security and bonding requirements for offshore platforms. These risks and other uncertainties related to our business are described in detail in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Investors are cautioned that many of the assumptions on which our forward-looking statements are based are likely to change after such statements are made, including for example the market prices of oil and gas and regulations affecting oil and gas operations, which we cannot control or anticipate. Further, we may make changes to our business strategies and plans (including our capital spending and capital allocation plans) at any time and without notice, based on any changes in the above-listed factors, our assumptions or otherwise, any of which could or will affect our results. For all these reasons, actual events and results may differ materially from those anticipated, estimated, projected or implied by us in our forward-looking statements. We undertake no obligation to update any of our forward-looking statements for any reason and, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Executive Summary

General

We provide a wide variety of services and products to the energy industry. We serve major, national and independent oil and natural gas exploration and production companies around the world and offer products and services with respect to the various phases of a well's economic life cycle. We report our operating results in four business segments: Drilling Products and Services; Onshore Completion and Workover Services; Production Services; and Technical Solutions.

Industry Trends

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Worldwide Rig Count [1]						
U.S.:						
Land	894	1,032	-13%	961	1,001	-4%
Offshore	26	19	37%	23	18	28%
Total	920	1,051	-12%	984	1,019	-3%
International [2]	1,144	1,003	14%	1,094	980	12%
Worldwide Total	2,064	2,054	0%	2,078	1,999	4%
Commodity Prices (average)						
Crude Oil (West Texas Intermediate)	$ 56.34	$ 69.69	-19%	$ 57.04	$ 66.93	-15%
Natural Gas (Henry Hub)	$ 2.38	$ 2.93	-19%	$ 2.61	$ 2.95	-12%

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

[2] Excludes Canadian Rig Count.

Recent Developments

Appeal of New York Stock Exchange Determination to Delist our Common Stock

Shares of our common stock are registered on the New York Stock Exchange (NYSE) and were previously traded on the NYSE under the symbol "SPN." On September 26, 2019, the NYSE suspended trading in our common stock as a result of our "abnormally low" stock price levels pursuant to Section 802.01D of the NYSE Listed Company Manual, and commenced procedures to delist our common stock. Following the NYSE's suspension of trading of our common stock, on September 27, 2019, our common stock commenced trading on the OTC Markets under the symbol "SPNV." On October 4, 2019, our common stock also commenced trading on the OTCQX Best Market, operated by OTC Markets Group Inc., under the same trading symbol "SPNV." We have appealed the determination by the staff of the NYSE to delist our common stock in accordance with the NYSE rules. We also intend to conduct a reverse stock split to increase the market price of our common stock to enable our common stock to be listed on the NASDAQ National Market if the NYSE appeal is ultimately unsuccessful.

Comparison of the Results of Operations for the Three Months Ended September 30, 2019 and June 30, 2019

For the third quarter of 2019, our revenue was $425.7 million and the net loss was $38.4 million, or a $0.25 loss per share. Included in the results for the three months ended September 30, 2019 was a pre-tax charge of $9.6 million primarily related to the reduction in value of long-lived assets and a gain from a legal settlement of $5.8 million. This compares to net loss of $71.1 million, or a $0.46 loss per share, for the second quarter of 2019, on revenue of $436.3 million. Included in the results for the three months ended June 30, 2019 was a pre-tax charge of $31.4 million primarily related to the reduction in value of intangible assets.

Third quarter 2019 revenue in our Drilling Products and Services segment increased 10% sequentially to $111.2 million, as compared to $100.7 million for the second quarter of 2019. U.S. offshore revenue increased 21% sequentially to $33.9 million primarily due to increase in rentals of premium drill pipe and accommodation units during the quarter. International revenue increased 21% to $30.7 million primarily due to an increase in rentals of premium drill pipe and bottom hole assemblies. U.S. land revenue remained flat at $46.6 million.

Third quarter 2019 revenue in our Onshore Completion and Workover Services segment decreased 11% sequentially to $145.1 million, as compared to $163.5 million for the second quarter of 2019. The decrease in revenue is primarily attributable to the disposition of our drilling rig service line during the second quarter of 2019.

Third quarter 2019 revenue in our Production Services segment decreased 4% sequentially to $98.7 million, as compared to $103.0 million for the second quarter of 2019. U.S. offshore revenue decreased 14% to $18.3 million primarily due to a decrease in hydraulic workover and snubbing activities. U.S. land revenue decreased 16% sequentially to $32.6 million primarily due to a decrease in coiled tubing and hydraulic workover and snubbing activities. These decreases were partially offset by an increase in international revenue which increased 12% to $47.8 million, primarily due to an increase in electric line, pressure control and hydraulic workover and snubbing activities.

Third quarter 2019 revenue in our Technical Solutions segment increased 2% sequentially to $70.7 million, as compared to $69.1 million in the second quarter of 2019. U.S. offshore revenue increased 22% sequentially to $40.8 million due to an increase in demand for completion tools and products. International revenue increased 2% sequentially to $22.6 million primarily due to an increase in well control services and completion tools and products. U.S. land revenue decreased 46% sequentially to $7.3 million, primarily due to a decrease in demand for well control services.

Comparison of the Results of Operations for the Three Months Ended September 30, 2019 and 2018

For the three months September 30, 2019, our revenue was $425.7 million, a decrease of $147.4 million or 26%, as compared to the same period in 2018. Net loss was $38.4 million, or a $0.25 loss per share. Included in the results for the three months ended September 30, 2019 was a pre-tax charge of $9.6 million related to the reduction in value of assets. This compares to a net loss for the three months ended September 30, 2018 of $21.8 million, or a $0.14 loss per share.

The following table compares our operating results for the three months ended September 30, 2019 and 2018 (in thousands, except percentages). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2019	2018	Change	%	2019	%	2018	%	Change
Drilling Products and Services	$ 111,185	$ 99,184	$ 12,001	12%	$ 38,663	35%	$ 37,328	38%	$ 1,335
Onshore Completion and Workover Services	145,105	294,869	(149,764)	-51%	123,617	85%	239,348	81%	(115,731)
Production Services	98,787	105,870	(7,083)	-7%	82,556	84%	84,312	80%	(1,756)
Technical Solutions	70,640	73,145	(2,505)	-3%	49,370	70%	43,401	59%	5,969
Total	$ 425,717	$ 573,068	$ (147,351)	-26%	$ 294,206	69%	$ 404,389	71%	$ (110,183)

Operating Segments:

Drilling Products and Services Segment

Revenue from our Drilling Products and Services segment increased 12% to $111.2 million for the three months ended September 30, 2019, as compared to $99.2 million for the same period in 2018. Cost of services and rentals as a percentage of revenue decreased to 35% of segment revenue for the three months ended September 30, 2019, as compared to 38% for the same period in 2018. Revenue from the U.S. land market areas increased 2% as a result of increases in revenue from rentals of premium drill pipe. Revenue from the U.S. offshore market area increased 30% primarily due to an increase in revenue from rentals of premium drill pipe and bottom hole assemblies, as demand for these rental products increased along with the increase in U.S. offshore rig count. Revenue from the international market areas increased 12%, primarily due to an increase in demand for rentals of premium drill pipe and bottom hole assemblies.

Onshore Completion and Workover Services Segment

Revenue from our Onshore Completion and Workover Services segment decreased 51% to $145.1 million for the three months ended September 30, 2019, as compared to $294.9 million for the same period in 2018. All of this segment's revenue is derived from the U.S. land market area. Cost of services and rentals as a percentage of revenue increased to 85% of segment revenue for the three months ended September 30, 2019, as compared to 81% for the same period in 2018. The decrease in revenue is primarily attributable to decreased activity in our pressure pumping and well services businesses. During the first half of 2019, the overcapacity of the available pressure pumping horsepower in the market contributed to the downward pressure on pricing and utilization for our services. In response to the unfavorable market conditions, we have reduced the number of pressure pumping fleets deployed in the field and curtailed our operations. The decrease in revenue is also attributable to the disposition of our drilling rig service line during the second quarter of 2019.

Production Services Segment

Revenue from our Production Services segment for the three months ended September 30, 2019 decreased by 7% to $98.8 million, as compared to $105.9 million for the same period in 2018. Cost of services and rentals as a percentage of revenue increased to 84% of segment revenue for the three months ended September 30, 2019, as compared to 80% for the same period in 2018. Revenue from the U.S. land market area decreased 32%, primarily due to a decrease in coiled tubing activities. Revenue from the international market areas increased 16%, primarily due to an increase in hydraulic workover and snubbing activities. Revenue from the U.S. offshore market area increased 9%, primarily due to an increase in hydraulic workover and snubbing activities.

Technical Solutions Segment

Revenue from our Technical Solutions segment decreased 3% to $70.6 million for the three months ended September 30, 2019, as compared to $73.1 million for the same period in 2018. Cost of services and rentals as a percentage of revenue increased to 70% of segment revenue for the three months ended September 30, 2019, as compared to 59% for the same period in 2018. Revenue from the U.S. land market area decreased 14%, primarily due to a decrease in demand for well control services. Revenue from the international market areas increased 30%, primarily due to an increase in demand for well control services. Revenue derived from the U.S. offshore market area decreased 14%, primarily due to a decrease in demand for subsea intervention services. During the three months ended September 30, 2019, we recorded $7.0 million in reduction in value of assets.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $67.4 million during the three months ended September 30, 2019 from $99.9 million during the same period in 2018. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $7.7 million, or 27.5%; for our Onshore Completion and Workover Services segment by $18.2 million, or 38.5%; for our Production Services segment by $5.0 million, or 29.3%; and for our Technical Solutions segment by $1.4 million, or 22%. Depreciation expense for Corporate and Other remained flat. The decrease in depreciation, depletion, amortization and accretion is primarily due to assets becoming fully depreciated.

Reduction in Value of Assets

The reduction in value of assets recorded during the three months ended September 30, 2019 was $9.6 million primarily related to the reduction in value of long-lived assets within the Technical Solutions segment.

Income Taxes

Our effective income tax rate for the three months ended September 30, 2019 was a 7% expense compared to a 13% benefit for the same period in 2018. The change in the effective income tax rate was primarily impacted by a deferred tax assets valuation allowance recorded during the three months ended September 30, 2019.

Comparison of the Results of Operations for the Nine Months Ended September 30, 2019 and September 30, 2018

For the nine months ended September 30, 2019, our revenue was $1,329.2 million, a decrease of $261.7 million or 16%, as compared to the same period in 2018. Net loss was $157.2 million, or a $1.01 loss per share. This compares to a net loss for the nine months ended September 30, 2018 of $107.9 million, or a $0.70 loss per share. Included in the results for the nine months ended September 30, 2019 was a pre-tax charge of $41.0 million related to the reduction in value of assets.

The following table compares our operating results for the nine months ended September 30, 2019 and September 30, 2018 (in thousands, except percentages). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2019	2018	Change	%	2019	%	2018	%	Change
Drilling Products and Services	$ 312,946	$ 278,419	$ 34,527	12%	$ 118,732	38%	$ 108,997	39%	$ 9,735
Onshore Completion and Workover Services	513,638	802,600	(288,962)	-36%	436,400	85%	630,205	79%	(193,805)
Production Services	305,239	308,591	(3,352)	-1%	240,855	79%	255,377	83%	(14,522)
Technical Solutions	197,385	201,324	(3,939)	-2%	124,810	63%	123,080	61%	1,730
Total	$ 1,329,208	$ 1,590,934	$ (261,726)	-16%	$ 920,797	69%	$ 1,117,659	70%	$ (196,862)

Operating Segments:

Drilling Products and Services Segment

Revenue from our Drilling Products and Services segment increased 12% to $312.9 million for the nine months ended September 30, 2019, as compared to $278.4 million for the same period in 2018. Cost of services and rentals as a percentage of revenue decreased to 38% of segment revenue for the nine months ended September 30, 2019, as compared to 39% for the same period in 2018. Revenue from the U.S. land market areas increased 10% as a result of increases in revenue from rentals of premium drill pipe and bottom hole assemblies. Revenue from the U.S. offshore market area increased 30% primarily due to an increase in revenue from rentals of premium drill pipe and bottom hole assemblies, as demand for these rental products increased along with the increase in U.S. offshore rig count. Revenue from the international market areas increased 2% due to an increase in rentals of premium drill pipe and bottom hole assemblies.

Onshore Completion and Workover Services Segment

Revenue from our Onshore Completion and Workover Services segment decreased 36% to $513.6 million for the nine months ended September 30, 2019 months, as compared to $802.6 million for the same period in 2018. All of this segment's revenue is derived from the U.S. land market area. Cost of services and rentals as a percentage of revenue increased to 85% of segment revenue for the nine months ended September 30, 2019, as compared to 79% for the same period in 2018. The decrease in revenue is primarily attributable to decreased activity in our pressure pumping and well services businesses. During the first half of 2019, the overcapacity of the available pressure pumping horsepower in the market contributed to the downward pressure on pricing and utilization for our services. In response to the unfavorable market conditions, we have reduced the number of pressure pumping fleets deployed in the field and curtailed our operations. The decrease in revenue is also attributable to the disposition of our drilling rig service line during the second quarter of 2019. During the nine months ended September 30, 2019, we recorded $31.9 million in reduction in value of assets.

Production Services Segment

Revenue from our Production Services segment for the nine months ended September 30, 2019 decreased by 1% to $305.2 million, as compared to $308.6 million for the same period in 2018. Cost of services and rentals as a percentage of revenue decreased to 79% of segment revenue for the nine months ended September 30, 2019, as compared to 83% for the same period in 2018. Revenue from the U.S. land market area decreased 24%, primarily due to a decrease in coiled tubing activities. Revenue from the international market areas increased 19%, primarily due to an increase in hydraulic workover and snubbing activities. Revenue from the U.S. offshore market area increased 23%, primarily due to an increase in hydraulic workover and snubbing and pressure control activities.

Technical Solutions Segment

Revenue from our Technical Solutions segment decreased 2% to $197.4 million for the nine months ended September 30, 2019, as compared to $201.3 million for the same period in 2018. Cost of services and rentals as a percentage of revenue increased to 63% of segment revenue for the nine months ended September 30, 2019, as compared to 61% for the same period in 2018. Revenue from the U.S. land market area increased 41%, primarily due to an increase in well control services. Revenue from the international market areas increased 20%, primarily due to an increase in demand for subsea intervention services and completion tools and products. Revenue derived from the U.S. offshore market area decreased 21%, primarily due to a decrease in demand for completion tools and products and subsea intervention services. During the nine months ended September 30, 2019, we recorded $7.0 million in reduction in value of assets.

Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $225.0 million during the nine months ended September 30, 2019 from $303.6 million during the same period in 2018. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $21.4 million, or 25%; for our Onshore Completion and Workover Services segment by $42.2 million, or 30%; for our Production Services segment by $11.3 million, or 22%; and for our Technical Solutions segment by $3.1 million, or 15%. Depreciation expense for Corporate and Other remained flat. The decrease in depreciation, depletion, amortization and accretion is primarily due to assets becoming fully depreciated and impairments of long-lived assets recorded during 2018.

Reduction in Value of Assets

The reduction in value of assets recorded during the nine months ended September 30, 2019 included $41.0 million related to the reduction in value of long-lived assets within the Onshore Completion and Workover and Technical Solutions segments.

Income Taxes

Our effective income tax rate for the nine months ended September 30, 2019 was a 8% expense compared to a 13% benefit for the same period in 2018. The change in the effective income tax rate was primarily impacted by a deferred tax assets valuation allowance recorded during the nine months ended September 30, 2019.

Liquidity and Capital Resources

For the nine months ended September 30, 2019, we generated net cash from operating activities of $116.5 million, as compared to $83.4 million of cash generated by operating activities in the same period of 2018. Our primary liquidity needs during the next twelve months are for working capital and capital expenditures. Our primary sources of liquidity are cash flows from operations and available borrowings under our credit facility. We had cash and cash equivalents of $259.9 million at September 30, 2019, compared to $158.1 million at December 31, 2018.

We spent $105.4 million of cash on capital expenditures during the nine months ended September 30, 2019. Capital expenditures of $48.2 million primarily related to the expansion and maintenance of our equipment inventory at our Drilling Products and Services segment and the remaining capital expenditures related to ongoing maintenance of our equipment across all other segments. During the remainder of 2019, we intend to limit capital spending within our operational cash flow levels to generate free cash flow and allocate capital to businesses with higher returns on invested capital.

We have an asset-based revolving credit facility which matures in October 2022. The borrowing base under the credit facility is calculated based on a formula referencing the borrower's and the subsidiary guarantors' eligible accounts receivable, eligible inventory and eligible premium rental drill pipe less reserves. Availability under the credit facility is the lesser of (i) the commitments, (ii) the borrowing base and (iii) the highest principal amount permitted to be secured under the indenture governing the 7.125% senior unsecured notes due 2021. On September 20, 2019, we amended its credit facility to increase the letter of credit capacity from $100.0 million to $150.0 million. At September 30, 2019, the borrowing base was $229.6 million and we had $83.1 million of letters of credit outstanding that reduced our borrowing availability under the revolving credit facility. The credit agreement contains various covenants, including, but not limited to, limitations on the incurrence of indebtedness, permitted investments, liens on assets, making distributions, transactions with affiliates, merger, consolidations, dispositions of assets and other provisions customary in similar types of agreements. At September 30, 2019, we were in compliance with all such covenants.

We have outstanding $500 million of 7.75% senior unsecured notes due September 2024. The indenture governing the 7.75% senior unsecured notes due 2024 requires semi-annual interest payments on March 15 and September 15 of each year through the maturity date of September 15, 2024. The indenture contains customary events of default and requires that we satisfy various covenants. At September 30, 2019, we were in compliance with all such covenants.

We also have outstanding $800 million of 7.125% senior unsecured notes due December 2021. The indenture governing the 7.125% senior notes due 2021 requires semi-annual interest payments on June 15 and December 15 of each year through the maturity date of December 15, 2021. The indenture contains customary events of default and requires that we satisfy various covenants. At September 30, 2019, we were in compliance with all such covenants.

Other Matters

Off-Balance Sheet Arrangements and Hedging Activities

At September 30, 2019, we had no off-balance sheet arrangements and no hedging contracts.

Recently Adopted Accounting Guidance

See Part I, Item 1, "Financial Statements – Note 7 – Leases."

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Foreign Currency Exchange Rates Risk

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

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

We do not hold derivatives for trading purposes or use derivatives with complex features. When we believe prudent, we enter into forward foreign exchange contracts to hedge the impact of foreign currency fluctuations. We do not enter into forward foreign exchange contracts for trading or speculative purposes. At September 30, 2019, we had no outstanding foreign currency forward contracts.

Interest Rate Risk

At September 30, 2019, we had no variable rate debt outstanding.

Commodity Price Risk

Our revenues and profitability significantly depend upon the market prices of oil and natural gas.

For additional discussion, see Part 1, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. As of the end of the period covered by this quarterly report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) are effective for ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures and is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

(b) Changes in internal control. Effective January 1, 2019, we adopted Topic 842, Leases. The adoption of this standard resulted in recording of operating lease assets and operating lease liabilities, with no related impact on our condensed consolidated statement of equity or condensed consolidated statement of operations for the nine months ended September 30, 2019. In connection with the adoption of the new standard, we implemented internal controls to ensure we adequately evaluated our contracts and properly assessed the impact of the new accounting standard. There were no other changes in our internal control over financial reporting that occurred during the three months ended September 30, 2019, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal actions incidental to our business. The outcome of these proceedings is not predictable. However, based on current circumstances, we do not believe that the ultimate resolution of these proceedings, after considering available defenses and any insurance coverage or indemnification rights, will have a material adverse effect on our financial position, results of operations or cash flows. See Part I, Item 1, "Financial Statements – Note 14 – Contingencies."

Item 1A. Risk Factors

For information regarding certain risks relating to our operations, any of which could negatively affect our business, financial condition, operating results or prospects, see Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2018. There have been no material changes to the risk factors previously disclosed under the caption "Risk Factors" in our Annual Report, except as set forth below.

We have received notice of the NYSE's intention to delist our common stock, which could materially impair the liquidity and value of our common stock.

On September 26, 2019, we were notified by the NYSE that due to "abnormally low" trading price levels, pursuant to Section 802.01D of the NYSE Listed Company Manual, the NYSE had suspended trading in the Company's common stock effective immediately and has determined to commence delisting proceedings to delist our common stock. While we have appealed the determination by the staff of the NYSE to delist the Company's common stock and intend to conduct a reverse stock split to increase the market price of our common stock to enable our common stock to be listed on the NASDAQ National Market if the NYSE appeal is ultimately unsuccessful, we can provide no assurance that these efforts will be successful.

On September 27, 2019, our common stock commenced trading on the OTC Markets under the symbol "SPNV." In addition, as of October 4, 2019, our common stock commenced trading on the OTCQX Best Market, operated by the OTC Markets Group Inc., (together with the OTC Markets, the OTC) under the same trading symbol "SPNV." The OTC is a significantly more limited market than the NYSE, and quotation on the OTC may result in a less liquid market available for existing and potential stockholders to trade the common stock and could further depress the trading price of our common stock. We can provide no assurance that our common stock will continue to trade on this market, whether broker-dealers will continue to provide public quotes of our common stock on this market or whether the trading volume of our common stock will be sufficient to provide for an efficient trading market.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 6. Exhibits

(a) The following exhibits are filed with this Form 10-Q:

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Superior Energy Services, Inc. (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 7, 2013 (File No. 001-34037)).
3.2	Amended and Restated Bylaws of Superior Energy Services, Inc. (as amended through March 7, 2012) (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 12, 2012 (File No. 001-34037))
10.1*	Second Amendment to Fifth Amended and Restated Credit Agreement, dated September 20, 2019, among SESI, L.L.C., Superior Energy Services, Inc., the guarantors party thereto, JPMorgan Chase Bank N.A., as administrative agent, and the lenders party thereto.
31.1*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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

* Filed herewith

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 thereunto duly authorized.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Westervelt T. Ballard, Jr.
Westervelt T. Ballard, Jr.
Executive Vice President, Chief Financial Officer and Treasurer

By: /s/ James W. Spexarth
James W. Spexarth
Chief Accounting Officer

Date: November 6, 2019

Execution Version

SECOND AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS **SECOND AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT** (this "Amendment") is entered into as of September 20, 2019 by SESI, L.L.C., a limited liability company duly formed and existing under the laws of the State of Delaware (the "Borrower"), Superior Energy Services, Inc., a corporation duly formed and existing under the laws of the State of Delaware (the "Parent") each of the undersigned Guarantors (together with the Borrower and Parent, the "Loan Parties"), each of the undersigned Lenders, each Issuing Lender, the New Issuing Lender (as defined herein) and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders.

R E C I T A L S

A. The Borrower, the Parent, the Administrative Agent, the Lenders and the Issuing Lenders are parties to that certain Fifth Amended and Restated Credit Agreement, dated as of October 20, 2017 (as amended by the First Amendment to Fifth Amended and Restated Credit Agreement, dated as of September 25, 2018, the "Credit Agreement"), pursuant to which the Lenders and Issuing Lenders have made certain credit available to and on behalf of the Borrower.

B. The Borrower has requested that Wells Fargo Bank, National Association ("Wells Fargo") become an Issuing Lender and Wells Fargo agrees to become an Issuing Lender under the Credit Agreement with an initial L/C Commitment of $30,000,000.

C. The Borrower has requested that Citibank, N.A. ("Citibank") increase, and Citibank agrees to increase, its L/C Commitment to $30,000,000.

D The Borrower has requested and the Administrative Agent, Issuing Lenders and Lenders constituting the Required Lenders have agreed to make certain other changes to the Credit Agreement as set forth herein.

E. NOW, THEREFORE, to induce the Administrative Agent, the Issuing Lenders and the Lenders party hereto to enter into this Amendment and in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term used herein but not otherwise defined herein has the meaning given such term in the Credit Agreement, as amended by this Amendment. Unless otherwise indicated, all article, exhibit, section and schedule references in this Amendment refer to articles, exhibits, sections and schedules of the Credit Agreement.

Section 2. Amendments to Credit Agreement.

2.1. The Table of Contents is hereby amended to reflect the appropriate page number references and section titles as may be necessary to reflect the changes to the Credit Agreement made by this Amendment.

2.2. Amendment to Section 1.1. Section 1.1 (Certain Defined Terms) is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset

Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party shall mean an "affiliate' (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" shall mean any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" shall have the meaning provided in Section 9.14.

"Default Right" shall have the meeting provided in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Plan Asset Regulations" shall mean 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" shall have the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" shall have the meaning provided in Section 9.14.

"Supported QFC" shall have the meaning provided in Section 9.14.

"U.S. Special Resolution Regimes" shall have the meaning provided in Section 9.14.

2.3. Amendment to Section 1.2. The following subsection is hereby added to Section 1.2:

(e) For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

2.4. Amendment to Section 2.2.1(a). Clause (i) of the proviso to the first sentence of Section 2.2.1(a) is hereby amended by replacing "$100,000,000" with "$150,000,000".

2.5. Amendment to Section 2.2.2. Clause (i) of the last sentence of Section 2.2.2 is hereby amended by replacing "$100,000,000" with "$150,000,000".

2.6. Amendment to Schedule 1A. Schedule 1A is hereby amended and restated in its entity in the form attached hereto as Annex I.

2.7. A new Section 9.14 (Acknowledgment Regarding Any Supported QFCs) is hereby added to read in its entirety as follows:

Section 9.14 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for a Permitted Bond Hedge Transaction or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

2.8. A new Section 10.12 (Credit Bidding) is hereby added to read in its entirety as follows:

Section 10.12 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.11 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

2.9. A new Section 10.13 (Certain ERISA Matters) is hereby added to read in its entirety as follows:

Section 10.13 Certain ERISA Matters

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless Section 10.13(a)(i) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in Section 10.13(a)(iv), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, or any Arranger or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent, and each Arranger, hereby informs the Lenders that each such Person is not undertaking to provide investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 3. Appointment of Issuing Lender. The Borrower hereby appoints Wells Fargo as an Issuing Lender under the Credit Agreement and (a) Wells Fargo accepts such appointment and agrees that its L/C Commitment is the amount set forth across from its name on Schedule 1A (as amended and restated by this Amendment) (Wells Fargo, in its capacity as a new Issuing Lender, the "New Issuing Lender") and (b) the Administrative Agent agrees to such appointment.

Section 4. Conditions Precedent. Upon the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.11 of the Credit Agreement) (such date, the "Satisfaction Date"), this Amendment shall be deemed effective (such date, the "Second Amendment Effective Date"):

4.1. Execution and Delivery. The Administrative Agent shall have received from the Loan Parties, each Issuing Lender, the New Issuing Lender and the Lenders constituting the Required Lenders, counterparts (in such number as may be requested by the Administrative Agent) of this Amendment signed on behalf of such Person.

4.2. Payment of Expenses. The Administrative Agent and the Lenders shall have received all amounts due and payable on or prior to the Satisfaction Date, including, to the extent invoiced at least one Business Day prior to the Satisfaction Date, reimbursement or payment of all documented out-of-pocket expenses required to be reimbursed or paid by the Borrower under the Credit Agreement.

4.3. No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing as of the date hereof, after giving effect to the terms of this Amendment.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 4 or the waiver of such conditions as permitted by Section 9.11 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

Section 5. Miscellaneous.

5.1. Confirmation. The provisions of the Credit Agreement, as amended by this Amendment, shall remain in full force and effect following the effectiveness of this Amendment.

5.2. Ratification and Affirmation; Representations and Warranties. Each Loan Party hereby (a) acknowledges the terms of this Amendment; (b) ratifies and affirms its obligations under, and acknowledges, renews and extends its continued liability under, each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect, except as expressly amended hereby, notwithstanding the amendments contained herein; and (c) represents and warrants to the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects, except to the extent any such representations and warranties are stated to relate solely to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier date (*provided* that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in the Credit Agreement) and (ii) no Default or Event of Default has occurred and is continuing.

5.3. No Waiver; Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. On and after the Second Amendment Effective Date, this Amendment shall for all purposes constitute a Loan Document.

5.4. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of this Amendment by facsimile or electronic transmission in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart hereof.

5.5. NO ORAL AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH AND THEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR UNWRITTEN ORAL AGREEMENTS OF THE PARTIES. AS OF THE DATE OF THIS AMENDMENT, THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

5.6. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[SIGNATURES BEGIN NEXT PAGE]

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

BORROWER: **SESI, L.L.C.**

By: /s/ Westervelt T. Ballard, Jr.
Name: Westervelt Ballard
Title: Executive Vice President, Chief Financial Officer and Treasurer

PARENT: **SUPERIOR ENERGY SERVICES, INC.**

By: /s/ Westervelt T. Ballard, Jr.
Name: Westervelt Ballard
Title: Executive Vice President, Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

1105 PETERS ROAD, L.L.C.
CONNECTION TECHNOLOGY, L.L.C.
H.B. RENTALS, L.C.
INTERNATIONAL SNUBBING SERVICES, L.L.C.
STABIL DRILL SPECIALTIES, L.L.C.
SUPERIOR INSPECTION SERVICES, L.L.C.
WORKSTRINGS INTERNATIONAL, L.L.C.

By: /s/ Westervelt T. Ballard, Jr.
Name: Westervelt Ballard
Title: Vice President and Treasurer

COMPLETE ENERGY SERVICES, INC.
PUMPCO ENERGY SERVICES, INC.
SPN WELL SERVICES, INC.
SUPERIOR ENERGY SERVICES-NORTH AMERICA SERVICES, INC.
WARRIOR ENERGY SERVICES CORPORATION
WILD WELL CONTROL, INC.

By: /s/ Westervelt T. Ballard, Jr.
Name: Westervelt Ballard
Title: Treasurer

SUPERIOR ENERGY SERVICES, L.L.C.

By:	/s/ Westervelt T. Ballard, Jr.
Name:	Westervelt Ballard
Title:	Executive Vice President, Chief Financial Officer and Treasurer

ADMINISTRATIVE AGENT, ISSUING LENDER AND LENDER:	**JPMORGAN CHASE BANK, N.A.**

By:	/s/ Darren Vanek
Name:	Darren Vanek
Title:	Executive Director

ISSUING LENDER AND LENDER:	**BANK OF AMERICA, N.A.**
	By: /s/ Michael Danby Name: Michael Danby Title: Vice President

Signature Page to Second Amendment to
Fifth Amended and Restated Credit Agreement

ISSUING LENDER AND LENDER:	**CITIBANK, N.A.**

By:	/s/ Derrick Lenz
Name:	Derrick Lenz
Title:	Vice President

NEW ISSUING LENDER AND LENDER:	**WELLS FARGO BANK, N.A.**

By: /s/ Becky Rountree
Name: Becky Rountree
Title: Vice President

LENDER:	**CAPITAL ONE, NATIONAL ASSOCIATION**

By: /s/ Julianne Low
Name: Julianne Low
Title: Duly Authorized Signatory

LENDER:	**HANCOCK WHITNEY BANK**

By: /s/ Hollie L. Ericksen
Name: Hollie L. Ericksen
Title: Senior Vice President

LENDER:	**ROYAL BANK OF CANADA**	
	By:	/s/ Grace Garcia
	Name:	Grace Garcia
	Title:	Authorized Signatory

Signature Page to Second Amendment to
Fifth Amended and Restated Credit Agreement

EXHIBIT 31.1

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: November 6, 2019

/s/ David. D. Dunlap

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

EXHIBIT 31.2

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

I, Westervelt T. Ballard, Jr., Executive Vice President, Chief Financial Officer and Treasurer of Superior Energy Services, Inc., certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 6, 2019

/s/ Westervelt T. Ballard, Jr.

Westervelt T. Ballard, Jr.
Executive Vice President, Chief Financial Officer
and Treasurer
Superior Energy Services, Inc.

EXHIBIT 32.1

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

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

1. the quarterly report on Form 10-Q of the Company for the quarter ended September 30, 2019 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

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

Date: November 6, 2019

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

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

EXHIBIT 32.2

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

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

1. the quarterly report on Form 10-Q of the Company for the quarter ended September 30, 2019 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

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

Date: November 6, 2019

/s/ Westervelt T. Ballard, Jr.

Westervelt T. Ballard, Jr.
Executive Vice President, Chief Financial Officer
and Treasurer
Superior Energy Services, Inc.

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