

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(MARK ONE)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM.....TO.....
COMMISSION FILE NO. 0-20310
SUPERIOR ENERGY SERVICES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware 75-2379388
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER
INCORPORATION OR ORGANIZATION) IDENTIFICATION NO.)

1105 Peters Road
Harvey, LA 70058
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

Registrant's telephone number: (504) 362-4321

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

NONE

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

Common Stock

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

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant at March 15, 2000 based on the closing price on Nasdaq National Market on that date was \$308,300,000.

The number of shares of the Registrant's common stock outstanding on March 15, 2000 was 59,926,289.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders have been incorporated by reference into Part IV of this Form 10-K.

SUPERIOR ENERGY SERVICES, INC.
ANNUAL REPORT ON FORM 10-K FOR
THE FISCAL YEAR ENDED DECEMBER 31, 1999

TABLE OF CONTENTS

	PAGE
PART I	
Items 1. & 2. Business and Properties	1
Item 3. Legal Proceedings	9
Item 4. Submission of Matters to a Vote of Security Holders	9
Item 4A. Executive Officers of Registrant	9
PART II	
Item 5. Market for Registrant's Common Equity and Related Stockholder Matters	10
Item 6. Selected Financial Data	11
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	15
Item 8. Financial Statements and Supplementary Data	16
Item 9. Changes in and disagreements with Accountants on Accounting and Financial Disclosure	35
PART III	
Item 10. Directors and Executive Officers of the Registrant	35
Item 11. Executive Compensation	35
Item 12. Security Ownership of Certain Beneficial Owners and Management	35
Item 13. Certain Relationships and Related Transactions	35

EXPLANATORY NOTE

On July 15, 1999, we acquired Cardinal Holding Corp. through its merger with one of our wholly-owned subsidiaries. The merger was treated for accounting purposes as if Superior was acquired by Cardinal in a purchase business transaction. The purchase method of accounting required that we carry forward Cardinal's net assets at their historical book value and reflect Superior's net assets at their estimated fair value at the date of the merger. Accordingly, all historical financial results presented in the consolidated financial statements included in this Annual Report for periods prior to July 15, 1999 reflect Cardinal's results on a stand-alone basis. Cardinal's historical operating results were substantially different than ours for the same period and reflected substantial non-cash and extraordinary charges associated with a recapitalization and refinancing. The results for the year ended December 31, 1999 reflect twelve months of Cardinal's operations, five and one-half months of our operations after the merger and two months of operations of Production Management Companies, Inc., which we acquired effective November 1, 1999. Consequently, analyzing prior period results to determine or estimate our future operating potential will be difficult given the accounting treatment of the Cardinal merger, our subsequent acquisition of Production Management and the substantial non-cash and extraordinary charges Cardinal incurred prior to the merger.

PART I

ITEMS 1. & 2. BUSINESS AND PROPERTIES

GENERAL

We provide a broad range of specialized oilfield services and equipment to oil and gas companies in the Gulf of Mexico and throughout the Gulf Coast region. These services and equipment include:

- * well services including plug and abandonment ("P&A") services, coiled tubing services, well pumping and stimulation services, data acquisition services, gas lift services and electric wireline services,
- * mechanical wireline services,
- * the rental of liftboats
- * the rental of specialized oilfield equipment,
- * environmental cleaning services,
- * field management services, and
- * the manufacture and sale of drilling instrumentation and oil spill containment equipment.

Over the past few years, we have significantly expanded our geographic scope of operations and the range of production related services we provide through both internal growth and strategic acquisitions. In July 1999, we completed the acquisition by merger of Cardinal Holding Corp., and in November 1999, we completed the acquisition of Production Management Companies, Inc., thereby making these companies two of our wholly-owned subsidiaries. These acquisitions firmly established us as a market leader in providing most offshore production related services using liftboats as work platforms and allowed us to expand our scope of operations to include offshore platform and property management services.

The decline in drilling and workover activity in the Gulf of Mexico triggered by low oil prices that began in 1998 adversely affected our results of operations for the fiscal year ended December 31, 1999. Our operating results are directly tied to industry demand for our services, most of which are performed in the Gulf of Mexico. While we have focused on providing production related services where, historically, demand has not been as volatile as for exploration related services, we expect our operating results to be highly leveraged to industry activity levels in the Gulf of Mexico. For additional industry segment information for the year ended December 31, 1999, see note 13 to consolidated financial statements.

OPERATIONS

WELL SERVICES. We are the leading provider of P&A services in the Gulf of Mexico. These services involve the acts of "plugging" and "abandoning" a well that is no longer productive. We perform both permanent and temporary P&A services. If a well is permanently plugged, the well will no longer produce, and we will remove all evidence of the well's existence on the surface or on the bottom of the sea. We can also plug a well temporarily to enable the operator to come back at a later date and use the well again.

We construct all of our P&A equipment providing us the flexibility to build equipment to satisfy market demand. Our custom-built, skid-mounted P&A equipment is generally smaller than those used by many of our competitors. This equipment allows us to complete the P&A process from the platform or from liftboats rather than using a drilling rig ("rig-less P&A"). Rig-less P&A offers a cost advantage over P&A methods that require a drilling rig, and management believes that the large majority of the wells in the Gulf of Mexico can be plugged and abandoned using the rig-less P&A method. In delivering P&A services, we have combined both wireline and pumping expertise, which traditionally have been provided separately. We believe that this combined expertise gives us an advantage over many of our competitors. The addition of our liftboat fleet through our acquisition of Cardinal has further solidified this competitive advantage by providing us with greater access to the liftboats used in the delivery of our P&A services.

To a more limited extent, we also provide coiled tubing services, well pumping and stimulation services, data acquisition services, gas lift services and electric wireline services.

WIRELINE SERVICES. We are the leading provider of mechanical wireline services in the Gulf of Mexico with approximately 200 offshore wireline units, 20 land wireline units and 18 liftboats configured specifically for wireline services. A wireline unit is a spooled wire that can be unwound and lowered into a well carrying various types of tools. Wireline services are used for a variety of purposes, such as:

- * accessing a well to assist in data acquisition or logging activities,
- * fishing tool operations to retrieve lost or broken equipment,
- * pipe recovery, and
- * remedial activities.

In addition, wireline services are an integral part of the P&A services that we provide.

MARINE SERVICES. We have the largest and most diverse liftboat fleet in the Gulf of Mexico. With our liftboat fleet, we are the leading provider of liftboat rental services in the Gulf of Mexico. Our fleet contains 42 liftboats, 24 of which have leg lengths of 100 feet or more. We are currently refurbishing a liftboat with 200 foot legs that was damaged in September 1999 and also have another 200 foot liftboat under construction that we expect to add to our fleet in the third quarter of 2000.

A liftboat is a self-propelled, self-elevating work platform with legs, cranes and living accommodations. Upon arriving at its destination, the liftboat hydraulically lowers its legs until they are positioned on the

ocean floor, and then jacks up until the work platform is sufficiently above the water level. Once positioned, the stability, open deck area, crane capacity, and relatively low cost of operation make liftboats ideal work platforms for a wide range of offshore activity from platform construction to P&A services. Each of our liftboats also have either one or two cranes with lift capacity of up to 100 tons. In addition, the capability to reposition at a work site or to move to another location within a short time adds to their versatility. Liftboat services are highly complementary to both wireline and P&A operations, as both require a work platform. Liftboats are also frequently used when removing platforms or performing workovers on wells.

RENTAL TOOLS. As a leading provider of rental tools in the Gulf Coast region, we manufacture, sell and rent specialized equipment for use with onshore and offshore oil and gas well drilling, completion, production and workover activities. The drilling and operation of oil and gas wells generally requires a variety of equipment. The equipment needed for a particular well is in large part determined by the geological features of the well area and the size of the well itself. As a result, operators and drilling contractors often find it more economical to supplement their inventories with rental tools instead of maintaining a complete inventory of tools.

Through internal growth and acquisitions, we have increased the size of our rental tool inventory and now have 16 locations that are located in all major staging points for offshore oil and gas activities in Texas and Louisiana. We also have a rental tool operation in Venezuela with a limited inventory of rental tools for this market area.

ENVIRONMENTAL SERVICES. We provide a full range of environmental cleaning services, including vessel pressure cleaning and safe vessel entry. In addition to conventional tank and vessel pressure cleaning, we use our patented technology for on-line/remote cleaning to pressure clean vessels while under normal operation and flow. This patented technology offers numerous benefits, including no confined space entry, the elimination of production shut-in and the reduction of waste disposal costs. Other environmental cleaning services we provide include:

- * glycol system rehabilitation,
- * naturally occurring radioactive material remediation and decontamination at offsite locations,
- * emergency site cleanup,
- * bulk storage tank cleaning and demolition, and
- * the rental of containers used in the disposal of waste products.

FIELD MANAGEMENT SERVICES. We also provide a comprehensive range of platform and field management services to the onshore and offshore oil and gas industry, including:

- * property management,
- * maintenance,
- * supplemental personnel, and
- * logistics services.

We provide, on a monthly contracting basis, all services required for the daily mechanical operation and maintenance of offshore producing oil and gas properties and platforms, including engineering services, operating labor, transportation, tools and supplies, and technical supervision. We currently provide such property management services to approximately 75 offshore facilities in the Gulf of Mexico. In addition, we provide supplemental labor on both a short and long term basis to our customers.

OTHER SERVICES. We also provide other services, including the manufacture and sale of drilling instrumentation and oil spill containment equipment.

We design, manufacture and sell specialized drilling rig instrumentation and computerized electronic torque and pressure control equipment. Our torque and pressure control equipment is used in drilling and workover operations, as well as the manufacture of oilfield tubular goods. The torque control equipment monitors the relationship between size, weight, grade, rate of makeup, torque and penetration of tubular goods to ensure a leak-free connection within the pipe manufacturer's specification. The electronic pressure control equipment monitors and documents internal and external pressure testing of tubular connections.

We also sell oil spill containment inflatable boom and ancillary storage/deployment/retrieval equipment. Our inflatable boom utilizes continuous single-point inflation technology with air feeder sleeves in combination with mechanical check valves to permit continuous inflation of the boom material. We sell, rent and license oil spill containment technology to domestic and foreign oil companies, oil spill response companies and cooperatives, the United States Coast Guard and to foreign governments and their agencies.

CUSTOMERS

We derive a significant amount of revenue from a small number of major and independent oil and gas companies. No single customer represented 10% or more of our total revenue in 1999 or 1998. In 1997, one customer accounted for approximately 11.2% of our total revenue, primarily in the marine and wireline segments. Our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or existing customers, could have a material adverse effect on our business and financial condition.

COMPETITION

We compete in highly competitive areas of the oilfield services industry. The products and services of each of our principal operating segments are sold in highly competitive markets, and our revenues and earnings can be affected by the following factors:

- * changes in competitive prices,
- * fluctuations in the level of activity and major markets,
- * an increased number of liftboats in the Gulf of Mexico
- * general economic conditions, and
- * governmental regulation.

We compete with the oil and gas industry's largest integrated oilfield service providers. We believe that the principal competitive factors in the market areas that we serve are price, product and service quality, availability and technical proficiency.

Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than our products and services. Further, if additional liftboats enter the Gulf of Mexico market area, it would increase the competition for that service. Competitive pressures or other factors also may result in significant price competition that could have a material adverse effect on our results of operations and financial condition. Finally, competition among oilfield service and equipment providers is also affected by each provider's reputation for safety and quality. Although we believe that our reputation for safety and quality service is good, you cannot be sure that we will be able to maintain our competitive position.

POTENTIAL LIABILITIES AND INSURANCE

Our operations involve a high degree of operational risk, particularly of personal injury and damage or loss of equipment. Failure or loss of our equipment could result in property damages, personal injury, environmental pollution and other damage for which we could be liable. Litigation arising from the sinking of a liftboat or a catastrophic occurrence at a location where our equipment and services are used may in the future result in large claims for damages. We maintain insurance against risks that we believe is consistent with industry standards and required by our customers. Although we believe that our insurance protection is adequate, and that we have not experienced a loss in excess of policy limits, you cannot be sure that we will be able to maintain adequate insurance at rates which we consider commercially reasonable, nor that such coverage will be adequate to cover all claims that may arise.

GOVERNMENTAL REGULATION

Our business is significantly affected by the following:

- * state and federal laws and other regulations relating to the oil and gas industry,
- * changes in such laws,
- * changing administrative regulations, and
- * the level of enforcement thereof.

We cannot predict the level of enforcement of existing laws and regulations or how such laws and regulations may be interpreted by enforcement agencies or court rulings in the future. We also can not predict whether additional laws and regulations will be adopted, or the effect such changes may have on us, our businesses or our financial condition.

Federal and state laws require owners of non-producing wells to plug the well and remove all exposed piping and rigging before the well is permanently abandoned. The timing and need for P&A services for wells situated on the federal outer continental shelf are regulated by the Minerals Management Service (United States Department of the Interior). The Minerals Management Service generally requires wells to be permanently plugged and abandoned within one year of lease expiration. State regulatory agencies similarly regulate P&A services within state coastal waters. State regulatory timeframes for P&A can be as long as one year for wells in Texas coastal waters or as short as 90 days after the drilling or production operations cease in Louisiana coastal waters. The Minerals Management Service and state regulatory agencies routinely grant extensions of time for P&A requirements when a well has future leasehold potential or when it is consistent with prudent operating practices, economic considerations or other special circumstances. You cannot be sure that a decrease in the level of industry compliance with or enforcement of such laws and regulations in the future would not adversely affect the demand for our services and products. In addition, the demand for our services from the oil and gas industry is affected by changes in pertinent laws and regulations. The adoption of new laws and regulations curtailing drilling for oil and gas in our areas of operations for economic, environmental or other policy reasons could also adversely affect our operations by limiting demand for our services.

Certain of our employees who perform services on offshore platforms and vessels are covered by the provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws operate to make the liability limits established under state workers' compensation laws inapplicable to these employees. Instead, these employees or their representatives are permitted to pursue actions against us for damages for job related injuries, with generally no limitations on our potential liability.

Our operations also subject us to compliance with certain federal and state pollution control and environmental protection laws and regulations. We believe that our present operations substantially comply with these laws and regulations and that such compliance has had no material adverse effect upon our operations to date. Sanctions for noncompliance may include the following:

- * revocation of permits,
- * corrective action orders,
- * administrative or civil penalties, and
- * criminal prosecution.

Certain environmental laws provide for joint and several strict liabilities

for remediation of spills and other releases of hazardous substances. In addition, companies may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Finally, some environmental statutes impose strict liability, which could render us liable for environmental damage without regard to our negligence or fault. You cannot be sure that environmental laws will not, in the future, materially adversely affect our operations and financial condition.

EMPLOYEES

As of March 15, 2000, we had approximately 1,730 employees. None of our employees are represented by a union or covered by a collective bargaining agreement. We believe that our relations with our employees are good.

FACILITIES

Our principal operating facilities are located in Harvey, Louisiana on a 14 acre tract. We support the operations conducted by our liftboats from a 3.5 acre maintenance and office facility in New Iberia, Louisiana located on the intracoastal waterway that provides access to the Gulf. We also own certain facilities and lease other office, service and assembly facilities under various operating leases, including 16 facilities located in Texas and Louisiana to support our rental tool operations. We believe that all of our leases are at competitive or market rates and do not anticipate any difficulty in leasing suitable additional space upon expiration of our current lease terms.

INTELLECTUAL PROPERTY

We use several patented items in our operations, which management believes are important but are not indispensable to our operations. Although we anticipate seeking patent protection when possible, we rely to a greater extent on the technical expertise and know-how of our personnel to maintain our competitive position.

CAUTIONARY STATEMENTS

Certain statements made in this Annual Report that are not historical facts are "forward-looking statements." Such forward-looking statements may include, without limitation, statements that relate to:

- * statements regarding our business strategy, plans and objectives;
- * statements expressing our beliefs and expectations regarding future demand for our products and services and other events and conditions that may influence the oilfield services market and our performance in the future; and
- * statements concerning our future expansion plans, including our anticipated level of capital expenditures for, and the nature and scheduling of, purchases or manufacture of rental tool equipment, wireline or P&A equipment, and liftboats.

Also, you can generally identify forward-looking statements by such terminology as "may," "will," "expect," "believe," "anticipate," "project," "estimate" or similar expressions. Such statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements.

All phases of our operations are subject to a number of uncertainties, risks and other influences, many of which are beyond our control. Any one of such influences, or a combination, could materially affect the accuracy of the forward-looking statements and the projections on which the statements are based. Some important factors that could cause actual results to differ materially from the anticipated results or other expectations expressed in our forward-looking statements include the following:

WE ARE SUBJECT TO THE CYCLICAL INFLUENCES OF THE OIL AND GAS INDUSTRY.

Our business depends in large part on the level of oilfield activity in the Gulf of Mexico and along the Gulf Coast. The level of oil field activity is affected in turn by the willingness of oil and gas companies to make expenditures for the exploration, production and development of oil and natural gas. The purchases of the products and services we provide are, to a substantial extent, deferrable in the event oil and gas companies reduce capital expenditures. Therefore, the willingness of our customers to make expenditures is critical to our operations. The levels of such capital expenditures are influenced by:

- * oil and gas prices and industry perceptions of future prices,
- * the cost of exploring for, producing and delivering oil and gas,
- * the ability of oil and gas companies to generate capital,
- * the sale and expiration dates of leases in the United States,
- * the discovery rate of new oil and gas reserves, and
- * local and international political and economic conditions.

Although the production and development sectors of the oil and gas industry are less immediately affected by changing prices, and, as a result, less volatile than the exploration sector, producers generally react to declining oil and gas prices by reducing expenditures. This has, in the past, and may, in the future, adversely affect our business. We are unable

to predict future oil and gas prices or the level of oil and gas industry activity. A prolonged low level of activity in the oil and gas industry will adversely affect the demand for our products and services and our financial condition and results of operations.

WE ARE VULNERABLE TO THE POTENTIAL DIFFICULTIES ASSOCIATED WITH RAPID EXPANSION.

We have grown rapidly over the last several years through internal growth and acquisitions of other companies. Our future success depends on our ability to manage the rapid growth that we have experienced, and this will demand increased responsibility from our management personnel. The following factors could present difficulties to us:

- * the lack of sufficient executive-level personnel;
- * the increased administrative burdens; and
- * the increased logistical problems common with large, expansive operations.

If we do not manage these potential difficulties successfully, our operating results could be adversely affected. The historical financial information herein is not necessarily indicative of the results that would have been achieved had we been operated on a fully integrated basis or the results that may be realized in the future.

OUR INABILITY TO CONTROL THE INHERENT RISKS OF ACQUIRING BUSINESSES COULD ADVERSELY AFFECT OUR OPERATIONS.

Acquisitions have been and may continue to be a key element of our business strategy. We cannot assure you that we will be able to identify and acquire acceptable acquisition candidates on terms favorable to us in the future. We may be required to incur substantial indebtedness to finance future acquisitions and also may issue equity securities in connection with such acquisitions. Such additional debt service requirements may impose a significant burden on our results of operations and financial condition. The issuance of additional equity securities could result in significant dilution to our stockholders. We cannot assure you that we will be able to successfully consolidate the operations and assets of any acquired business with our own business. Acquisitions may not perform as expected when the acquisition was made and may be dilutive to our overall operating results. In addition, our management may not be able to effectively manage our increased size or operate a new line of business.

WE ARE SUSCEPTIBLE TO ADVERSE WEATHER CONDITIONS IN THE GULF OF MEXICO.

Our operations are directly affected by the seasonal differences in weather patterns in the Gulf of Mexico. These differences may result in increased operations in the spring, summer and fall periods and a decrease in the winter months. The seasonality of oil and gas industry activity as a whole in the Gulf Coast region also affects our operations and sales of equipment. Weather conditions generally result in higher drilling activity in the spring, summer and fall months with the lowest activity in winter months. The rainy weather, hurricanes and other storms prevalent in the Gulf of Mexico and along the Gulf Coast throughout the year may also affect our operations. Accordingly, our operating results may vary from quarter to quarter, depending on factors outside of our control. As a result, full year results are not likely to be a direct multiple of any particular quarter or combination of quarters.

WE DEPEND ON SIGNIFICANT CUSTOMERS.

We derive a significant amount of our revenue from a small number of major and independent oil and gas companies. Our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or other existing customers, could have a material adverse effect on our business and operations.

OUR INDUSTRY IS HIGHLY COMPETITIVE.

We compete in highly competitive areas of the oil field services industry. The products and services of each of our principal industry segments are sold in highly competitive markets, and our revenues and earnings may be affected by the following factors:

- * changes in competitive prices;
- * fluctuations in the level of activity and major markets;
- * an increased number of liftboats in the Gulf of Mexico;
- * general economic conditions; and
- * governmental regulation.

We compete with the oil and gas industry's largest integrated oil field services providers. We believe that the principal competitive factors in the market areas that we serve are price, product and service quality, availability and technical proficiency.

Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than our products and services. Further, additional liftboat capacity in the Gulf of Mexico would increase competition for that service. Competitive pressures or other factors also may result in significant price competition that could have a material adverse effect on our results of operations and financial condition. Finally, competition among oil field service and equipment providers is also affected by each provider's reputation for safety and quality. Although we believe that our reputation for safety and quality service is good, you cannot be sure that we will be able to maintain our

competitive position.

THE DANGERS INHERENT IN OUR OPERATIONS AND THE POTENTIAL LIMITS ON INSURANCE COVERAGE COULD EXPOSE US TO POTENTIALLY SIGNIFICANT LIABILITY COSTS.

Our operations involve the use of liftboats, heavy equipment and exposure to inherent risks, including equipment failure, blowouts, explosions and fire. In addition, our liftboats are subject to operating risks such as catastrophic marine disaster, adverse weather conditions, mechanical failure, collisions, oil and hazardous substance spills and navigation errors. The occurrence of any of these events could result in our liability for personal injury and property damage, pollution or other environmental hazards, loss of production or loss of equipment. In addition, certain of our employees who perform services on offshore platforms and vessels are covered by provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws make the liability limits established by state workers' compensation laws inapplicable to these employees and instead permit them or their representatives to pursue actions against us for damages for job-related injuries. In such actions, there is generally no limitation on our potential liability.

Any litigation arising from a catastrophic occurrence involving our services or equipment could result in large claims for damages. The frequency and severity of such incidents affect our operating costs, insurability and relationships with customers, employees and regulators. Any increase in the frequency or severity of such incidents, or the general level of compensation awards with respect to such incidents, could affect our ability to obtain projects from oil and gas companies or insurance. This could have a material adverse effect on us. We maintain what we believe is prudent insurance protection. You cannot be sure that we will be able to maintain adequate insurance in the future at rates we consider reasonable or that our insurance coverage will be adequate to cover future claims that may arise.

THE NATURE OF OUR INDUSTRY SUBJECTS US TO COMPLIANCE WITH REGULATORY AND ENVIRONMENTAL LAWS.

Our business is significantly affected by state and federal laws and other regulations relating to the oil and gas industry and by changes in such laws and the level of enforcement of such laws. We are unable to predict the level of enforcement of existing laws and regulations, how such laws and regulations may be interpreted by enforcement agencies or court rulings, or whether additional laws and regulations will be adopted. We are also unable to predict the effect that any such events may have on us, our business, or our financial condition.

Federal and state laws that require owners of non-producing wells to plug the well and remove all exposed piping and rigging before the well is permanently abandoned significantly affect the demand for our plug and abandonment services. A decrease in the level of enforcement of such laws and regulations in the future would adversely affect the demand for our services and products. In addition, demand for our services is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. The adoption of laws and regulations curtailing exploration and development drilling for oil and gas in our areas of operations for economic, environmental or other policy reasons could also adversely affect our operations by limiting demand for our services.

We also have potential environmental liabilities with respect to our offshore and onshore operations, including our environmental cleaning services. Certain environmental laws provide for joint and several liabilities for remediation of spills and releases of hazardous substances. These environmental statutes may impose liability without regard to negligence or fault. In addition, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. We believe that our present operations substantially comply with applicable federal and state pollution control and environmental protection laws and regulations. We also believe that compliance with such laws has had no material adverse effect on our operations to date. However, such environmental laws are changed frequently. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution. We are unable to predict whether environmental laws will in the future materially adversely affect our operations and financial condition.

ITEM 3. LEGAL PROCEEDINGS

We are a party to various routine legal proceedings primarily involving commercial claims, workers' compensation claims and claims for personal injury under the General Maritime Laws of the United States and the Jones Act. We insure against these risks to the extent deemed prudent by our management, but no assurance can be given that the nature and amount of such insurance will in every case fully indemnify us against liabilities arising out of pending and future legal proceedings related to our business activities. While the outcome of these lawsuits, legal proceedings and claims cannot be predicted with certainty, our management believes that the outcome of all such proceedings, even if determined adversely, would not have a material adverse effect on our business or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 4A. EXECUTIVE OFFICERS OF REGISTRANT

The following table sets forth certain information about our executive officers.

NAME AND AGE -----	POSITION -----
Terence E. Hall, 54.....	Chairman of the Board, Chief Executive Officer, President
Kenneth Blanchard, 50.....	Vice President
Charles Funderburg, 45.....	Vice President
Robert S. Taylor, 45.....	Chief Financial Officer
James A. Holleman, 42.....	Vice President
Dale L. Mitchell, 37.....	Vice President

TERENCE E. HALL has served as our Chairman of the Board, Chief Executive Officer, President and Director since December 1995. Since 1989 he also served as President and Chief Executive Officer of the following wholly-owned subsidiaries of Superior: Superior Well Service, Inc. and Connection Technology, Ltd.

KENNETH BLANCHARD has served as one of our Vice Presidents since December 1995. Prior to this, he served as Vice President of Connection Technology, Ltd.

CHARLES FUNDERBURG has served as one of our Vice Presidents since December 1995. Prior to this, he served as Vice President of Superior Well Service, Inc.

ROBERT S. TAYLOR has served as our Chief Financial Officer since January 1996. From May 1994 to January 1996, he served as Chief Financial Officer of Kenneth Gordon (New Orleans), Ltd., an apparel manufacturer. From November 1989 to May 1994, he served as Chief Financial Officer of Plywood Panels, Inc. Prior thereto, Mr. Taylor served as controller for Plywood Panels, Inc. and Corporate Accounting Manager of D.H. Holmes Company, Ltd., a department store chain.

JAMES A. HOLLEMAN has served as a Vice President since July 1999. From 1994 until July 1999, he served as Chief Operating Officer of Cardinal and has been active in Cardinal's business since 1981. Prior thereto, he was employed by Reading and Bates in Houston, Texas and Industrial Lift Trucks, Inc. in Lafayette, Louisiana.

DALE L. MITCHELL has served as a Vice President since July 1999. From 1998 until July 1999, he served as Vice President of Marine Services of Cardinal. Prior to 1998, he served in numerous operational and managerial roles within Cardinal's Marine Services division.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is traded on the Nasdaq National Market under the symbol "SESI." The following table sets forth the high and low bid prices per share of the Common Stock as reported by the Nasdaq National Market for each fiscal quarter during the past two fiscal years.

	HIGH	LOW
	-----	-----
1998		
First Quarter	\$ 10.50	\$ 7.00
Second Quarter	12.00	4.78
Third Quarter	5.75	2.88
Fourth Quarter	4.56	2.44
1999		
First Quarter	\$ 3.97	\$ 2.00
Second Quarter	5.75	2.75
Third Quarter	7.50	4.88
Fourth Quarter	7.06	5.25
2000		
First Quarter (through March 15, 2000)	\$ 8.98	\$ 6.00

As of March 15, 2000, there were 59,926,289 shares of Common Stock outstanding, which were held by approximately 165 record holders.

We intend to retain all of the cash our business generates to meet our working capital requirements and fund future growth. We do not plan to pay cash dividends on our common stock in the foreseeable future. In addition, our credit facility prevents us from paying dividends or making other distributions to our stockholders.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data presented below for each of the past five fiscal years should be read together with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and Notes to Consolidated Financial Statements included elsewhere in this Annual Report. All amounts in the table below are in thousands, except per share data.

	1999	1998	1997	1996	1995
	-----	-----	-----	-----	-----
Revenues	\$ 113,076 (1)	\$ 82,223 (2)	\$ 63,412	\$ 48,128	\$ 28,798
Income from operations	10,016	15,558	15,285	8,348	2,717
Income (loss) before extraordinary losses	(2,034)	1,203	4,321	2,894	333
Extraordinary losses, net	(4,514)(3)	(10,885)(4)	-	-	(1,335)(5)
Net income (loss)	(6,548)	(9,682)	4,321	2,894	(1,002)
Net income (loss) before extraordinary losses per share:					
Basic	(0.11)	0.06	0.21	0.14	0.02
Diluted	(0.11)	0.06	0.20	0.13	0.02
Net income (loss) per share:					
Basic	(0.25)	(1.27)	0.21	0.14	(0.05)
Diluted	(0.25)	(1.27)	0.20	0.13	(0.05)
Total assets	282,255	107,961	62,387	43,928	40,402
Long-term debt, less current portion	117,459	120,210	31,297	26,200	28,002

(1) On July 15, 1999, we acquired Cardinal through a merger by issuing 30,239,568 shares of our common stock. Because Cardinal's shareholders held 51% of our outstanding common stock immediately after the merger, among other factors, the merger has been accounted for as a reverse acquisition which has resulted in the adjustment of our net assets existing at the time of the merger to their estimated fair value as required by the rules of purchase accounting. Our operating results have been included from July 15, 1999.

Effective November 1, 1999, we acquired Production Management Companies, Inc. for \$3.0 million in cash and 610,000 shares of our common stock. Additional payments, if any, of up to \$11 million will be based upon a multiple of Production Management's future earnings before interest, taxes, depreciation and amortization. The acquisition was accounted for as a purchase, and Production Management's operating results have been included from November 1, 1999.

(2) In 1998, Cardinal acquired all of the outstanding stock of three companies for an aggregate purchase price of \$24.1 million with a combination of cash and stock as consideration for the acquisitions. Each of these acquisitions was accounted for using the purchase method and the results of operations of the acquired companies have been included from their respective acquisition dates.

(3) The repayment of our combined indebtedness in July 1999 in connection with the Cardinal acquisition resulted in an extraordinary loss of \$4.5 million, net of a \$2.1 million income tax benefit, which included the premium on Cardinal's subordinated debt and the write-off of all unamortized debt acquisition costs.

(4) In February, 1998, Cardinal completed a recapitalization and refinancing which was funded through senior secured debt, subordinated debt and equity investments. As a result of the recapitalization, Cardinal recorded an increase in equity of \$57.5 million from the issuance of Class A common stock and Class C preferred stock; incurred \$7.1 million of costs associated with the debt acquisition and reduction to net proceeds from the issuance of stock; recorded a reduction in equity of \$114.8 million from the redemption of Class A common stock and Class C preferred stock; and recorded an extraordinary loss of \$10.9 million for the estimated value of warrants of \$10.5 million and unamortized debt acquisition costs of \$379,000 (net of \$214,000 income tax benefit).

(5) In October 1995, Cardinal refinanced various debt instruments and recorded an extraordinary loss of \$1.3 million, net of a \$0.8 million income tax benefit, which included a prepayment premium and the write-off of debt acquisition costs and interest rate cap agreement costs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements included elsewhere in this Annual Report. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, our actual results may differ from those expressed or implied by the forward-looking statements. See "Cautionary Statements."

ACQUISITION OF CARDINAL HOLDING CORP.

On July 15, 1999, we acquired Cardinal Holding Corp. through its merger with one of our wholly-owned subsidiaries. The merger was treated for accounting purposes as if we were acquired by Cardinal in a purchase business transaction. The purchase method of accounting required that we carry forward Cardinal's net assets at their historical book value and reflect our net assets at their estimated fair value at the date of the

merger. Accordingly, all historical financial information presented in the consolidated financial statements included in this Annual Report for periods prior to July 15, 1999 reflect Cardinal's results on a stand-alone basis. Cardinal's historical operating results were substantially different than ours for the same periods and reflected substantial non-cash and extraordinary charges associated with a recapitalization and refinancing. Our 1999 results reflect twelve months of Cardinal's operations, five and one-half months of our operations after the merger and two months of operations of Production Management Companies, Inc., which we acquired effective November 1, 1999. Consequently, analyzing prior period results to determine or estimate our future operating potential will be difficult given the accounting treatment of the Cardinal merger, our subsequent acquisition of Production Management and the substantial non-cash and extraordinary charges Cardinal incurred prior to the merger.

OVERVIEW

We provide a broad range of specialized oilfield services and equipment to oil and gas companies in the Gulf of Mexico and throughout the Gulf Coast region. These services and equipment include:

- * well services including P&A services, coiled tubing services, well pumping and stimulation services, data acquisition services, gas lift services and electric wireline services,
- * mechanical wireline services,
- * the rental of liftboats
- * the rental of specialized oilfield equipment,
- * environmental cleaning services,
- * field management services, and
- * the manufacture and sale of drilling instrumentation and oil spill containment equipment.

Over the past few years, we have significantly expanded the geographic scope of our operations and the range of production related services that we provide through both internal growth and strategic acquisitions. In July 1999, we completed the Cardinal acquisition, and in November 1999, we completed the Production Management acquisition thereby making these companies two of our wholly-owned subsidiaries. These acquisitions firmly established us as a market leader in providing most offshore production related services using liftboats as work platforms and allowed us to expand our scope of operations to include offshore platform and property management services.

The decline in drilling and workover activity in the Gulf of Mexico triggered by low oil prices that began in 1998 adversely affected our 1999 results of operations. Our operating results are directly tied to industry demand for our services, most of which are performed in the Gulf of Mexico. While we have focused on providing production related services where, historically, demand has not been as volatile as for exploration related services, we expect our operating results to be highly leveraged to industry activity levels in the Gulf of Mexico. For additional industry segment information for 1999, see note 13 to our consolidated financial statements.

COMPARISON OF THE RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998.

Our 1999 revenues were \$113.1 million compared to \$82.2 million for 1998. Due to the accounting treatment required for the Cardinal acquisition, our 1999 operating results reflected twelve months of Cardinal's operations, five and one-half months of our operations after the merger and two months of operations of Production Management. 1998 reflects only Cardinal's operations on a stand-alone basis. Even though we had increased revenues in 1999, we experienced decreased demand in 1999 in all of our operating segments as a result of low industry activity levels.

As demand for our services decreased in 1999 compared to 1998, our gross margins decreased to 40.4% in 1999 from 46.6% in 1998. Our decreased gross margin percentage is primarily due to our marine segment acquired in the Cardinal acquisition. Since our marine segment's cost of services are primarily fixed in nature, our gross margin percentage may vary substantially due to changes in day rates and utilization of our liftboats. Our rental tool segment contributed our highest gross margin percentage in 1999 and partially offset the decrease on a comparative basis since Cardinal did not have a rental tool segment. Our wireline segment also experienced a decline in gross margin percentage in 1999 compared to 1998. Our field management segment, which was acquired in the Production Management acquisition, contributed our lowest gross margin percentage. Of all of our production related services, the field management segment is expected to produce the lowest gross margin percentage since its largest cost of sales component is providing contract labor.

Depreciation and amortization increased to \$12.6 million in 1999 from \$6.5 million in 1998. Most of the increase resulted from the larger asset base following the merger and the Production Management acquisition. Depreciation also increased as a result of our \$9.2 million of capital expenditures in 1999 and Cardinal's 1998 acquisitions.

General and administrative expenses increased to \$23.1 million in 1999 from \$16.2 million in 1998. The increase is the result of Cardinal's expenses for twelve months, our expenses for five and one-half months and Production Management for two months.

In July 1999, in connection with the Cardinal acquisition, we refinanced our combined debt, which resulted in an extraordinary charge of \$4.5 million, net of income taxes of \$2.1 million. The majority of the extraordinary charge was non-cash in nature. During 1998, Cardinal incurred extraordinary charges of \$10.9 million, net of income taxes of \$0.2 million, in connection with a recapitalization and refinancing. These charges were also mostly of a non-cash nature.

We recorded a 1999 net loss before extraordinary charges of \$2.0 million,

or \$0.11 loss per diluted share. After extraordinary charges, we recorded a net loss of \$6.5 million, or \$0.25 loss per diluted share, as compared to a net loss of \$9.7 million, or \$1.27 loss per diluted share, for 1998.

COMPARISON OF RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

The results of operations for the years ended December 31, 1998 and 1997 were prior to our acquisition of Cardinal and, accordingly, reflect Cardinal's results on a stand-alone basis. We do not believe Cardinal's historical operating results under different management are relevant other than to demonstrate the operating leverage associated with our marine segment.

In 1998, Cardinal's operating results began to be impacted by the decline in industry activity levels in the Gulf as a result of the decline in oil and gas prices. The 1998 third quarter was impacted by a nearly continuous series of storms and hurricanes that significantly curtailed activity in September 1998.

Revenues for 1998 were \$82.2 million as compared to \$63.4 million for 1997. Approximately 60% of the increase was due to the additional products and services Cardinal began providing in 1998, including coiled tubing services, pumping and stimulation services and two additional 200 foot liftboats. The remaining 40% was the result of acquisitions made during 1998.

The 1998 gross margin was 46.6% compared to 47.2% for 1997. Most of the decrease in gross margin was related to slightly higher labor costs associated with Cardinal's acquisitions and new services.

Depreciation and amortization expenses increased to \$6.5 million in 1998 from \$4.2 million in 1997. Most of the increase resulted from the larger asset base that resulted from Cardinal's 1998 acquisitions as well as from 1998 capital expenditures of \$19.0 million, primarily for marine vessels.

General and administrative expenses were \$16.2 million for 1998 as compared to \$10.4 million for 1997. This increase was due to the acquisitions Cardinal made in 1998, additional sales expenses associated with an expanded marketing program, an increase in employee benefits and a one time stock award to management which was recorded as compensation expense.

Interest expense increased 142% to \$13.2 million for 1998 compared to \$5.5 million for 1997. This increase resulted from Cardinal's higher debt levels following a recapitalization and refinancing.

Other expenses for 1997 represent consulting fees that were paid to Cardinal's previous owner prior to the recapitalization.

In 1998, Cardinal completed a recapitalization and refinancing which resulted in an extraordinary charge of \$10.9 million, net of income taxes of \$0.2 million, which included the unamortized estimated value of stock warrants that were redeemed for \$10.5 million and unamortized financing costs of \$0.4 million.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are for working capital, acquisitions, capital expenditures and debt service. Our primary sources of liquidity are cash flow from operations and borrowings under our revolving credit facility. Our 1999 net cash provided by operating activities was \$14.5 million as compared to \$3.6 million for 1998. The increase was due principally to the merger with Cardinal and acquisition of Production Management Companies, Inc.

Our working capital at December 31, 1999 was \$25.2 million. We had cash and cash equivalents of \$8.0 million at December 31, 1999. In December 1999, we received a \$6.6 million insurance settlement that we will use to refurbish our liftboat that was damaged in September 1999.

We have a term loan and revolving credit facility that was implemented in July 1999 to provide \$110 million term loan to refinance our long-term debt after the Cardinal acquisition, provide a \$20 million revolving credit facility and \$22 million that we can use to pay additional contingent consideration from our prior acquisitions. We amended the credit facility in November 1999 to increase the term loan by \$10 million to refinance Production Management's existing indebtedness and to pay the cash portion of the acquisition price. Under the credit facility, the term loan requires quarterly principal installments that commenced December 31, 1999 in the amount of \$519,000 and then increasing up to an aggregate of approximately \$1.6 million a quarter until 2006 when \$92 million will be due and payable. The credit facility bears interest at a LIBOR rate plus margins that depend on our leverage ratio. As of March 1, 2000, the amount outstanding under the term loan was \$119.5 million and there were no borrowings outstanding under the revolving credit facility. At December 31, 1999, the weighted average interest rate on the credit facility was 9.28%. Indebtedness under the credit facility is secured by substantially all of our assets, including the pledge of the stock of our subsidiaries. The credit facility contains customary events of default and requires that we maintain debt coverage and leverage ratios. It also limits our ability to make capital expenditures, pay dividends or make other distributions, make acquisitions, make changes to our capital structure, create liens or incur additional indebtedness.

In November 1999, we acquired Production Management Companies, Inc. for \$3.0 million in cash and 610,000 shares of our common stock. Up to \$11.0 million will be potentially payable in the future based upon a multiple of four times Production Management's average earnings before interest, taxes, depreciation, amortization less certain other adjustments. If the overall current industry activity levels continue, the additional consideration actually paid will be materially less than the maximum consideration.

In 1999, we made capital expenditures of \$9.2 million primarily to further expand our rental tool equipment. Other capital expenditures included electric wireline skids, plug and abandonment equipment and capital improvements to our liftboats.

In September of 1999, one of our two hundred foot class liftboats was damaged in the Gulf of Mexico. In late December 1999, we received a \$6.6 million insurance settlement for the damage, which is expected to pay for the vessel's refurbishment.

We have identified capital projects that will require approximately \$25 million for 2000. We believe that cash generated from our operations and availability under our revolving credit facility will provide sufficient funds for our identified capital projects and working capital requirements.

We expect to pay approximately \$21.4 million in the fourth quarter of 2000 for additional consideration related to our 1997 acquisitions. The consideration will be capitalized as additional purchase price of the acquired companies, and we expect to use the \$22 million portion of the credit facility, which was designed to fund these payments.

We significantly increased our financial leverage in 1999 with the Cardinal and Production Management acquisitions. In 2000, if market conditions improve, we will consider issuing equity to reduce our financial leverage. We intend to continue implementing our acquisition strategy to increase our scope of services. Depending on the size of any future acquisitions, we may also require additional equity or debt financing in excess of amounts available under our revolving credit facility.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. FAS No. 133, as amended, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000 and establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. FAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are to be recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Earlier application of the provisions of the Statement is encouraged and is permitted as of the beginning of any fiscal quarter that begins after the issuance of the Statement. We have not yet assessed the financial impact of adopting this statement.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk associated with interest rates. We make limited use of derivative financial instruments to manage risks associated with existing or anticipated transactions. We do not hold derivatives for trading purposes or use derivatives with leveraged or complex features. Derivative instruments are traded with creditworthy major financial institutions.

At December 31, 1999, we were a party to interest rate swaps with notional amounts totaling \$46.2 million that were designed to convert a similar amount of variable-rate debt to fixed rates. The swaps mature in March 2001 and October 2002, and the weighted average fixed interest rate is 5.81%. At December 31, 1999, the interest rate to be received by us averaged 5.2%. We consider these swaps to be a hedge against potentially higher future interest rates. As described in Note 10 to the consolidated financial statements, we would have recognized a gain of an estimated \$350,000 had we terminated these agreements at December 31, 1999.

At December 31, 1999, \$73.3 million of our long-term debt had variable interest rates. Based on debt outstanding at December 31, 1999, a 10% increase or (decrease) in variable interest rates would increase or (decrease) our interest expense inclusive of swaps in the year 2000 by approximately \$0.9 million or \$(0.8) million.

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated balance sheet of Superior Energy Services, Inc. and subsidiaries as of December 31, 1999, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for the year then ended. In connection with our audit of the consolidated financial statements, we also have audited the accompanying financial statement schedule, "Valuation and Qualifying Accounts," for the year ended December 31, 1999. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Superior Energy Services, Inc. and subsidiaries as of December 31, 1999, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

New Orleans, Louisiana
February 25, 2000

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheet of Superior Energy Services, Inc. and subsidiaries (formerly Cardinal Holding Corp.) as of December 31, 1998, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for each of the two years in the period ended December 31, 1998. Our audits also included the financial statement schedule listed in the Index 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Superior Energy Services, Inc. and subsidiaries at December 31, 1998, and the consolidated results of their operations and their cash flows for each of the two years in the period ended December 31, 1998, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

Ernst & Young LLP

New Orleans, Louisiana
March 2, 1999

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 1999 and 1998
(in thousands, except share data)

	1999	1998
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,018	\$ 421
Accounts receivable - net of allowance for doubtful accounts of \$2,892 in 1999 and \$868 in 1998	41,878	21,591
Income tax receivable	224	151
Deferred tax asset	1,437	481
Prepaid insurance and other	4,565	3,383
	-----	-----
Total current assets	56,122	26,027
	-----	-----
Property, plant and equipment - net	134,723	60,328
Goodwill - net of accumulated amortization of \$1,706 in 1999 and \$226 in 1998	78,641	17,163
Note receivable	8,898	-
Other assets - net of accumulated amortization of \$675 in 1999 and \$774 in 1998	3,871	4,443
	-----	-----
Total assets	\$ 282,255	\$ 107,961
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 9,196	\$ 6,069
Accrued expenses	15,473	5,089
Current maturities of long-term debt	2,579	7,096
Notes payable	3,669	4,440
	-----	-----
Total current liabilities	30,917	22,694
	-----	-----
Deferred income taxes	12,392	4,997
Long-term debt	117,459	102,280
Subordinated debt	-	17,930
Stockholders' equity (deficit):		
Preferred stock of \$.01 par value. Authorized, 5,000,000 shares; none issued	-	-
Preferred stock, Class C	-	2
Common stock of \$.001 par value. Authorized, 125,000,000 shares; issued and outstanding 59,810,789 at December 31, 1999	60	5
Additional paid-in capital	248,934	79,682
Accumulated deficit	(127,507)	(119,629)
	-----	-----
Total stockholders' equity (deficit)	121,487	(39,940)
	-----	-----
Total liabilities and stockholders' equity (deficit)	\$ 282,255	\$ 107,961
	=====	=====

See accompanying notes to consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
 Consolidated Statements of Operations
 Years Ended December 31, 1999, 1998 and 1997
 (in thousands, except per share data)

	1999	1998	1997
	-----	-----	-----
Revenues	\$ 113,076	\$ 82,223	\$ 63,412
	-----	-----	-----
Costs and expenses:			
Cost of services	67,364	43,938	33,482
Depreciation and amortization	12,625	6,522	4,207
General and administrative	23,071	16,205	10,438
	-----	-----	-----
Total costs and expenses	103,060	66,665	48,127
	-----	-----	-----
Income from operations	10,016	15,558	15,285
Other income (expense):			
Interest expense	(12,969)	(13,206)	(5,464)
Interest income	308	-	-
Other	-	-	(1,150)
	-----	-----	-----
Income (loss) before income taxes and extraordinary losses	(2,645)	2,352	8,671
Income taxes	(611)	1,149	4,350
	-----	-----	-----
Income (loss) before extraordinary losses	(2,034)	1,203	4,321
Extraordinary losses, net of income tax benefit of \$2,124 in 1999 and \$214 in 1998	(4,514)	(10,885)	-
	-----	-----	-----
Net income (loss)	\$ (6,548)	\$ (9,682)	\$ 4,321
	=====	=====	=====
Basic earnings (loss) per share:			
Earnings (loss) before extraordinary losses	\$ (0.11)	\$ 0.06	\$ 0.21
Extraordinary losses	(0.14)	(1.33)	-
	-----	-----	-----
Earnings (loss) per share	\$ (0.25)	\$ (1.27)	\$ 0.21
	=====	=====	=====
Diluted earnings (loss) per share:			
Earnings (loss) before extraordinary losses	\$ (0.11)	\$ 0.06	\$ 0.20
Extraordinary losses	(0.14)	(1.33)	-
	-----	-----	-----
Earnings (loss) per share	\$ (0.25)	\$ (1.27)	\$ 0.20
	=====	=====	=====
Weighted average common shares used in computing earnings (loss) per share:			
Basic	31,131	8,190	20,395
	=====	=====	=====
Diluted	31,131	8,190	21,639
	=====	=====	=====

See accompanying notes to consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
December 31, 1999, 1998 and 1997
(in thousands, except share data)

	Preferred stock shares	Preferred stock	Common stock shares	Common stock	Additional paid-in capital	Retained earnings (deficit)	Total
Balances, December 31, 1996	25,917	\$ 250	20,394,983	\$ 20	\$ 1,580	\$ 2,347	\$ 4,197
Net income	-	-	-	-	-	4,321	4,321
Cash dividends on preferred stock	-	-	-	-	-	(30)	(30)
Cash dividends on common stock	-	-	-	-	-	(2,843)	(2,843)
Balances, December 31, 1997	25,917	250	20,394,983	20	1,580	3,795	5,645
Net loss	-	-	-	-	-	(9,682)	(9,682)
Recapitalization	(12,250)	(249)	(15,053,318)	(15)	55,767	(113,004)	(57,501)
Stock issued under subordinated debt agreement	404	-	146,771	-	2,300	-	2,300
Stock awarded to management	137	-	49,895	-	800	-	800
Stock issued subsequent to recapitalization	5,484	1	441,770	-	17,099	-	17,100
Stock issued to sellers of acquired businesses	308	-	92,505	-	1,398	-	1,398
Dividends on preferred stock	252	-	-	-	738	(738)	-
Balances, December 31, 1998	20,252	2	6,072,606	5	79,682	(119,629)	(39,940)
Net loss	-	-	-	-	-	(6,548)	(6,548)
Stock issued for cash	2,312	-	15,515,437	16	54,984	-	55,000
Dividends on preferred stock	1,084	-	-	-	1,330	(1,330)	-
Stock issued under subordinated debt agreement	54	-	19,167	-	130	-	130
Merger with Superior Energy Services, Inc.	-	-	28,849,523	29	109,052	-	109,081
Preferred stock conversion - Merger with Superior Energy Services, Inc.	(23,702)	(2)	8,632,356	9	(9)	-	(2)
Acquisition of Production Management Companies, Inc.	-	-	610,000	1	3,452	-	3,453
Exercise of stock options	-	-	111,700	-	313	-	313
Balances, December 31, 1999	-	\$ -	59,810,789	\$ 60	\$ 248,934	\$(127,507)	\$ 121,487

See accompanying notes to consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years Ended December 31, 1999, 1998 and 1997
(in thousands)

	1999	1998	1997
Cash flows from operating activities:			
Net income (loss)	\$ (6,548)	\$ (9,682)	\$ 4,321
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Extraordinary losses	4,514	10,885	-
Loss (gain) on disposal of assets	-	(732)	22
Stock compensation awards	-	800	-
Deferred income taxes	(1,868)	(44)	1,930
Depreciation and amortization	12,625	6,522	4,207
Amortization of debt acquisition costs	593	565	266
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	3,312	(3,913)	(6,187)
Other - net	1,628	(1,090)	55
Accounts payable	(4,620)	3,871	785
Accrued expenses	4,009	(2,178)	2,640
Income taxes	820	(1,410)	1,229
	14,465	3,594	9,268
Cash flows from investing activities:			
Payments for purchases of property and equipment	(9,179)	(19,039)	(18,980)
Proceeds from sales of assets	-	2,700	-
Intangible assets acquired	-	-	(250)
Businesses acquired, net of cash acquired	(4,114)	(22,373)	-
Advances to related parties	-	-	2,658
	(13,293)	(38,712)	(16,572)
Cash flows from financing activities:			
Net borrowings (payments) on notes payable	(4,440)	2,117	1,517
Net increase (decrease) in bank overdraft	-	(1,370)	1,370
Proceeds from long-term debt	125,000	133,500	10,829
Principal payments on long-term debt	(165,786)	(40,615)	(3,722)
Debt acquisition costs	(2,827)	(4,371)	-
Payment of premium on subordinated debt	(835)	-	-
Redemption of stock warrants	-	(13,320)	-
Proceeds from issuance of common and preferred stock	55,000	74,353	-
Proceeds from exercise of stock options	313	-	-
Payments to redeem stock	-	(114,755)	-
Dividends paid	-	-	(2,843)
	6,425	35,539	7,151
Net increase (decrease) in cash and cash equivalents	7,597	421	(153)
Cash and cash equivalents at beginning of year	421	-	153
Cash and cash equivalents at end of year	\$ 8,018	\$ 421	\$ -
	=====	=====	=====

See accompanying notes to consolidated financial statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 1999, 1998 and 1997

(1) MERGER

On July 15, 1999, Superior consummated a subsidiary merger (the "Merger") whereby it acquired all of the outstanding capital stock of Cardinal Holding Corp. ("Cardinal") from the stockholders of Cardinal in exchange for an aggregate of 30,239,568 shares of Superior's common stock (or 51% of the then outstanding common stock). The acquisition was effected through the merger of a wholly-owned subsidiary of Superior, formed for this purpose, with and into Cardinal, with the effect that Cardinal became a wholly-owned subsidiary of Superior.

As used in the consolidated financial statements for Superior Energy Services, Inc., the term "Superior" refers to the Company as of dates and periods prior to the Merger and the term "Company" refers to the combined operations of Superior and Cardinal after the consummation of the Merger.

Due to the fact that the former Cardinal shareholders received 51% of the outstanding common stock at the date of the Merger, among other factors, the Merger has been accounted for as a reverse acquisition (i.e., a purchase of Superior by Cardinal) under the purchase method of accounting. As such, the Company's consolidated financial statements and other financial information reflect the historical operations of Cardinal for periods and dates prior to the Merger. The net assets of Superior, at the time of the Merger, have been reflected at their estimated fair value pursuant to the purchase method of accounting at the date of the Merger.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company. All significant intercompany accounts and transactions are eliminated in consolidation. Certain previously reported amounts have been reclassified to conform to the 1999 presentation.

(b) BUSINESS

The Company provides a broad range of specialized oilfield services and equipment primarily to major and independent oil and gas companies engaged in the exploration, production and development of oil and gas properties offshore in the Gulf of Mexico and throughout the Gulf Coast region. These services and equipment include oil and gas well plug and abandonment services, coiled tubing services, engineering services, electric line services, mechanical wireline services, the rental of liftboats and the rental of specialized oilfield equipment. Additional services provided include offshore and dockside environmental cleaning services, contract operating and supplemental labor, offshore maintenance services, the manufacture and sale of drilling instrumentation and the manufacture and sale of oil spill containment equipment. A majority of the Company's business is conducted with major and independent oil and gas exploration companies. The Company continually evaluates the financial strength of their customers but does not require collateral to support the customer receivables.

The Company's P&A, wireline, marine and tank cleaning services are contracted for specific projects on either a day rate or turnkey basis. Rental tools are leased to customers on an as-needed basis on a day rate basis. The Company derives a significant amount of its revenue from a small number of major and independent oil and gas companies. No single customer represented 10% or more of the Company's total revenue in 1999 or 1998. In 1997, one customer accounted for approximately 11.2% of the Company's total revenue, primarily in the marine and wireline segments. The inability of the Company to continue to perform services for a number of its large existing customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Company's business and financial condition.

(c) USE OF ESTIMATES

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

(d) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related lives as follows:

Buildings and improvements	15 to 30 years
Marine vessels and equipment	5 to 18 years
Machinery and equipment	5 to 15 years
Automobiles, trucks, tractors and trailers	2 to 5 years
Furniture and fixtures	3 to 7 years

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a

comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

CHANGE IN ACCOUNTING ESTIMATE

Effective October 1, 1999, the Company changed the estimated useful lives on its marine vessels from fifteen years to eighteen years. The Company believes the revised estimated useful lives will more appropriately reflect its financial results by better matching costs over the estimated useful lives of these assets. The effect of this change on net income for the three months ended December 31, 1999 was a reduction in depreciation expense of approximately \$350,000.

(e) GOODWILL

The Company amortizes costs in excess of fair value of the net assets of businesses acquired using the straight-line method over a period not to exceed 30 years. Recoverability is reviewed by comparing the undiscounted fair value of cash flows of the assets, to which the goodwill applies, to the net book value, including goodwill, of assets. Goodwill amortization expense recorded for the years ended December 31, 1999, 1998 and 1997 was \$1,480,000, \$226,000 and none, respectively.

(f) OTHER ASSETS

Other assets consist primarily of debt acquisition costs and covenants not to compete. Debt acquisition costs are being amortized over the term of the related debt, which is approximately seven years. The amortization of debt acquisition costs, which is classified as interest expense, was \$593,000, \$565,000 and \$266,000 for the years ended December 31, 1999, 1998 and 1997, respectively. The covenants not to compete are being amortized over the terms of the agreements, which is four years. Amortization expense recorded on the covenants not to compete for the years ended December 31, 1999, 1998 and 1997 was \$265,000, \$163,000 and \$68,000, respectively.

(g) CASH EQUIVALENTS

The Company considers all short-term deposits with a maturity of ninety days or less to be cash equivalents.

(h) REVENUE RECOGNITION

For the Company's marine, well services, wireline, rental tool operations and environmental cleaning services, revenue is recognized when services or equipment are provided. The Company contracts for marine, well services, wireline and environmental projects either on a day rate or turnkey basis, with a majority of its projects conducted on a day rate basis. The Company's rental tools are leased on a day rate basis, and revenue from the sale of equipment is recognized when the equipment is shipped. Reimbursements from customers for the cost of rental tools that are damaged or lost downhole are reflected as revenue at the time of the incident.

(i) INCOME TAXES

The Company provides for income taxes in accordance with Statement of Financial Accounting Standards (FAS) No. 109, ACCOUNTING FOR INCOME TAXES. FAS No. 109 requires an asset and liability approach for financial accounting and reporting for income taxes. Deferred income taxes reflect the impact of temporary differences between amounts of assets for financial reporting purposes and such amounts as measured by tax laws.

(j) 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, convertible preferred stock and warrants and the potential shares that would have a dilutive effect on earnings per share.

On July 15, 1999, the Company effected an approximate 364 to 1 stock issuance as a result of the Merger. All earnings per common share amounts, references to common stock, and stockholders' equity amounts have been restated as if the stock issuance had occurred as of the earliest period presented. The effect of the preferred dividends on arriving at the income available to common stockholders was \$1,330,000 in 1999, \$738,000 in 1998 and \$30,000 in 1997. The number of dilutive stock options, convertible preferred stock shares and warrants used in computing diluted earnings per share were 1,244,000 in 1997, and these securities were anti-dilutive in 1998 and 1999.

(k) FINANCIAL INSTRUMENTS

The Company uses interest rate swap agreements to manage its interest rate exposure. The Company specifically designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differentials occur. Under interest rate swap agreements, the Company agrees with other parties to exchange, at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount. The fair

value of the interest rate swap agreements is estimated using quotes from counterparties and represents the cash receipt if the existing agreements had been settled at year-end.

(1) COMPREHENSIVE INCOME

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No. 130, REPORTING COMPREHENSIVE INCOME. FAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. The Company adopted this standard in 1998. Such adoption had no effect on the Company's financial statement presentation as the Company has no items of other comprehensive income.

(3) SUPPLEMENTAL CASH FLOW INFORMATION (IN THOUSANDS)

	1999 -----	1998 -----	1997 -----
Cash paid for:			
Interest	\$ 12,019 =====	\$ 10,329 =====	\$ 3,428 =====
Income taxes	\$ 251 =====	\$ 2,846 =====	\$ 1,559 =====
Details of acquisitions:			
Fair value of assets	\$ 173,737	\$ 25,626	\$ -
Fair value of liabilities	55,679	1,541	-
Common stock issued	112,531 -----	1,398 -----	- -----
Cash paid	5,527	22,687	-
Less cash acquired	1,413 -----	314 -----	- -----
Net cash paid for acquisitions	\$ 4,114 =====	\$ 22,373 =====	\$ - =====
Non-cash investing activity:			
Amounts due under covenant not-to-compete	\$ 893 =====	\$ - =====	\$ 402 =====
Non-cash financing activity:			
Stock dividends issued on preferred stock	\$ 1,330 =====	\$ 738 =====	\$ - =====
Stock issued under subordinated debt agreement	\$ 130 =====	\$ 2,300 =====	\$ - =====

(4) BUSINESS COMBINATIONS

On July 15, 1999, the Company acquired Cardinal through a merger by issuing 30,239,568 shares of the Company's common stock. Because the Cardinal shareholders received 51% of the outstanding common stock at the date of the Merger, among other factors, the transaction has been accounted for as a reverse acquisition which has resulted in the adjustment of the net assets of Superior to its estimated fair value as required by the rules of purchase accounting. The valuation of Superior's net assets is based upon the 28,849,523 common shares outstanding prior to the Merger at the approximate trading price of \$3.78 at the time of the negotiation of the Merger on April 21, 1999. The purchase price allocated to net assets was \$54.2 million. The revaluation reflected excess purchase price of \$54.8 million over the fair value of net assets, which was recorded as goodwill. The results of operations of Superior have been included from July 15, 1999.

Effective November 1, 1999, the Company acquired Production Management Companies, Inc. ("PMI") for aggregate consideration consisting of \$3.0 million in cash and 610,000 shares of the Company's common stock at an approximate trading price of \$5.66. Additional consideration, if any, will be based upon a multiple of four times PMI's EBITDA (earnings before interest, income taxes, depreciation and amortization expense) less certain adjustments. The additional consideration will be paid on the first and third anniversary of the acquisition, and in no event will the total additional payments exceed \$11 million. If the overall current industry activity levels continue, the additional consideration actually paid will be materially less than the maximum consideration. The acquisition was accounted for as a purchase, and PMI's assets and liabilities have been revalued at their estimated fair market value. The purchase price allocated to net assets was \$3.5 million, and the excess purchase price of \$3.0 million over the fair value of net assets was recorded as goodwill. The results of operations of PMI have been included from November 1, 1999.

Effective July 1, 1999, Superior sold two subsidiaries for a promissory note having an aggregate principal amount of \$8.9 million, which bears interest of 7.5% per annum. These two subsidiaries were originally acquired in the second quarter of 1998. As part of the sale, the purchasers were granted the right to resell the capital stock of the two companies to the Company in 2002 subject to certain terms and conditions. No gain or loss was recorded on this sale.

In 1998, Cardinal acquired all of the outstanding stock of three companies for an aggregate purchase price of \$24.1 million with a combination of cash and stock as consideration for the acquisitions. Each of these acquisitions was accounted for using the purchase method and the results of operations of the acquired companies have been included from their respective acquisition dates.

The following unaudited pro forma information for the years ended December 31, 1999 and 1998, presents a summary of consolidated results of operations of Superior and Cardinal as if the Merger, the acquisitions, and the sales of subsidiaries, had occurred on January 1, 1998, with pro forma adjustments to give effect to amortization of goodwill, depreciation and certain other adjustments, together with related income tax effects (in thousands, except per share amounts).

	1999 -----	1998 -----
Revenues	\$ 191,312 =====	\$ 230,744 =====
Income before extraordinary losses	\$ 509 =====	\$ 2,869 =====
Basic earnings per share before extraordinary losses	\$ 0.01 =====	\$ 0.05 =====
Diluted earnings per share before extraordinary losses	\$ 0.01 =====	\$ 0.05 =====

The above pro forma financial information is not necessarily indicative of the results of operations as they would have been had the acquisitions been effected on January 1, 1998.

Most of Superior's acquisitions have involved additional contingent consideration based upon a multiple of the acquired companies' respective average EBITDA over a three year period from the respective date of acquisition. In no event will the maximum aggregate consideration exceed \$49.3 million for all acquisitions inclusive of the PMI acquisition. If the overall current industry activity levels continue, the additional consideration actually paid will be materially less than the maximum consideration. The additional consideration is not currently reflected in the respective companies' purchase price. The additional consideration, if any, will be capitalized as additional purchase price.

(5) PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment at December 31, 1999 and 1998 (in thousands) is as follows:

	1999 -----	1998 -----
Buildings and improvements	\$ 57,416	\$ 56,300
Marine vessels and equipment	10,076	2,684
Machinery and equipment	87,982	18,881
Automobiles, trucks, tractors and trailers	5,427	2,604
Furniture and fixtures	3,088	1,703
Construction-in-progress	881	-
Land	2,730	313
	-----	-----
	167,600	82,485
Accumulated depreciation	(32,877)	(22,157)
	-----	-----
Property, plant and equipment, net	\$ 134,723 =====	\$ 60,328 =====

The cost of property, plant and equipment leased to third parties was \$7,065,000 at December 31, 1999 and 1998.

(6) NOTES PAYABLE, LONG-TERM DEBT AND SUBORDINATED DEBT

NOTES PAYABLE

The Company's notes payable as of December 31, 1999 and 1998 consist of the following (in thousands):

	1999 -----	1998 -----
Notes payable - bear interest at 7.25%, due March 15, 2000	\$ 3,669	\$ -
Revolving Credit Facility - paid in July 1999	-	4,440
	-----	-----
	\$ 3,669	\$ 4,440
	=====	=====

The notes payable outstanding at December 31, 1999 represent the additional contingent consideration that was earned by two of Superior's 1997 acquisitions and were paid according to their terms subsequent to year end.

LONG-TERM DEBT

The Company's long-term debt as of December 31, 1999 and 1998 consist of the following (in thousands):

	1999	1998
	-----	-----
Term Loan A - interest payable monthly at floating rate (8.87% at December 31, 1999), due in quarterly installments from December 1999 through September 2005	\$ 21,551	\$ -
Term Loan B - interest payable monthly at floating rate (9.37% at December 31, 1999), due in quarterly installments from December 1999 through September 2005 with two lump sum payments due in 2006	97,930	-
Previous Term Loan A - paid in July 1999	-	51,250
Previous Term Loan B - paid in July 1999	-	58,126
Other installment notes payable (interest rates ranging from 5.9% to 11.25%), due in 2001	557	-
	-----	-----
	120,038	109,376
Less current portion	2,579	7,096
	-----	-----
Long-term debt	\$ 117,459	\$ 102,280
	=====	=====

On July 15, 1999, the Company entered into a \$152 million term loan and revolving credit facility. The credit facility was implemented to provide \$110 million term loan to refinance the combined debt of Superior and Cardinal, provide a \$20 million working capital facility and \$22 million of borrowings that may be used to fund the additional consideration that may be payable as a result of Superior's prior acquisitions. The Company executed an amendment to the credit facility on November 3, 1999 to increase the maximum borrowings under the credit facility by \$10 million to refinance PMI's existing indebtedness and to pay the cash portion of the acquisition price for PMI. Under the amended credit facility, the term loans require quarterly principal installments commencing December 31, 1999 in the aggregate amount of \$519,000 and then increasing up to an aggregate of approximately \$1.6 million a quarter until 2006 when \$92 million will be due and payable. As amended, the term loan and revolving credit facility bears interest at a LIBOR rate plus margins that depend on the Company's leverage ratio. Indebtedness under the credit facility is secured by substantially all of the assets of the Company and its subsidiaries and a pledge of all the common stock of the Company's subsidiaries. Pursuant to the credit facility, the Company has also agreed to maintain certain debt coverage and leverage ratios. The credit facility also imposes certain limitations on the ability of the Company and its subsidiaries to make capital expenditures, pay dividends or other distributions, make acquisitions, make changes to the capital structure, create liens or incur additional indebtedness. At December 31, 1999, the Company was in compliance with all such covenants.

Annual maturities of long-term debt for each of the five fiscal years following December 31, 1999 and in total thereafter are as follows (in thousands):

2000	\$ 2,579
2001	3,767
2002	4,529
2003	5,621
2004	6,440
Thereafter	97,102

Total	\$ 120,038
	=====

SUBORDINATED DEBT

In connection with the recapitalization (see note 8), Cardinal borrowed \$20 million under the terms of a Senior Subordinated Notes Agreement, which was repaid in July 1999.

The early extinguishment of the Cardinal and Superior indebtedness in July 1999 resulted in an extraordinary loss of \$4.5 million, net of a \$2.1 million income tax benefit, which included the premium on the subordinated debt and the write-off of unamortized debt acquisition costs.

(7) INCOME TAXES

The components of income tax expense (benefit) before the income tax effect of the extraordinary losses for the years ended December 31, 1999, 1998 and 1997 are as follows (in thousands):

	1999	1998	1997
	-----	-----	-----
Current			
Federal	\$ (3,101)	\$ 1,127	\$ 2,286
State	(150)	66	134
	-----	-----	-----
	(3,251)	1,193	2,420
	-----	-----	-----
Deferred			
Federal	2,354	(42)	1,823
State	286	(2)	107
	-----	-----	-----

	2,640	(44)	1,930
	-----	-----	-----
	\$ (611)	\$ 1,149	\$ 4,350
	=====	=====	=====

Income tax expense (benefit) differs from the amounts computed by applying the US. Federal income tax rate of 34% to income before income taxes as follows (in thousands):

	1999	1998	1997
	-----	-----	-----
Computed expected tax expense (benefit)	\$ (899)	\$ 800	\$ 2,949
Increase (decrease) resulting from:			
Goodwill amortization	502	89	-
Interest related to warrants	-	130	739
State income taxes	136	75	277
Prior year overaccrual	(167)	(183)	-
Other	(183)	238	385
	-----	-----	-----
Income tax expense (benefit)	\$ (611)	\$ 1,149	\$ 4,350
	=====	=====	=====

The significant components of deferred income taxes at December 31, 1999 and 1998 are as follows (in thousands):

	1999	1998
	-----	-----
Deferred tax assets:		
Allowance for doubtful accounts	\$ 1,187	\$ 315
Alternative minimum tax credit and net operating loss carryforward	7,777	776
Other	854	548
	-----	-----
	9,818	1,639
Valuation allowance	(1,198)	-
	-----	-----
Net deferred tax asset	8,620	1,639
	-----	-----
Deferred tax liabilities:		
Property, plant and equipment	18,647	5,795
Other	928	360
	-----	-----
	19,575	6,155
	-----	-----
	\$ 10,955	\$ 4,516
	=====	=====

The net change in the valuation allowance for the year ended December 31, 1999 was an increase of \$1.2 million. There was no valuation allowance at December 31, 1998 or 1997. The net deferred tax assets reflect management's estimate of the amount that will be realized from future profitability and the reversal of taxable temporary differences that can be predicted with reasonable certainty.

As of December 31, 1999, the Company had a net operating loss carryforward of an estimated \$15.6 million, which is available to reduce future Federal taxable income through 2014.

(8) STOCKHOLDERS' EQUITY

In July 1999, the Company's stockholders approved the 1999 Stock Incentive Plan ("1999 Incentive Plan") to provide long-term incentives to its key employees, including officers and directors, consultants and advisers to the Company ("Eligible Participants"). Under the 1999 Incentive Plan, the Company may grant incentive stock options, non-qualified stock options, restricted stock, stock awards or any combination thereof to Eligible Participants for up to 5,929,327 shares of the Company's common stock. The Compensation Committee of the Board of Directors establishes the term and the exercise price of any stock options granted under the 1999 Incentive Plan, provided the exercise price may not be less than the fair market value of the common share on the date of grant.

In addition to the 1999 Incentive Plan, Superior maintains its 1995 Stock Incentive Plan ("1995 Incentive Plan"), as amended. Under the 1995 Incentive Plan, as amended, the Company may grant incentive stock options, non-qualified stock options, restricted stock, stock awards or any combination thereof to Eligible Employees which consists of its key employees, including officers and directors who are employees of the Company for up to 1,900,000 shares of the Company's common stock. All of the Company's 1995 Stock Incentive Plan's options which have been granted are vested.

Prior to the Merger, Cardinal had no stock option plan.

A summary of stock options granted under the incentive plans for the year ended December 31, 1999 is as follows:

	Number of Shares	Weighted Average Price
Outstanding at beginning of year	1,696,500	\$ 4.49
Granted	2,612,617	\$ 5.74
Exercised	(148,700)	\$ 2.87
Forfeited	(25,500)	\$ 6.19
Outstanding at end of year	4,134,917	\$ 5.56
Exercisable at end of year	1,522,300	\$ 5.26
Available for future grants	3,406,210	

A summary of information regarding stock options outstanding at December 31, 1999 is as follows:

Range of Exercise Prices	Shares	Options Outstanding		Options Exercisable	
		Remaining Contractual Life	Weighted Average Price	Shares	Weighted Average Price
\$2.50 - \$3.43	594,800	5 - 7 years	\$ 3.02	594,800	\$ 3.02
\$4.75 - \$9.25	3,540,117	7 - 10 years	\$ 5.99	927,500	\$ 6.69

The Company accounts for its stock based compensation under the principles prescribed by the Accounting Principles Board's Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES (Opinion No. 25). However, Statement of Financial Accounting Standards (FAS) No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION permits the continued use of the value based method prescribed by Opinion No. 25 but requires additional disclosures, including pro forma calculations of earnings and net earnings per share as if the fair value method of accounting prescribed by FAS No. 123 had been applied. The pro forma data presented below is not representative of the effects on reported amounts for future years (in thousands, except per share amounts).

	As Reported	Pro forma
	1999	1999
Net loss	\$ (6,548)	\$ (9,552)
Basic loss per share	\$ (0.25)	\$ (0.35)
Diluted loss per share	\$ (0.25)	\$ (0.35)
Average fair value of grants during the year	\$ -	\$ 3.64

Black-Scholes option pricing model assumptions:

Risk free interest rate	5.8%
Expected life (years)	2
Volatility	125.7%
Dividend yield	-

In 1999 and 1998, pursuant to the stock awards plan adopted by Cardinal, shares of Class A common stock and Class C preferred stock were awarded to certain members of management. Compensation expense was recorded for fair value of these awards, as estimated based on sales of similar stock. The stock awards plan was eliminated as a result of the Merger.

In February 1998, Cardinal completed a recapitalization and refinancing which was funded through a combination of senior secured debt, subordinated debt and equity investments. As a result of the recapitalization, Cardinal recorded an increase in equity of \$57.5 million from the issuance of Class A common stock and Class C preferred stock; incurred \$7.1 million of costs associated with the debt acquisition and reduction to net proceeds from the issuance of stock; recorded a reduction in equity of \$114.8 million from the redemption of Class A common stock and Class C preferred stock; and recorded an extraordinary loss of \$10.9 million for the estimated value of warrants of \$10.5 million and unamortized debt acquisition costs of \$379,000 (net of \$214,000 income tax benefit).

(9) PROFIT-SHARING PLAN

The Company maintains various defined contribution profit-sharing plans for employees who have satisfied minimum service and age requirements. Employees may contribute up to 15% of their earnings to the plans. The Company matches employees' contributions up to 2.5% of an employee's salary. The Company made contributions of \$142,000, \$299,000 and \$209,000 in 1999, 1998 and 1997, respectively.

(10) FINANCIAL INSTRUMENTS

The Company utilizes derivative instruments on a limited basis to manage risks related to interest rates. The Company designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differential occurs. At December 31, 1999, 1998 and 1997, the Company had interest rate swap

agreements with notional amounts totaling \$46.2 million, \$48.4 million and \$10.6 million, respectively, to convert an equal amount of variable rate long-term debt to fixed rates. The swaps mature in March of 2001 and October of 2002. The swaps require the Company to pay a weighted-average interest rate of 5.81% in 1999 and 1998 and 5.8% in 1997 and to receive a variable rate, which averaged 5.2%, 5.5% and 5.6% in 1999, 1998 and 1997, respectively. As a result of these swap agreements, interest expense was increased by \$299,000 in 1999, \$107,000 in 1998 and \$6,000 in 1997. The effect to the Company to terminate these swap agreements at December 31, 1999 is estimated to be a gain of approximately \$350,000.

With the exception of derivative instruments, the Company's financial instruments of cash and cash equivalents, accounts receivable, accounts payable and long-term debt have carrying values, which approximate their fair market value.

(11) COMMITMENTS AND CONTINGENCIES

The Company leases certain office, service and assembly facilities under operating leases. The leases expire at various dates over the next several years. Total rent expense was \$683,000 in 1999, \$749,000 in 1998 and \$948,000 in 1997. Future minimum lease payments under non-cancelable leases for the five years ending December 31, 2000 through 2004 and thereafter are as follows: \$1,264,000, \$774,000, \$683,000, \$597,000, \$455,000 and \$331,000, respectively.

In September 1999, one of the Company's two hundred-foot class liftboats was damaged in the Gulf of Mexico. The vessel was fully insured and management does not believe any related unasserted claims will have a material effect on the financial position, results of operations or liquidity of the Company. In late December, the Company received an insurance settlement of \$6.6 million which is expected to pay for the refurbishment of the vessel, replace lost equipment and pay for the loss of hire during the period the vessel will be out of commission.

From time to time, the Company is involved in litigation arising out of operations in the normal course of business. In management's opinion, the Company is not involved in any litigation, the outcome of which would have a material effect on the financial position, results of operations or liquidity of the Company.

(12) RELATED PARTY TRANSACTIONS

Cardinal paid consulting fees, which is reported in other expenses, to a related party of \$1,150,000 in 1997. No such fees were paid in 1999 or 1998.

(13) SEGMENT INFORMATION

The Company's reportable segments, subsequent to the Merger, are as follows: well services, wireline, marine, rental tools, environmental, field management and other. Each segment offers products and services within the oilfield services industry. The well services segment provides plug and abandonment services, coiled tubing services, well pumping and stimulator services, data acquisition services, gas lift services and electric wireline services. The wireline segment provides mechanical wireline services that perform a variety of ongoing maintenance and repairs to producing wells, as well as performs modifications to enhance the production capacity and life span of the well. The marine segment operates liftboats for oil and gas production facility maintenance and construction operations as well as production service activities. The rental tools segment rents and sells specialized equipment for use with onshore and offshore oil and gas well drilling, completion, production and workover activities. The environmental segment provides offshore oil and gas cleaning services, as well as dockside cleaning of items including supply boats, cutting boxes, and process equipment. The field management segment provides contract operations and maintenance services, interconnect piping services, sandblasting and painting maintenance services, and transportation and logistics services. The other segment manufactures and sells drilling instrumentation and oil spill containment equipment. All the segments operate primarily in the Gulf Coast Region.

The accounting policies of the reportable segments are the same as those described in Note 2 of the Notes to the Consolidated Financial Statements. The Company evaluates the performance of its operating segments based on operating profits or losses. Segment revenues reflect direct sales of products and services for that segment, and each segment records direct expenses related to its employees and its operations. Identifiable assets are primarily those assets directly used in the operations of each segment.

Summarized financial information concerning the Company's segments as of December 31, 1999, 1998 and 1997 and for the years then ended is shown in the following tables (in thousands):

1999	Well Service	Wireline	Marine	Rental Tools	Environ.	Field Mgmt.	Other	Unallocated Amount	Consolidated Total
Identifiable assets	\$ 39,878	\$ 30,961	\$ 48,655	\$ 134,287	\$ 8,525	\$ 12,768	\$ 4,533	\$ 2,648	\$ 282,255
Capital expenditures	2,297	652	1,417	4,209	579	13	12	-	9,179
Revenues	\$ 29,862	\$ 28,264	\$ 23,822	\$ 21,302	\$ 3,480	\$ 4,340	\$ 2,006	\$ -	\$ 113,076
Costs of services	19,394	19,692	14,649	6,518	2,241	3,848	1,022	-	67,364
Depreciation and amortization	2,474	2,465	3,605	3,688	180	150	63	-	12,625
General and administrative	5,690	5,490	4,366	5,194	1,171	584	576	-	23,071
Operating income	2,304	617	1,202	5,902	(112)	(242)	345	-	10,016
Interest expense	-	-	-	-	-	-	-	(12,969)	(12,969)
Interest income	-	-	-	-	-	-	-	308	308
Income before income taxes and extraordinary loss	\$ 2,304	\$ 617	\$ 1,202	\$ 5,902	\$ (112)	\$ (242)	\$ 345	\$ (12,661)	\$ (2,645)

1998	Well Services	Wireline	Marine	Unallocated Amount	Consolidated Total
Identifiable assets	\$ 21,175	\$ 28,920	\$ 53,844	\$ 4,022	\$ 107,961
Capital expenditures	5,925	1,104	12,010	-	19,039
Revenues	18,794	26,315	37,114	-	82,223
Cost of services	12,777	16,470	14,691	-	43,938
Depreciation and amortization	1,794	1,296	3,432	-	6,522
General and administrative	4,592	5,803	5,810	-	16,205
Operating income	(369)	2,746	13,181	-	15,558
Interest expense	-	-	-	(13,206)	(13,206)
Income before income taxes and extraordinary loss	\$ (369)	\$ 2,746	\$ 13,181	\$ (13,206)	\$ 2,352

1997	Well Services	Wireline	Marine	Unallocated Amount	Consolidated Total
Identifiable assets	\$ 8,826	\$ 7,305	\$ 45,641	\$ 615	\$ 62,387
Capital expenditures	5,140	786	13,054	-	18,980
Revenues	\$ 10,317	\$ 20,209	\$ 32,886	\$ -	\$ 63,412
Cost of services	7,804	13,035	12,643	-	33,482
Depreciation and amortization	1,278	570	2,359	-	4,207
General and administrative	1,984	3,734	4,720	-	10,438
Operating income	(749)	2,870	13,164	-	15,285
Interest expense	-	-	-	(5,464)	(5,464)
Other	-	-	-	(1,150)	(1,150)
Income before income taxes and extraordinary loss	\$ (749)	\$ 2,870	\$ 13,164	\$ (6,614)	\$ 8,671

(14) INTERIM FINANCIAL INFORMATION (UNAUDITED)

The following is a summary of consolidated interim financial information for the years ended December 31, 1999 and 1998 (amounts in thousands, except per share data):

	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
1999				
Revenues	\$ 18,978	\$ 16,267	\$ 33,729	\$ 44,102
Gross profit	8,472	2,838	15,037	19,365
Income (loss) before extraordinary loss	(453)	(4,361)	978	1,802
Net income (loss)	(453)	(4,361)	(3,536)	1,802
Earnings (loss) before extraordinary loss per share:				
Basic	\$ (0.18)	\$ (0.75)	\$ 0.02	\$ 0.03
Diluted	(0.18)	(0.75)	0.02	0.03
Earnings (loss) per share:				
Basic	\$ (0.18)	\$ (0.75)	\$ (0.07)	\$ 0.03
Diluted	(0.18)	(0.75)	(0.07)	0.03

	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
1998				
Revenues	\$ 18,982	\$ 20,909	\$ 17,765	\$ 24,567
Gross profit	9,851	9,668	6,196	12,570
Income (loss) before extraordinary loss	984	(384)	(761)	1,364
Net income (loss)	(9,901)	(384)	(761)	1,364
Earnings (loss) before extraordinary loss per share:				
Basic	\$ 0.07	\$ (0.19)	\$ (0.13)	\$ 0.22
Diluted	0.07	(0.19)	(0.13)	0.10
Earnings (loss) per share:				
Basic	\$ (0.66)	\$ (0.19)	\$ (0.13)	\$ 0.22
Diluted	(0.66)	(0.19)	(0.13)	0.10

(15) ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. FAS No. 133, as amended, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000 and establishes accounting and reporting standards for derivative instruments,

including certain derivative instruments embedded in other contracts, and for hedging activities. FAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are to be recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Earlier application of the provisions of the Statement is encouraged and is permitted as of the beginning of any fiscal quarter that begins after the issuance of the Statement. The Company has not yet assessed the financial impact of adopting this statement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item will be included in the Company's definitive proxy statement in connection with its 2000 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item will be included in the Company's definitive proxy statement in connection with its 2000 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item will be included in the Company's definitive proxy statement in connection with its 2000 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item will be included in the Company's definitive proxy statement in connection with its 2000 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The following financial statements are included in Part II of this Report:

Independent Auditors' Reports
Consolidated Balance Sheets - December 31, 1999 and 1998
Consolidated Statements of Operations for the years ended December 31, 1999, 1998 and 1997
Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 1999, 1998 and 1997
Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997
Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

Schedule II - Valuation and Qualifying accounts for the years ended December 31, 1999, 1998 and 1997.

(3) Exhibits

The exhibits filed as part of this Form 10-K are listed on the Index to Exhibits immediately preceding such exhibits, which index is incorporated herein by reference.

(b) Reports on Form 8-K

On November 12, 1999, the Company filed a current report on Form 8-K reporting, under Items 5 and 7, the results for the third quarter of 1999 and the consummation of the acquisition of Production Management Companies, Inc.

SIGNATURES

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

SUPERIOR ENERGY SERVICES, INC.

By: /s/ TERENCE E. HALL
 Terence E. Hall
 Chairman of the Board,
 Chief Executive Officer and
 President

Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ TERENCE E. HALL TERENCE E. HALL	Chairman of the Board, Chief Executive Officer and President (Principal Executive Officer)	March 30, 2000
/S/ ROBERT S. TAYLOR ROBERT S. TAYLOR	Chief Financial Officer (Principal Financial and Accounting Officer)	March 30, 2000
/S/ JUSTIN L. SULLIVAN JUSTIN L. SULLIVAN	Director	March 30, 2000
/S/ ROBERT E. ROSE ROBERT E. ROSE	Director	March 30, 2000
/S/ WILLIAM MACAULAY WILLIAM MACAULAY	Director	March 30, 2000
/S/ BEN GUILL BEN GUILL	Director	March 30, 2000
/S/ Richard Bachmann RICHARD BACHMANN	Director	March 30, 2000

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Schedule II Valuation and Qualifying Accounts
December 31, 1999, 1998 and 1997
(in thousands)

Description	Balance at the beginning of the year	Additions		Deductions	Balance at the end of the year
		Charged to costs and expenses	Balances from acquisitions		
Year ended December 31, 1999: Allowance for doubtful accounts	\$ 868	\$ 518	\$ 1,790	\$ 284	\$ 2,892
Year ended December 31, 1998: Allowance for doubtful accounts	\$ 569	\$ 291	\$ 8	\$ -	\$ 868
Year ended December 31, 1997: Allowance for doubtful accounts	\$ 569	\$ -	\$ -	\$ -	\$ 569

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	SEQ. NO.
2.1	Agreement and Plan of Merger (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated April 20, 1999).	
2.2	Amendment No. 1 to Agreement and Plan of Merger (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated June 30, 1999).	
3.1	Certificate of Incorporation of the Company (incorporated herein by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996).	
3.2	Certificate of Amendment to the Company's Certificate of Incorporation (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
3.3	Amended and Restated Bylaws (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.1	Specimen Stock Certificate (incorporated herein by reference to Amendment No. 1 to the Company's Form S-4 on Form SB-2 (Registration Statement No. 33-94454)).	
4.2	Registration Rights Agreement dated as of July 15, 1999 by and among the Company, First Reserve Fund VII, Limited Partnership and First Reserve Fund VIII, Limited Partnership (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.3	Registration Rights Agreement dated as of July 15, 1999 by and among the Company and certain stockholders named therein (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
4.4	Stockholders' Agreement dated as of July 15, 1999 by and among the Company, First Reserve Fund VII, Limited Partnership and First Reserve Fund VIII, Limited Partnership (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
10.1	Credit Agreement dated as of July 15, 1999 by and among the Company, General Electric Capital Corporation and others (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).	
10.2*	Superior Energy Services, Inc. 1999 Stock Incentive Plan as amended.	
10.3	Amendment and Assumption Agreement dated as of November 3, 1999 by and among the Company, General Electric Capital Corporation and others (incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).	
10.4	Form of Consultant Option, as amended (incorporated herein by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995).	
10.5*	Employment Agreement between the Company and Terence Hall.	
10.6*	Employment Agreement between the Company and Kenneth Blanchard.	
10.7*	Employment Agreement between the Company and Charles Funderburg.	
10.8*	Employment Agreement between the Company and Robert Taylor.	
10.9*	Employment Agreement between the Company and James Holleman.	
10.10*	Employment Agreement between the Company and Dale Mitchell.	
21.1*	Subsidiaries of the Company.	
23.1*	Consent of KPMG LLP.	
23.2*	Consent of Ernst & Young LLP.	
27.1*	Financial Data Schedule.	

SUPERIOR ENERGY SERVICES, INC. 1999 STOCK INCENTIVE PLAN

1. PURPOSE. The purpose of the 1999 Stock Incentive Plan (the "Plan") of Superior Energy Services, Inc. ("Superior") is to increase stockholder value and to advance the interests of Superior and its subsidiaries (collectively, the "Company") by furnishing a variety of equity incentives (the "Incentives") designed to attract, retain and motivate officers, directors, key employees, consultants and advisers and to strengthen the mutuality of interests between such persons and Superior stockholders. Incentives may consist of opportunities to purchase or receive shares of common stock, \$.001 par value per share, of Superior (the "Common Stock"), on terms determined under the Plan.

2. ADMINISTRATION.

2.1. COMPOSITION. The Plan shall be administered by the compensation committee of the Board of Directors of Superior, or by a subcommittee of the compensation committee. The committee or subcommittee that administers the Plan shall hereinafter be referred to as the "Committee". The Committee shall consist of not fewer than two members of the Board of Directors, each of whom shall (a) qualify as a "disinterested person" under Rule 16b-3 under the Securities Exchange Act of 1934 (the "1934 Act"), as currently in effect or any successor rule, and (b) qualify as an "outside director" under Section 162(m) of the Internal Revenue Code (the "Code"), as currently in effect or any successor provision.

2.2. AUTHORITY. The Committee shall have plenary authority to award Incentives under the Plan, to interpret the Plan, to establish any rules or regulations relating to the Plan that it determines to be appropriate, to enter into agreements with participants as to the terms of the Incentives (the "Incentive Agreements") and to make any other determination that it believes necessary or advisable for the proper administration of the Plan. Its decisions in matters relating to the Plan shall be final and conclusive on the Company and participants. The Committee may delegate its authority hereunder to the extent provided in Section 3 hereof.

3. ELIGIBLE PARTICIPANTS.

3.1. OFFICERS, KEY EMPLOYEES, CONSULTANTS AND ADVISERS. Officers (including officers who also serve as directors of the Company), key employees, consultants and advisers to the Company shall become eligible to receive Incentives under the Plan when designated by the Committee. Participants may be designated individually or by groups or categories, as the Committee deems appropriate. With respect to participants not subject to Section 16 of the 1934 Act or Section 162(m) of the Code, the Committee may delegate to appropriate personnel of the Company its authority to designate participants, to determine the size and type of Incentives to be received by those participants and to determine or modify performance objectives for those participants.

3.2. OUTSIDE DIRECTORS. Members of the Board of Directors of Superior who are not also full-time employees of the Company ("Outside Directors") may receive awards under the Plan only as specifically provided in Section 9 hereof.

4. SHARES SUBJECT TO THE PLAN.

4.1. NUMBER OF SHARES.

(A) Subject to adjustment as provided in Section 10.6, a total of 5,929,327 shares of Common Stock are authorized to be issued under the Plan. Awards that by their terms may be paid only in cash shall not be counted against such share limit.

(B) Subject to adjustment as provided in Section 10.6, Incentives with respect to no more than 1,000,000 shares of Common Stock may be granted through the Plan to a single participant in one calendar year.

(C) In the event that a stock option or other award granted hereunder expires or is terminated or cancelled prior to exercise or issuance of shares, any shares of Common Stock that were issuable thereunder may again be issued under the Plan.

(D) In the event that shares of Common Stock are issued as Incentives under the Plan and thereafter are forfeited or reacquired by the Company pursuant to rights reserved upon issuance thereof, such forfeited and reacquired shares may again be issued under the Plan.

(E) The number of shares of Common Stock that may be issued pursuant to incentive stock options under Section 422 of the Code may not exceed 250,000 shares.

(F) Subject to the other provisions of this Section 4.1, the maximum number of shares of Common Stock with respect to which awards may be issued in the form of restricted stock and Other Stock-Based Awards (as defined herein) payable in shares of Common Stock shall be 250,000 shares.

(G) If the exercise price of any option is satisfied by tendering shares of Common Stock to the Company, only the number of shares issued net of the shares tendered shall be deemed issued for purposes of determining the maximum number of shares

available for issuance under Section 4.1.A. However, all of the shares issued upon exercise shall be deemed issued for purposes of determining the maximum number of shares that may be issued pursuant to incentive stock options under Section 4.1.E.

(H) Additional rules for determining the number of shares granted under the Plan may be made by the Committee, as it deems necessary or appropriate.

4.2. TYPE OF COMMON STOCK. Common Stock issued under the Plan may be authorized and unissued shares or issued shares held as treasury shares, including shares acquired in the open market or otherwise obtained by the Company.

5. TYPES OF INCENTIVES. Incentives may be granted under the Plan to eligible participants in any of the following forms, either individually or in combination, (a) incentive stock options and non-qualified stock options; (b) restricted stock; and (c) other stock-based awards.

6. STOCK OPTIONS. A stock option is a right to purchase shares of Common Stock from Superior. Stock options granted under this Plan may be incentive stock options under Section 422 of the Code, as amended (the "Code") or non-qualified stock options. Any option that is designated as a non-qualified stock option shall not be treated as an incentive stock option. Each stock option granted by the Committee under this Plan shall be subject to the following terms and conditions:

6.1. PRICE. The exercise price per share shall be determined by the Committee, subject to adjustment under Section 10.6; provided that in no event shall the exercise price be less than the Fair Market Value of a share of Common Stock on the date of grant.

6.2. NUMBER. The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to Section 4.1 and subject to adjustment as provided in Section 10.6.

6.3. DURATION AND TIME FOR EXERCISE. The term of each stock option shall be determined by the Committee. Subject to the automatic acceleration of exercisability under Section 10.12, each stock option shall become exercisable at such time or times during its term as shall be determined by the Committee. Notwithstanding the foregoing, the Committee may accelerate the exercisability of any stock option at any time.

6.4. REPURCHASE. Upon approval of the Committee, the Company may repurchase a previously granted stock option from a participant by mutual agreement before such option has been exercised by payment to the participant of the amount per share by which: (i) the Fair Market Value (as defined in Section 10.13) of the Common Stock subject to the option on the business day immediately preceding the date of purchase exceeds (ii) the exercise price.

6.5. MANNER OF EXERCISE. A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by the full purchase price for such shares. The option price shall be payable in United States dollars and may be paid by (a) cash; (b) uncertified or certified check; (c) unless otherwise determined by the Committee, by delivery of shares of Common Stock held by the optionee for at least six months, which shares shall be valued for this purpose at the Fair Market Value on the business day immediately preceding the date such option is exercised; (d) delivering a properly executed exercise notice together with irrevocable instructions to a broker approved in advance by Superior (with a copy to Superior) to promptly deliver to Superior the amount of sale or loan proceeds to pay the exercise price; or (e) in such other manner as may be authorized from time to time by the Committee. In the case of delivery of an uncertified check upon exercise of a stock option, no shares shall be issued until the check has been paid in full. Prior to the issuance of shares of Common Stock upon the exercise of a stock option, a participant shall have no rights as a stockholder.

6.6. INCENTIVE STOCK OPTIONS. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options that are intended to qualify as incentive stock options (as such term is defined in Section 422 of the Code):

(A) Any incentive stock option agreement authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to qualify the options as incentive stock options.

(B) All incentive stock options must be granted within ten years from the date on which this Plan is adopted by the Board of Directors.

(C) Unless sooner exercised, all incentive stock options shall expire no later than ten years after the date of grant.

(D) No incentive stock options shall be granted to any participant who, at the time such option is granted, would own (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

(E) The aggregate Fair Market Value (determined with respect to each incentive stock option as of the time such incentive stock option is granted) of the Common Stock with respect to

which incentive stock options are exercisable for the first time by a participant during any calendar year (under the Plan or any other plan of Superior or any of its subsidiaries) shall not exceed \$100,000. To the extent that such limitation is exceeded, such options shall not be treated, for federal income tax purposes, as incentive stock options.

7. RESTRICTED STOCK

7.1. GRANT OF RESTRICTED STOCK. The Committee may award shares of restricted stock to such persons as the Committee determines to be eligible pursuant to the terms of Section 3. An award of restricted stock may be subject to the attainment of specified performance goals or targets, restrictions on transfer, forfeitability provisions and such other terms and conditions as the Committee may determine, subject to the provisions of the Plan. To the extent restricted stock is intended to qualify as performance based compensation under Section 162(m) of the Code, it must meet the additional requirements imposed thereby.

7.2. THE RESTRICTED PERIOD. The Committee shall establish a period of time during which the transfer of the shares of restricted stock shall be restricted (the "Restricted Period"). Each award of restricted stock may have a different Restricted Period. The expiration of the Restricted Period shall also occur under the conditions described in Section 10.12 hereof and may occur upon death, disability or retirement, if so determined by the Committee. A Restricted Period of at least three years is required, except that if vesting of the shares is subject to the attainment of specified performance goals, a Restricted Period of one year or more is permitted. The expiration of the Restricted Period shall also occur as provided under Section 10.12.

7.3. ESCROW. The participant receiving restricted stock shall enter into an Incentive Agreement with the Company setting forth the conditions of the grant. Certificates representing shares of restricted stock shall be registered in the name of the participant and deposited with the Company, together with a stock power endorsed in blank by the participant. Each such certificate shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the Superior Energy Services, Inc. 1999 Stock Incentive Plan (the "Plan"), and an agreement entered into between the registered owner and Superior Energy Services, Inc. thereunder. Copies of the Plan and the agreement are on file at the principal office of the Company.

7.4. DIVIDENDS ON RESTRICTED STOCK. Any and all cash and stock dividends paid with respect to the shares of restricted stock shall be subject to any restrictions on transfer, forfeitability provisions or reinvestment requirements as the Committee may, in its discretion, prescribe in the Incentive Agreement.

7.5. FORFEITURE. In the event of the forfeiture of any shares of restricted stock under the terms provided in the Incentive Agreement (including any additional shares of restricted stock that may result from the reinvestment of cash and stock dividends, if so provided in the Incentive Agreement), such forfeited shares shall be surrendered and the certificates cancelled. The participants shall have the same rights and privileges, and be subject to the same forfeiture provisions, with respect to any additional shares received pursuant to Section 10.6 due to a recapitalization, merger or other change in capitalization.

7.6. EXPIRATION OF RESTRICTED PERIOD. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the restricted stock shall lapse and a stock certificate for the number of shares of restricted stock with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions and legends, except any that may be imposed by law, to the participant or the participant's estate, as the case may be.

7.7. RIGHTS AS A STOCKHOLDER. Subject to the terms and conditions of the Plan and subject to any restrictions on the receipt of dividends that may be imposed in the Incentive Agreement, each participant receiving restricted stock shall have all the rights of a stockholder with respect to shares of stock during any period in which such shares are subject to forfeiture and restrictions on transfer, including without limitation, the right to vote such shares.

7.8. PERFORMANCE-BASED RESTRICTED STOCK. The Committee shall determine at the time of grant if a grant of restricted stock is intended to qualify as "performance-based compensation" as that term is used in Section 162(m) of the Code. Any such grant shall be conditioned on the achievement of one or more performance measures. The performance measures pursuant to which the restricted stock shall vest shall be any or a combination of the following: earnings per share, return on assets, an economic value added measure, stockholder return, earnings, return on equity, return on investment, cash provided by operating activities, increase in cash flow, or safety performance of the Company, a division of the Company or a Subsidiary. For any performance period, such performance objectives may be measured on an absolute basis or relative to a group of peer companies selected by the Committee, relative to internal goals or relative to levels attained in prior years. For grants of restricted stock intended to qualify as "performance-based compensation," the grants of restricted stock and the establishment of performance measures shall be made during the period required under Section 162(m).

8. OTHER STOCK-BASED AWARDS.

8.1. GRANT OF OTHER STOCK-BASED AWARDS. The Committee is authorized to grant "Other Stock-Based Awards," which shall consist of awards the value of which is based in whole or in part on the value of shares of Common Stock, that is not an instrument or award specified in Sections 6 or 7 of the Plan. Other Stock-Based Awards may be awards of shares of Common Stock or may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock (including, without limitation, restricted stock units or securities convertible or exchangeable into or exercisable for shares of Common Stock), as deemed by the Committee consistent with the purposes of the Plan. The Committee shall determine the terms and conditions of any such Other Stock-Based Award and may provide that such awards would be payable in whole or in part in cash. An Other Stock-Based Award may be subject to the attainment of such specified performance goals or targets as the Committee may determine, subject to the provisions of the Plan. To the extent that an Other Stock-Based Award is intended to qualify as "performance-based compensation" under Section 162(m) of the Code, it must meet the additional requirements imposed thereby. Except in the case of an Other Stock-Based Award granted in assumption of or in substitution for an outstanding award of a company acquired by the Company or with which the Company combines, the price at which securities may be purchased pursuant to any Other Stock-Based Award granted under this Plan, or the provision, if any, of any such Award that is analogous to the purchase or exercise price, shall not be less than 100% of the fair market value of the securities to which such Award relates on the date of grant. An Other-Stock Based Award, including an outright grant of shares of Common Stock, may be made in lieu of the payment of cash compensation otherwise due to a participant.

8.2. PERFORMANCE-BASED OTHER STOCK-BASED AWARDS. The Committee shall determine at the time of grant if the grant of an Other Stock-Based Award is intended to qualify as "performance-based compensation" as that term is used in Section 162(m) of the Code. Any such grant shall be conditioned on the achievement of one or more performance measures. The performance measures pursuant to which the Other Stock-Based Award shall vest shall be any or a combination of the following: earnings per share, return on assets, an economic value added measure, stockholder return, earnings, return on equity, return on investment, cash provided by operating activities, increase in cash flow, or the safety of the Company, a division of the Company or a Subsidiary. For any performance period, such performance objectives may be measured on an absolute basis or relative to a group of peer companies selected by the Committee, relative to internal goals or relative to levels attained in prior years. For grants of Other Stock-Based Awards intended to qualify as "performance-based compensation," the grants of Other Stock-Based Awards and the establishment of performance measures shall be made during the period required under Section 162(m) of the Code.

9. STOCK OPTIONS FOR OUTSIDE DIRECTORS

9.1 ELIGIBILITY. Each person who serves as an Outside Director shall be entitled to participate and automatically granted (a) a non-qualified stock option to acquire 20,000 shares of Common Stock as of the day that the Plan is approved by the stockholders of the Company and (b) a non-qualified stock option to acquire 5,000 shares of Common Stock on the day following the 2000 annual meeting of stockholders and thereafter on the day following each subsequent annual meeting of stockholders, for as long as the Plan remains in effect and shares of Common Stock remain available for grant under Section 4.1 hereof.

9.2 EXERCISABILITY OF STOCK OPTIONS. The stock options granted to Outside Directors under this Section 9 shall be exercisable immediately. No stock option granted to an Outside Director under the terms of this Section 9 may be exercised more than ten years after the date of grant.

9.3 EXERCISE PRICE. The per share exercise price of stock options granted to Outside Directors shall be equal to 100% of the Fair Market Value, as defined in the Plan, of a share of Common Stock on the date of grant.

9.4 EXERCISE AFTER TERMINATION OF BOARD SERVICE. In the event that an Outside Director ceases to serve on the Board of Directors for any reason, the stock options granted hereunder must be exercised within one year from the date of termination of Board service, but in no event later than ten years after the date of grant.

10. GENERAL.

10.1. DURATION. Subject to Section 10.11, the Plan shall remain in effect until all Incentives granted under the Plan have either been satisfied by the issuance of shares of Common Stock or terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed.

10.2. TRANSFERABILITY OF INCENTIVES. Options granted under the Plan shall not be transferable except:

- (A) by will;
- (B) by the laws of descent and distribution; or
- (C) in the case of stock options only, if permitted by the

Committee and so provided in the Incentive Agreement or an amendment thereto, (i) pursuant to a domestic relations order, as defined in the Code, (ii) to Immediate Family Members, (iii) to a partnership in which Immediate Family Members, or entities in which Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the only partners, (iv) to a limited liability company in which Immediate Family Members, or entities in which Immediate Family Members are the sole owners, members or beneficiaries, as appropriate, are the only members, or (v) to a trust for the sole benefit of Immediate Family Members. "Immediate Family Members" shall be defined as the spouse and natural or adopted children or grandchildren of the participant and their spouses. To the extent that an incentive stock option is permitted to be transferred during the lifetime of the participant, it shall be treated thereafter as a non-qualified stock option.

Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Incentive, or levy of attachment or similar process upon the Incentive not specifically permitted herein, shall be null and void and without effect.

10.3. DIVIDEND EQUIVALENTS. In the sole and complete discretion of the Committee, an Incentive may provide the holder thereof with dividends or dividend equivalents, payable in cash, shares, other securities or other property on a current or deferred basis.

10.4. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH. In the event that a participant, other than an Outside Director, ceases to be an employee of the Company or to provide services to the Company for any reason, including death, disability, early retirement or normal retirement, any Incentives may be exercised, shall vest or shall expire at such times as may be determined by the Committee in the Incentive Agreement.

10.5. ADDITIONAL CONDITION. Anything in this Plan to the contrary notwithstanding: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of Common Stock pursuant to any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Common Stock issued pursuant thereto, to deliver to the Company a written representation of present intention to acquire the Incentive or the shares of Common Stock issued pursuant thereto for his own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

10.6. ADJUSTMENT. In the event of any recapitalization, stock dividend, stock split, combination of shares or other change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares subject to outstanding Incentives, shall be adjusted in proportion to the change in outstanding shares of Common Stock. In the event of any such adjustments, the purchase price of any option shall be adjusted as and to the extent appropriate, in the reasonable discretion of the Committee, to provide participants with the same relative rights before and after such adjustment.

10.7. INCENTIVE AGREEMENTS. The terms of each Incentive shall be stated in an agreement or notice approved by the Committee. The Committee may also determine to enter into agreements with holders of options to reclassify or convert certain outstanding options, within the terms of the Plan, as incentive stock options or as non-qualified stock options.

10.8. WITHHOLDING. At any time that a participant is required to pay to the Company an amount required to be withheld under the applicable tax laws in connection with the issuance of shares of Common Stock under the Plan or upon the lapse of restrictions on shares of restricted stock, the participant may, subject to the Committee's right of disapproval, satisfy this obligation in whole or in part by electing (the AElection@) to have the Company withhold from the distribution shares of Common Stock having a value equal to the amount required to be withheld. The value of the shares withheld shall be based on the Fair Market Value of the Common Stock on the date that the amount of tax to be withheld shall be determined (the "Tax Date").

Each Election must be made prior to the Tax Date. The Committee may disapprove of any Election or may suspend or terminate the right to make Elections. If a participant makes an election under Section 83(b) of the Code with respect to shares of restricted stock or an Other Stock-Based Award, an Election is not permitted to be made.

A participant may also satisfy his or her total tax liability related to the Incentive by delivering shares of Common Stock that have been owned by the participant for at least six months. The value of the shares delivered shall be based on the Fair Market Value of the Common Stock on the Tax Date.

10.9. NO CONTINUED EMPLOYMENT. No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of the Company for any period of time or to any right to continue his or her present or any other rate of compensation.

10.10. DEFERRAL PERMITTED. Distribution of shares of Common Stock or cash to which a participant is entitled under any Incentive shall be made as provided in the Incentive Agreement. Payment may be deferred at the option of the participant if provided in the Incentive Agreement.

10.11. AMENDMENT OF THE PLAN. The Board may amend or discontinue the Plan at any time; provided, however, that no such amendment may

(A) without the approval of the stockholders, (i) increase, subject to adjustments permitted under Section 10.6, the maximum number of shares of Common Stock that may be issued through the Plan, (ii) materially increase the benefits accruing to participants under the Plan or (iii) materially expand the classes of persons eligible to participate in the Plan, or

(B) materially impair, without the consent of the recipient, an Incentive previously granted, except that the Company retains the right to (i) convert any outstanding incentive stock option to a non-qualified stock option, or (ii) exercise all rights under Section 10.12.

10.12. CHANGE OF CONTROL.

(A) A Change of Control shall mean:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the 1934 Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of more than 30% of the outstanding shares of the Common Stock; provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control:

a) any acquisition of Common Stock directly from the Company,

b) any acquisition of Common Stock by the Company,

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

d) any acquisition of Common Stock by any corporation pursuant to a transaction that complies with clauses a), b) and c) of subsection (iii) of this Section 10.12(A); or

(ii) individuals who, as of the date this Plan was adopted by the Board of Directors (the "Approval Date"), constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Approval Date whose election, or nomination for election by the stockholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Incumbent Board; or

(iii) consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination,

a) all or substantially all of the individuals and entities who were the beneficial owners of the outstanding Common Stock and the voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect beneficial ownership, respectively, of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the corporation resulting from such Business Combination (which, for purposes of this clause a) and clauses b) and c), shall include a corporation that as a result of such transaction owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries), and

b) except to the extent that such ownership existed prior to the Business Combination, no person (excluding any corporation resulting from such Business Combination or any employee benefit plan or related trust of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 20% or more of the combined voting power of the then outstanding voting securities of such corporation, and

c) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

(B) Upon a Change of Control, or immediately prior to the closing of a transaction that will result in a Change of Control if consummated, all outstanding options granted pursuant to the Plan shall automatically become fully exercisable, all restrictions or limitations on any Incentives shall lapse and all performance criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved and waived by the Company, without the necessity of action by any person.

(C) No later than 30 days after the approval by the Board of a Change of Control of the types described in subsections (iii) or (iv) of Section 10.12(A) and no later than 30 days after a Change of Control of the type described in subsections (i) and (ii) of Section 10.12(A), the Committee (as the Committee was composed immediately prior to such Change of Control and notwithstanding any removal or attempted removal of some or all of the members thereof as directors or Committee members), acting in its sole discretion without the consent or approval of any participant, may act to effect one or more of the alternatives listed below and such act by the Committee may not be revoked or rescinded by persons not members of the Committee immediately prior to the Change of Control:

(i) require that all outstanding options be exercised on or before a specified date (before or after such Change of Control) fixed by the Committee, after which specified date all unexercised options shall terminate,

(ii) make such equitable adjustments to Incentives then outstanding as the Committee deems appropriate to reflect such Change of Control (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary),

(iii) provide for mandatory conversion of some or all of the outstanding options held by some or all participants as of a date, before or after such Change of Control, specified by the Committee, in which event such options shall be deemed automatically cancelled and the Company shall pay, or cause to be paid, to each such participant an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such option or, as defined and calculated below, over the exercise price(s) of such options or, in lieu of such cash payment, the issuance of Common Stock or securities of an acquiring entity having a Fair Market Value equal to such excess, or

(iv) provide that thereafter upon any exercise of an option the participant shall be entitled to purchase under such option, in lieu of the number of shares of Common Stock then covered by such option, the number and class of shares of stock or other securities or property (including, without limitation, cash) to which the participant would have been entitled pursuant to the terms of the agreement providing for the reorganization, merger, consolidation or asset sale, if, immediately prior to such Change of Control, the participant had been the holder of record of the number of shares of Common Stock then covered by such options.

(v) For the purposes of paragraph (iii) of this Section 10.12(C) the "Change of Control Value" shall equal the amount determined by whichever of the following items is applicable:

a) the per share price to be paid to stockholders of Superior in any such merger, consolidation or other reorganization.

b) the price per share offered to stockholders of Superior in any tender offer or exchange offer whereby a Change of Control takes place, or

c) in all other events, the Fair Market Value per share of Common Stock into which such options being converted are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of conversion of such options.

d) in the event that the consideration offered to stockholders of Superior in any transaction described in this Section 10.12 consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered that is other than cash.

10.13. DEFINITION OF FAIR MARKET VALUE. Whenever "Fair Market Value" of Common Stock shall be determined for purposes of this Plan, it shall be determined as follows: (i) if the Common Stock is listed on an established stock exchange or any automated quotation system that provides sale quotations, the closing sale price for a share of the Common Stock on such exchange or quotation system on the

applicable date; (ii) if the Common Stock is not listed on any exchange or quotation system, but bid and asked prices are quoted and published, the mean between the quoted bid and asked prices on the applicable date, and if bid and asked prices are not available on such day, on the next preceding day on which such prices were available; and (iii) if the Common Stock is not regularly quoted, the fair market value of a share of Common Stock on the applicable date as established by the Committee in good faith.

11. STOCKHOLDER APPROVAL. Adoption of this plan by the Board of Directors is subject to approval by the holders of a majority of the Common Stock present and voting at a meeting of the stockholders to be held no later than the date of the first annual meeting after the date of the adoption hereof by the Board of Directors.

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
BETWEEN
SUPERIOR ENERGY SERVICES, INC.
AND
TERENCE E. HALL

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered in and effective as of July 15, 1999, (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and Terence E. Hall (the "Executive").

WITNESSETH:

WHEREAS, Executive is serving as the President and Chief Executive Officer of the Company pursuant to that certain Employment Agreement dated December 13, 1995; and

WHEREAS, the Company and the Executive desire to amend and restate such Employment Agreement as of the Effective Date on the terms and conditions contained herein.

1. EMPLOYMENT. The Company hereby agrees to employ Executive, and Executive hereby agrees to serve the Company, on the terms and conditions set forth herein.

2. TERM. Subject to earlier termination as hereinafter provided, the employment of Executive by the Company as provided in Section 1 shall have an initial term of three years; provided, however, that on each anniversary of the Effective Date, the term of Executive's employment under this Agreement shall be automatically extended for one additional year, unless either party hereto gives written notice of its election not to so extend the term at least 90 days prior to the applicable anniversary date.

3. POSITION AND DUTIES.

(a) The Company agrees to employ Executive, and Executive agrees to be so employed, in the capacity of Chairman of the Board, President and Chief Executive Officer of the Company. The Executive shall be nominated for re-election as a member of the Company's Board of Directors (the "Board") annually, commencing with the annual stockholders meeting in 2000, and shall serve as Chairman of the Board so long as this Agreement is in effect. In addition, for so long as the Executive is employed by the Company and without further compensation, the Executive shall serve as a director and officer of the Company's principal subsidiaries to which he may be elected or appointed from time to time.

(b) The Executive shall be subject to the direction of the Board and shall have such powers, duties and responsibilities consistent with the Executive's position as President and Chief Executive Officer of the Company as may from time to time be prescribed by the Board including, but not limited to, full authority for all operating, personnel (including officer positions of the Company, subject to approval by the Board) and capital expenditure decisions (subject to the supervision of the Board).

(c) Executive shall devote his full business time and attention to the business and affairs of the Company and shall use his best efforts in performing faithfully his duties under this Agreement as the Company's President and Chief Executive Officer. Notwithstanding the foregoing, Executive shall be free to pursue and attend to on a regular basis other business matters in accordance with the terms of this Agreement that do not involve competition with the business of the Company and the performance of which do not detract from or impair the discharge of his duties on behalf of the Company.

4. PLACE OF PERFORMANCE. In connection with Executive's employment by the Company, Executive shall be based at the principal executive offices of the Company in the greater New Orleans Louisiana, metropolitan area and shall not be transferred to any other location without his consent.

5. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a base salary of \$375,000 or such greater amount as may be approved from time to time by the Board, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually by the Board.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's

Management Incentive Plan (the "bonus"), in an amount of up to 125% of his then current base salary, the exact amount of which shall be determined by the Board based on the Executive's achievement of performance objectives for each year, as established by the Board following its review with the Executive of the Company's operating budget, financial position and business prospects for such fiscal year. The Bonus shall be payable within 30 days after final determination of the amount payable, but in no event later than three months after the close of each fiscal year of the Company, commencing with the fiscal year ending December 31, 1999. It is expressly agreed by the parties that with respect to the 1999 fiscal year, the Executive's annual bonus shall not be less than \$160,000.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan, options to purchase a total of 488,617 shares of the Company's common stock, \$0.001 par value per share, at an exercise price equal to the closing sales price of the common stock on the Nasdaq National Market on the Effective Date. The stock option will be granted pursuant to the form of Stock Option Agreement in the form attached hereto as Exhibit "A."

(d) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(e) OTHER BENEFITS. During the term hereof, Executive shall be entitled to participate in any medical/dental, life insurance, accidental death, long-term disability insurance plan and 401(k) or other insurance and retirement plans which have been or may be adopted by the Company for the general and overall benefit of executive employees of the Company, according to the participation or eligibility requirements of each such plan.

(f) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

(g) VEHICLE. The Company shall make available to Executive a Company vehicle selected by the Executive for his use in the discharge of his duties. The Company shall reimburse the Executive for all related expenses such as repair, insurance and gasoline in accordance with the policies and practices of the Company in effect from time to time.

6. TERMINATION. Executive's employment hereunder may be terminated effective as of the Date of Termination (as defined below) without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 120 consecutive days, or 180 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers. For purposes of this Section 6(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (A) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (B) an opportunity for Executive, together with his counsel, to be heard before the Board, and (C) delivery to Executive of a Notice of Termination (as hereinafter defined) from the Board, finding that, in good faith opinion of the Board, Executive was guilty of conduct set forth above, and specifying the particulars thereof in detail.

(d) TERMINATION BY EXECUTIVE.

(i) The Executive may terminate his status as an employee for Good Reason. The termination by the Executive of his status as an employee for Good Reason shall be deemed to be a justifiable termination and shall excuse the Executive from the obligation to render services under or relating to this Agreement. As used herein, the term "Good Reason" shall mean:

(A) The occurrence of any of the following:

(1) the assignment by the Board to the Executive of any duties or responsibilities that are inconsistent with the

Executive's status, title and position as President and Chief Executive Officer of the Company;

(2) any removal of the Executive from, or any failure to reappoint or reelect the Employee to, the position of President and Chief Executive Officer of the Company, except in connection with a termination by the Company of the Executive's employment for Cause or on account of disability or death of the Executive;

(3) the failure by the Company to obtain the assumption of its obligations under this Agreement by any successor or assign as contemplated in Section 10;

(4) the Company's requiring the Executive to be based anywhere other than in greater New Orleans, Louisiana metropolitan area, except for required travel in the ordinary course of the Company's business;

(5) a reduction in the Employee's base salary or a failure by the Company to pay to the Employee any installment of the base salary or to pay any other amounts required to be paid under this Agreement, which failure continues for a period of ten days after written notice thereof is given by the Executive to the Company;

(6) any purported termination by the Company of the Employee's status as an employee which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 6(e), or which is not justified as a termination based on Cause; or

(7) any breach of this Agreement by the Company.

(e) Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 6(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(f) "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 6(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period), (iii) if Executive's employment is terminated pursuant to Section 6(c), the date specified in the Notice of Termination, and (iv) if Executive's employment is terminated pursuant to Section 6(d), immediately upon the Executive's giving to the Company a Notice of Termination; provided, however, that, if within 30 days after any Notice of Termination is given the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, by a binding and final arbitration award or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected).

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) If Executive's employment is terminated pursuant to Section 6(a) or 6(b), the Company shall pay the Executive, in a lump sum within 30 days following the Date of Termination, an amount equal to the Executive's then current annual base salary.

(b) If Executive's employment is terminated by the Company for Cause or by Executive for other than Good Reason, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(c) If (i) in breach of this Agreement, the Company shall terminate Executive's employment; or (ii) Executive shall terminate his employment for Good Reason, then in lieu of any further salary payments to Executive for periods subsequent to the Date of Termination, the Company shall pay as liquidated damages to Executive an amount equal to the product of (A) the sum of Executive's then current annual base salary and the bonus paid or payable to the Executive for the preceding fiscal year, and (B) the greater of the number of years (including partial years) remaining in the term of employment hereunder or the number 2 in one lump sum within 30 days following the Date of Termination.

(d) If Executive terminates this Agreement for Good Reason and such termination occurs within two years of the occurrence of a Change in Control (as defined below), then, in addition to any amounts otherwise due under this Agreement, the Company shall: (i) pay to Executive an amount equal to two times his then current annual base salary plus the bonus paid or payable to Executive for the preceding fiscal year; (ii) continue Executive's participation in the Company's medical, dental, accidental death, and life insurance plans, as provided in Section 5, for two years, subject to COBRA required benefits thereafter; and (iii) cause Executive to be fully vested in any stock options or stock grants held by Executive. The Company shall make the payment due in one lump sum within 30 days following the Date of Termination. A "Change in Control" shall mean the occurrence at any time after the date of this Agreement of any of the following events: (A) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, to any person or group of related persons, together with any affiliates thereof; (B) any person or group

shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate voting power of the issued and outstanding common stock of the Company; or (C) a merger or consolidation of the Company with another person in which the holders of the Company's common stock immediately prior to the consummation of the transaction hold, directly or indirectly, immediately following the consummation of the transaction, 50% or less of the common equity interest in the surviving person in such transaction. Notwithstanding anything to the contrary in this Agreement, in no event shall the aggregate amount payable to the Executive pursuant to Section 7(c) and 7(d)(i) exceed an amount equal to three times the Executive's current base annual salary plus the bonus paid or payable to Executive for the preceding fiscal year.

(e) If Executive's employment is terminated hereunder other than by the Company for Cause, the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the employee benefit plans to which Executive was entitled immediately prior to the Notice of Termination.

(f) If Executive is subjected to an excise tax as a result of the "golden parachute" provisions of Section 4999 of the Internal Revenue Code of 1986, as amended, the Company shall pay to Executive such amounts as are necessary to place Executive in the same after-tax position as he would have been had such golden parachute provisions not been applicable to him. This gross-up provision shall take into account any such applicable excise tax, any state or federal interest and penalties and any state or federal income tax and excise tax payable with respect to the additional payment provided by this Section 6(f).

8. MITIGATION. If Executive's employment is terminated, Executive shall not be required to make efforts to mitigate damages by seeking other employment; provided, however, that, to the extent Executive shall receive compensation from such other employment, the payments to be made by the Company under the provisions of Sections 7(c) and 7(d) shall (provided (i) that the term "employment" as used herein shall not include any independent financial ventures undertaken by executive or employment of Executive by any proprietorship owned by Executive or any entity in which Executive has a majority equity interest or in which he is a general partner and (ii) such independent financial ventures are undertaken after leaving the employ of the Company and are not in conflict with any non-compete obligations of the executive) be correspondingly reduced or correspondingly repaid by Executive to the Company.

9. NONDISCLOSURE AND NONCOMPETITION

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

(i) "Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii) "Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential

Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of this Agreement and for a period of two years thereafter, commencing with the Date of Termination, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that, for a period of one year from and after the Date of Termination, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this paragraph (c) shall not be binding upon Executive in the event that Executive is discharged by the Company for other than death, disability or Cause, or the Executive terminates his employment for Good Reason.

(d) PROTECTION OF INFORMATION.

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

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

(iii) Executive agrees that, during his employment, any inventions (whether or not patentable), concepts, ideas,

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

(iv) Any inventions relating to the business of the Company conceived or reduced to practice after the Executive leaves the employ of the Company shall be conclusively deemed to have been conceived and/or reduced to practice during the period of the employment if conceived and/or reduced to practice within six months from termination of employment, and shall be subject to the terms of this Section 9.

(e) INJUNCTIVE RELIEF. Executive acknowledges that a breach by Executive of paragraph (b), (c) or (d) of this Section 9 would cause immediate and irreparable harm to the Company for which an adequate monetary remedy does not exist; hence, Executive agrees that, in the event of a breach or threatened breach by Executive of the provisions of paragraph (b), (c) or (d) of this Section 10 during or after the employment term, the Company shall be entitled to injunctive relief restraining Executive from violation of any such paragraph without the necessity of proof of actual damage or the posting of any bond, except as required by non-waivable, applicable law. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedy at law or in equity to which the Company may be entitled under applicable law in the event of a breach or threatened breach of this Agreement by Executive including, but not limited to, recovery of costs and expenses such as reasonable attorney's fees incurred by reason of any such breach, actual damages sustained by the Company as a result of any such breach, and cancellation of any unpaid salary, bonus, commissions or reimbursements otherwise outstanding at the Date of Termination.

(f) GOVERNING LAW OF THIS SECTION 9; CONSENT TO JURISDICTION. Any dispute regarding the reasonableness of the covenants and agreements set forth in this Section 9, or the territorial scope or duration thereof, or the remedies available to the Company upon any breach of such covenants and agreements, shall be governed by and interpreted in accordance with the laws of the state in which the prohibited competing activity or disclosure occurs, and, with respect to each such dispute, the Company and Executive each hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts sitting in the relevant state for resolution of such dispute, and agree to be irrevocably bound by any judgment rendered thereby in connection with such dispute, and further agree that service of process may be made upon him in any legal proceeding relating to this Section 9 by any means allowed under the laws of such state. Each party irrevocably waives any objection he, she or it may have as to the venue of any such suit, action or proceeding brought in such a court or that such a court is an inconvenient forum.

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 9 invalid or unenforceable.

10. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such

succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 10 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

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

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

If to Executive:
1105 Peters Road
Harvey, Louisiana 70058

If to the Company:
Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

13. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

15. RIGHTS AND REMEDIES. In the event that Executive institutes proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

16. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

17. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with and governed by the internal laws of the State of Louisiana without regard to principles of conflict of laws, except as expressly provided in Section 9(f) with respect to the resolution of disputes arising under, or the Company's enforcement of, Section 9 of this Agreement.

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

SUPERIOR ENERGY SERVICES, INC.

By: _____
Kenneth Blanchard
Vice President

Terence E. Hall

APPENDIX A

Acadia
Allen
Ascension

Madison
Morehouse
Natchitoches

Assumption
Avoyelles
Beauregard
Bienville
Bossier
Caddo
Calcasieu
Caldwell
Cameron
Catahoula
Claiborne
Concordia
DeSoto
East Baton Rouge
East Carroll
East Feliciana
Evangeline
Franklin
Grant
Iberia
Iberville
Jackson
Jefferson
Jefferson Davis
Lafayette
Lafourche
LaSalle
Lincoln
Livingston

Orleans
Ouachita
Plaquemines
Pointe Coupee
Rapides
Red River
Richland
Sabine
St. Bernard
St. Charles
St. Helena
St. James
St. John the Baptist
St. Landry
St. Martin
St. Mary
St. Tammany
Tangipahoa
Tensas
Terrebonne
Union
Vermillion
Vernon
Washington
Webster
West Baton Rouge
West Carroll
West Feliciana
Winn

EMPLOYMENT AND NON-COMPETITION AGREEMENT

Between

SUPERIOR ENERGY SERVICES, INC.

and

KENNETH BLANCHARD

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (this "Agreement") is entered into and effective as of July 15, 1999 (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and Kenneth Blanchard (the "Executive").

W I T N E S S E T H:

WHEREAS, the Board of Directors (the "Board") of the Company recognizes that Executive's contribution to the growth and success of the Company has been substantial and desires to provide for the continued employment of Executive by the Company, and Executive desires to continue to serve the Company on a full-time basis upon the terms and conditions herein provided; and

WHEREAS, Executive has performed valuable services in connection with, and made significant contributions of time, energy and expertise toward, the consummation of the transactions that are the subject of that certain Agreement and Plan of Merger Agreement (the "Merger Agreement") dated as of April 20, 1999 by and among, INTER ALIA, the Company and Cardinal Holding Corp.

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

1. EMPLOYMENT. The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. TERM.

(a) Commencing on the Effective Date hereof, Executive shall be employed by the Company as provided in Section 1 and such employment shall continue until the second anniversary of the Effective Date unless sooner terminated as hereinafter provided.

(b) If Executive continues to serve as an employee of the Company after the second anniversary of the Effective Date, his continued employment shall be subject to the terms of this Agreement but shall be terminable at will by either the Company or Executive.

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

3. POSITION AND DUTIES. The Executive shall perform such duties, consistent with the Executive's status as an officer of the Company elected by the Board, as may be prescribed from time to time by the Company's President and Chief Executive Officer or other officers to whom authority has been delegated by the President and Chief Executive Officer. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as an officer of any of the Company's subsidiaries.

4. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a minimum annual base salary of \$135,000, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's Management Incentive Plan based on the Executive's achievement of performance objectives for each year.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan (the "Incentive Plan"), options to purchase a total of 372,000 shares of the Company's common stock, \$0.001 par value per share (the "Common Stock"), at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on the Effective Date. Options to acquire 107,000 shares of Common Stock shall have a five year term and shall vest on the first anniversary of the Effective Date and shall be exercisable for four years thereafter regardless of whether the Executive continues to be employed by the Company. Options to acquire 265,000 shares of Common Stock shall have a ten year term and shall vest in equal increments on each of the first two anniversaries of the Effective Date and shall otherwise have the same terms and conditions as other options generally granted to the Company's officers and employees under the Incentive Plan. On the first anniversary of the Effective Date, the

Company shall grant to the Executive, pursuant to the Incentive Plan, options having a five year term to purchase a number of additional shares of the Company's Common Stock at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on such date having a present value equal to \$250,000 using the Black-Scholes option pricing model. The assumptions to be used in calculating the Black-Scholes present value for the additional options shall be: (i) the options will be assumed to be exercised at the end of their five year term; (ii) volatility will be based on the closing prices of the Common Stock from the Effective Date to the first anniversary of the Effective Date; (iii) the risk free rate of return will be based on the five year zero coupon treasury average yield for the month immediately preceding the first anniversary of the Effective Date; and (iv) the dividend yield will be 0%. No further discount to the option value calculated will be taken to give effect to the fact that the options are not freely transferrable or to the exercise of the options after the vesting period but prior to the end of the option term.

(d) PAYMENT FOR PAST SERVICES. In consideration of the services performed by Executive in connection with Executive's management of the Company's operations so as to facilitate the closing of the transactions contemplated by the Merger Agreement, the Company shall pay to Executive a one-time payment in the amount of \$500,000, payable in cash on the Effective Date.

(e) CONSIDERATION FOR COVENANT NOT TO COMPETE. In consideration of the Executive's covenants and agreements contained in Section 7(c) hereof, the Company shall pay to Executive an aggregate of \$500,000, payable in equal installments of \$250,000, in cash, on each of the first and second anniversaries of the Effective Date.

(f) COMPANY AUTOMOBILE. The Company shall either provide a car allowance to the Executive or make available to Executive a Company automobile for the Executive's use in the discharge of his duties. The automobile so obtained by the Executive shall be maintained at the expense of the Company in accordance with the policies and practices of the Company in effect from time to time.

(g) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(h) OTHER BENEFITS. Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary and bonuses payable to Executive pursuant to this Section 4.

(i) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

5. TERMINATION. Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 60 consecutive days, or 120 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers. For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 5(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(e) DATE OF TERMINATION. "Date of Termination" shall mean

(i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 5(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period) and (iii) if Executive's employment is terminated pursuant to Section 5(c), the date specified in the Notice of Termination.

Notwithstanding anything to the contrary in this Section 5, during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, the Company shall not be entitled to terminate Executive's employment "without cause" or for any reason that is not expressly specified in this Section 5.

6. COMPENSATION UPON TERMINATION.

(a) If Executive's employment is terminated pursuant to Section 5, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(b) In addition to compensation otherwise provided in this Section 6, in the event Executive's employment is terminated for any reason, he shall be entitled to receive any amounts that are due or become due under Section 4(e).

(c) If Executive's employment is terminated pursuant to Section 5(a) or 5(b), the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the relevant group medical and dental insurance benefits to which Executive was entitled immediately prior to the Notice of Termination.

7. NONDISCLOSURE AND NONCOMPETITION

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

(i)"Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii)"Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of Executive's employment under this Agreement and for a period of two years thereafter, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or

reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that during the term of this Agreement and for a period of two years thereafter, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this Section 7(c) shall not be binding upon the Executive in the event that Executive is discharged by the Company for other than theft, disability or Cause.

(d) PROTECTION OF INFORMATION.

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

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

(iii) Executive agrees that, during his employment, any inventions (whether or not patentable), concepts, ideas, expressions, discoveries, or improvements, including, without limitation, products, processes, methods, publications, works of authorship, software programs, designs, trade secrets, technical specifications, algorithms, technical data, know-how, internal reports and memoranda, marketing plans and any other patent or proprietary rights conceived, devised, developed, or reduced to practice, in whole or in part, by the Executive during the term of his employment by the Company (the "Developments") are the sole and exclusive property of the Company on a worldwide basis as works made for hire or otherwise, and further that any revenue or other consideration

obtained from the sale, license or other transfer or conveyance of any such Development, or a product or service incorporating such Development, is solely for the benefit of and becomes the property of the Company. To the extent a Development may not be considered work made by the Executive for hire for the Company, the Executive agrees to assign, and automatically assigns at the time of creation of the Development, without any requirement of further consideration, any and all right, title and interest he may have in such Development. Executive shall preserve each such Development as confidential and proprietary information of the Company. Executive shall promptly disclose each such Development and shall, upon demand, at the Company's expense, execute and deliver to the Company such documents, instruments, deeds, acts and things as the Company may request to evidence or maintain the Company's ownership of the Development, in any and all countries of the world, or to effect enforcement thereof, and to assign all rights, if any, of the Executive in and to each of such Developments. In addition, Executive agrees not to publish or seek to publish any information whatsoever concerning any Development without the prior written consent of the Company, which may be withheld in its sole and absolute discretion.

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

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

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

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable.

8. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this

Section 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

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

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

If to Executive:
1105 Peters Road
Harvey, Louisiana 70058

If to the Company:
Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

13. RIGHTS AND REMEDIES. In the event that Executive institutes proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

14. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

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

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

SUPERIOR ENERGY SERVICES, INC.

By: _____

Terence E. Hall
Chairman of the Board

Kenneth Blanchard

APPENDIX A

Acadia	Madison
Allen	Morehouse
Ascension	Natchitoches
Assumption	Orleans
Avoyelles	Ouachita
Beauregard	Plaquemines
Bienville	Pointe Coupee
Bossier	Rapides

Caddo	Red River
Calcasieu	Richland
Caldwell	Sabine
Cameron	St. Bernard
Catahoula	St. Charles
Claiborne	St. Helena
Concordia	St. James
DeSoto	St. John the Baptist
East Baton Rouge	St. Landry
East Carroll	St. Martin
East Feliciana	St. Mary
Evangeline	St. Tammany
Franklin	Tangipahoa
Grant	Tensas
Iberia	Terrebonne
Iberville	Union
Jackson	Vermillion
Jefferson	Vernon
Jefferson Davis	Washington
Lafayette	Webster
Lafourche	West Baton Rouge
LaSalle	West Carroll
Lincoln	West Feliciana
Livingston	Winn

EMPLOYMENT AND NON-COMPETITION AGREEMENT

Between

SUPERIOR ENERGY SERVICES, INC.

and

CHARLES FUNDERBURG

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (this "Agreement") is entered into and effective as of July 15, 1999 (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and Charles Funderburg (the "Executive").

W I T N E S S E T H:

WHEREAS, the Board of Directors (the "Board") of the Company recognizes that Executive's contribution to the growth and success of the Company has been substantial and desires to provide for the continued employment of Executive by the Company, and Executive desires to continue to serve the Company on a full-time basis upon the terms and conditions herein provided; and

WHEREAS, Executive has performed valuable services in connection with, and made significant contributions of time, energy and expertise toward, the consummation of the transactions that are the subject of that certain Agreement and Plan of Merger Agreement (the "Merger Agreement") dated as of April 20, 1999 by and among, INTER ALIA, the Company and Cardinal Holding Corp.

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

1. EMPLOYMENT. The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. TERM.

(a) Commencing on the Effective Date hereof, Executive shall be employed by the Company as provided in Section 1 and such employment shall continue until the second anniversary of the Effective Date unless sooner terminated as hereinafter provided.

(b) If Executive continues to serve as an employee of the Company after the second anniversary of the Effective Date, his continued employment shall be subject to the terms of this Agreement but shall be terminable at will by either the Company or Executive.

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

3. POSITION AND DUTIES. The Executive shall perform such duties, consistent with the Executive's status as an officer of the Company elected by the Board, as may be prescribed from time to time by the Company's President and Chief Executive Officer or other officers to whom authority has been delegated by the President and Chief Executive Officer. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as an officer of any of the Company's subsidiaries.

4. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a minimum annual base salary of \$135,000, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's Management Incentive Plan based on the Executive's achievement of performance objectives for each year.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan (the "Incentive Plan"), options to purchase a total of 372,000 shares of the Company's common stock, \$0.001 par value per share (the "Common Stock"), at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on the Effective Date. Options to acquire 107,000 shares of Common Stock shall have a five year term and shall vest on the first anniversary of the Effective Date and shall be exercisable for four years thereafter regardless of whether the Executive continues to be employed by the Company. Options to acquire 265,000 shares of Common Stock shall have a ten year term and shall vest in equal increments on each of the first two anniversaries of the Effective Date and shall otherwise have the same terms and conditions as other options generally granted to the Company's officers and employees under the Incentive Plan. On the first anniversary of the Effective Date, the Company shall grant to the Executive, pursuant to the Incentive Plan,

options having a five year term to purchase a number of additional shares of the Company's Common Stock at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on such date having a present value equal to \$250,000 using the Black-Scholes option pricing model. The assumptions to be used in calculating the Black-Scholes present value for the additional options shall be: (i) the options will be assumed to be exercised at the end of their five year term; (ii) volatility will be based on the closing prices of the Common Stock from the Effective Date to the first anniversary of the Effective Date; (iii) the risk free rate of return will be based on the five year zero coupon treasury average yield for the month immediately preceding the first anniversary of the Effective Date; and (iv) the dividend yield will be 0%. No further discount to the option value calculated will be taken to give effect to the fact that the options are not freely transferrable or to the exercise of the options after the vesting period but prior to the end of the option term.

(d) PAYMENT FOR PAST SERVICES. In consideration of the services performed by Executive in connection with Executive's management of the Company's operations so as to facilitate the closing of the transactions contemplated by the Merger Agreement, the Company shall pay to Executive in cash a one-time payment in the amount of \$500,000 payable in cash on the Effective Date.

(e) CONSIDERATION FOR COVENANT NOT TO COMPETE. In consideration of the Executive's covenants and agreements contained in Section 7(c) hereof and subject to Executive's continued employment by the Company, the Company shall pay to Executive an aggregate of \$500,000, payable in equal installments of \$250,000, in cash, on each of the first and second anniversaries of the Effective Date.

(f) COMPANY AUTOMOBILE. The Company shall either provide a car allowance to the Executive or make available to Executive a Company automobile for the Executive's use in the discharge of his duties. The automobile so obtained by the Executive shall be maintained at the expense of the Company in accordance with the policies and practices of the Company in effect from time to time.

(g) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(h) OTHER BENEFITS. Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary and bonuses payable to Executive pursuant to this Section 4.

(i) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

5. TERMINATION. Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 60 consecutive days, or 120 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers; or (iii) chronic alcohol or drug abuse by the Executive. For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 5(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(e) DATE OF TERMINATION. "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 5(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period) and (iii) if Executive's employment is terminated pursuant to Section 5(c), the date specified in the Notice of Termination.

Notwithstanding anything to the contrary in this Section 5, during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, the Company shall not be entitled to terminate Executive's employment "without cause" or for any reason that is not expressly specified in this Section 5.

6. COMPENSATION UPON TERMINATION.

(a) If Executive's employment is terminated pursuant to Section 5, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(b) If Executive's employment is terminated pursuant to Section 5(a) or 5(b), the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the relevant group medical and dental insurance benefits to which Executive was entitled immediately prior to the Notice of Termination.

7. NONDISCLOSURE AND NONCOMPETITION

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

(i)"Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii)"Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of Executive's employment under this Agreement and for a period of two years thereafter, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the

State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that during the term of this Agreement and for a period of two years thereafter, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this Section 7(c) shall not be binding upon the Executive in the event that Executive is discharged by the Company for other than theft, disability or Cause.

(d) PROTECTION OF INFORMATION.

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

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

(iii) Executive agrees that, during his employment, any inventions (whether or not patentable), concepts, ideas, expressions, discoveries, or improvements, including, without limitation, products, processes, methods, publications, works of authorship, software programs, designs, trade secrets, technical specifications, algorithms, technical data, know-how, internal reports and memoranda, marketing plans and any other patent or proprietary rights conceived, devised, developed, or reduced to practice, in whole or in part, by the Executive during the term of his employment by the Company (the "Developments") are the sole and exclusive property of the Company on a worldwide basis as works made for hire or otherwise, and further that any revenue or other consideration obtained from the sale, license or other transfer or conveyance of any such Development, or a product or service incorporating such Development, is solely for the benefit of and becomes the property of the Company. To the extent a Development may not be considered work made by the Executive for hire for the Company, the Executive agrees to assign, and automatically assigns at the time of creation of

the Development, without any requirement of further consideration, any and all right, title and interest he may have in such Development. Executive shall preserve each such Development as confidential and proprietary information of the Company. Executive shall promptly disclose each such Development and shall, upon demand, at the Company's expense, execute and deliver to the Company such documents, instruments, deeds, acts and things as the Company may request to evidence or maintain the Company's ownership of the Development, in any and all countries of the world, or to effect enforcement thereof, and to assign all rights, if any, of the Executive in and to each of such Developments. In addition, Executive agrees not to publish or seek to publish any information whatsoever concerning any Development without the prior written consent of the Company, which may be withheld in its sole and absolute discretion.

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

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

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

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable.

8. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs,

distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate.

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

If to Executive:
1105 Peters Road
Harvey, Louisiana 70058

If to the Company:

Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

13. RIGHTS AND REMEDIES. In the event that Executive institutes proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

14. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

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

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

SUPERIOR ENERGY SERVICES, INC.

By: _____

Terence E. Hall
Chairman of the Board

Charles Funderburg

APPENDIX A

Acadia	Madison
Allen	Morehouse
Ascension	Natchitoches
Assumption	Orleans
Avoyelles	Ouachita
Beauregard	Plaquemines
Bienville	Pointe Coupee
Bossier	Rapides
Caddo	Red River
Calcasieu	Richland
Caldwell	Sabine
Cameron	St. Bernard
Catahoula	St. Charles

Claiborne
Concordia
DeSoto
East Baton Rouge
East Carroll
East Feliciana
Evangeline
Franklin
Grant
Iberia
Iberville
Jackson
Jefferson
Jefferson Davis
Lafayette
Lafourche
LaSalle
Lincoln
Livingston

St. Helena
St. James
St. John the Baptist
St. Landry
St. Martin
St. Mary
St. Tammany
Tangipahoa
Tensas
Terrebonne
Union
Vermillion
Vernon
Washington
Webster
West Baton Rouge
West Carroll
West Feliciana
Winn

EMPLOYMENT AND NON-COMPETITION AGREEMENT

Between

SUPERIOR ENERGY SERVICES, INC.

and

ROBERT TAYLOR

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (this "Agreement") is entered into and effective as of July 15, 1999 (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and Robert Taylor (the "Executive").

W I T N E S S E T H:

WHEREAS, the Board of Directors (the "Board") of the Company desires to provide for the employment of Executive by the Company, and Executive desires to continue to serve the Company on a full-time basis upon the terms and conditions herein provided.

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

1. EMPLOYMENT. The Company hereby agrees to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. TERM.

(a) Commencing on the Effective Date hereof, Executive shall be employed by the Company as provided in Section 1 and such employment shall continue until the second anniversary of the Effective Date unless sooner terminated as hereinafter provided.

(b) If Executive continues to serve as an employee of the Company after the second anniversary of the Effective Date, his continued employment shall be subject to the terms of this Agreement but shall be terminable at will by either the Company or Executive.

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

3. POSITION AND DUTIES. The Executive shall perform such duties, consistent with the Executive's status as an officer of the Company elected by the Board, as may be prescribed from time to time by the Company's President and Chief Executive Officer or other officers to whom authority has been delegated by the President and Chief Executive Officer. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as an officer of any of the Company's subsidiaries.

4. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a minimum annual base salary of \$125,000, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's Management Incentive Plan based on the Executive's achievement of performance objectives for each year.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan, options to purchase a total of 240,000 shares of the Company's common stock, at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on the Effective Date pursuant to the form of option agreement attached as Exhibit "A" hereto.

(d) COMPANY AUTOMOBILE. The Company shall either provide a car allowance to the Executive or make available to Executive a Company automobile for the Executive's use in the discharge of his duties. The automobile so obtained by the Executive shall be maintained at the expense of the Company in accordance with the policies and practices of the Company in effect from time to time.

(e) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(f) OTHER BENEFITS. Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms,

conditions and overall administration of such plans and arrangements. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary and bonuses payable to Executive pursuant to this Section 4.

(g) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

5. TERMINATION. Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 60 consecutive days, or 120 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers. For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 5(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(e) DATE OF TERMINATION. "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 5(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period) and (iii) if Executive's employment is terminated pursuant to Section 5(c), the date specified in the Notice of Termination.

Notwithstanding anything to the contrary in this Section 5, during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, the Company shall not be entitled to terminate Executive's employment "without cause" or for any reason that is not expressly specified in this Section 5.

6. COMPENSATION UPON TERMINATION.

(a) If Executive's employment is terminated pursuant to Section 5, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(b) If Executive's employment is terminated pursuant to Section 5(a) or 5(b), the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the relevant group medical and dental insurance benefits to which Executive was entitled immediately prior to the Notice of Termination.

7. NONDISCLOSURE AND NONCOMPETITION

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

(i) "Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other

operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii) "Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of Executive's employment under this Agreement and for a period of two years thereafter, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that during the term of this Agreement and for a period of two years thereafter, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this Section 7(c) shall not be binding upon the Executive in the event that Executive is discharged by the Company for other than theft, disability or Cause.

(d) PROTECTION OF INFORMATION.

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

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

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

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

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

(f) GOVERNING LAW OF THIS SECTION 7; CONSENT TO JURISDICTION. Any dispute regarding the reasonableness of the covenants and agreements set forth in this Section 7, or the territorial scope or duration thereof, or the remedies available to the Company upon any breach of such covenants and agreements, shall be governed by and interpreted in accordance with the laws of the state in which the prohibited competing activity or disclosure occurs, and, with respect to each such dispute, the Company and Executive each hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts sitting in the relevant state

for resolution of such dispute, and agree to be irrevocably bound by any judgment rendered thereby in connection with such dispute, and further agree that service of process may be made upon him in any legal proceeding relating to this Section 7 by any means allowed under the laws of such state. Each party irrevocably waives any objection he, she or it may have as to the venue of any such suit, action or proceeding brought in such a court or that such a court is an inconvenient forum.

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable.

8. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

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

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

If to Executive:
1105 Peters Road
Harvey, Louisiana 70058

If to the Company:
Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

13. RIGHTS AND REMEDIES. In the event that Executive institutes

proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

14. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

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

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

SUPERIOR ENERGY SERVICES, INC.

By: _____

Terence E. Hall
Chairman of the Board

Executive

APPENDIX A

Acadia
Allen
Ascension
Assumption
Avoyelles
Beauregard
Bienville
Bossier
Caddo
Calcasieu
Caldwell
Cameron
Catahoula
Claiborne
Concordia
DeSoto
East Baton Rouge
East Carroll
East Feliciana
Evangeline
Franklin
Grant
Iberia
Iberville
Jackson
Jefferson
Jefferson Davis
Lafayette
Lafourche
LaSalle
Lincoln
Livingston

Madison
Morehouse
Natchitoches
Orleans
Ouachita
Plaquemines
Pointe Coupee
Rapides
Red River
Richland
Sabine
St. Bernard
St. Charles
St. Helena
St. James
St. John the Baptist
St. Landry
St. Martin
St. Mary
St. Tammany
Tangipahoa
Tensas
Terrebonne
Union
Vermillion
Vernon
Washington
Webster
West Baton Rouge
West Carroll
West Feliciana
Winn

EMPLOYMENT AND NON-COMPETITION AGREEMENT

Between

SUPERIOR ENERGY SERVICES, INC.

and

JAMES HOLLEMAN

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (this "Agreement") is entered into and effective as of July 15, 1999 (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and James Holleman (the "Executive").

W I T N E S S E T H:

WHEREAS, the Board of Directors (the "Board") of the Company desires to provide for the employment of Executive by the Company, and Executive desires to continue to serve the Company on a full-time basis upon the terms and conditions herein provided.

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

1. EMPLOYMENT. The Company hereby agrees to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. TERM.

(a) Commencing on the Effective Date hereof, Executive shall be employed by the Company as provided in Section 1 and such employment shall continue until the second anniversary of the Effective Date unless sooner terminated as hereinafter provided.

b(If Employee continues to serve as an employee of the Company after the second anniversary of the Effective Date, his continued employment shall be subject to the terms of this Agreement but shall be terminable at will by either the Company or Executive.

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

3. POSITION AND DUTIES. The Executive shall perform such duties, consistent with the Executive's status as an officer of the Company elected by the Board, as may be prescribed from time to time by the Company's President and Chief Executive Officer or other officers to whom authority has been delegated by the President and Chief Executive Officer. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as an officer of any of the Company's subsidiaries.

4. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a minimum annual base salary of \$135,000, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's Management Incentive Plan based on the Executive's achievement of performance objectives for each year.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan, options to purchase a total of 265,000 shares of the Company's common stock, at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on the Effective Date pursuant to the form of option agreement attached as Exhibit "A" hereto.

(d) COMPANY AUTOMOBILE. The Company shall either provide a car allowance to the Executive or make available to Executive a Company automobile for the Executive's use in the discharge of his duties. The automobile so obtained by the Executive shall be maintained at the expense of the Company in accordance with the policies and practices of the Company in effect from time to time.

(e) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(f) OTHER BENEFITS. Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary and bonuses payable to Executive pursuant to this Section 4.

(g) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

5. TERMINATION. Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 60 consecutive days, or 120 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers. For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 5(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(e) DATE OF TERMINATION. "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 5(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period) and (iii) if Executive's employment is terminated pursuant to Section 5(c), the date specified in the Notice of Termination.

Notwithstanding anything to the contrary in this Section 5, during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, the Company shall not be entitled to terminate Executive's employment "without cause" or for any reason that is not expressly specified in this Section 5.

6. COMPENSATION UPON TERMINATION.

(a) If Executive's employment is terminated pursuant to Section 5, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(b) If Executive's employment is terminated pursuant to Section 5(a) or 5(b), the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the relevant group medical and dental insurance benefits to which Executive was entitled immediately prior to the Notice of Termination.

7. NONDISCLOSURE AND NONCOMPETITION

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

(i) "Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the

Company's or its subsidiaries' products and services, business plans, business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, employee lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii) "Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of Executive's employment under this Agreement and for a period of two years thereafter, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the employees of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such employee for hire, whether as an employee or independent contractor, or otherwise disrupting such employee's relationship with the Company or its subsidiaries.

Executive further agrees that during the term of this Agreement and for a period of two years thereafter, Executive shall not hire any employee of the Company as an employee or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this Section 7(c) shall not be binding upon the Executive in the event that Executive is discharged by the Company for other than theft, disability or Cause.

(d) PROTECTION OF INFORMATION.

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

place Executive in a position to develop business good will on behalf of the Company.

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

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

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

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

(f) GOVERNING LAW OF THIS SECTION 7; CONSENT TO JURISDICTION. Any dispute regarding the reasonableness of the covenants and agreements set forth in this Section 7, or the territorial scope or duration thereof, or the remedies available to the Company upon any breach of such covenants and agreements, shall be governed by and interpreted in accordance with the laws of the state in which the prohibited competing

activity or disclosure occurs, and, with respect to each such dispute, the Company and Executive each hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts sitting in the relevant state for resolution of such dispute, and agree to be irrevocably bound by any judgment rendered thereby in connection with such dispute, and further agree that service of process may be made upon him in any legal proceeding relating to this Section 7 by any means allowed under the laws of such state. Each party irrevocably waives any objection he, she or it may have as to the venue of any such suit, action or proceeding brought in such a court or that such a court is an inconvenient forum.

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable.

8. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

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

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

If to Executive:

1105 Peters Road
Harvey, Louisiana 70058

If to the Company:

Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

13. RIGHTS AND REMEDIES. In the event that Executive institutes proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

14. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

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

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

SUPERIOR ENERGY SERVICES, INC.

By: _____

Terence E. Hall
Chairman of the Board

Executive

APPENDIX A

Acadia	Madison
Allen	Morehouse
Ascension	Natchitoches
Assumption	Orleans
Avoyelles	Ouachita
Beauregard	Plaquemines
Bienville	Pointe Coupee
Bossier	Rapides
Caddo	Red River
Calcasieu	Richland
Caldwell	Sabine
Cameron	St. Bernard
Catahoula	St. Charles
Claiborne	St. Helena
Concordia	St. James
DeSoto	St. John the Baptist
East Baton Rouge	St. Landry
East Carroll	St. Martin
East Feliciana	St. Mary
Evangeline	St. Tammany
Franklin	Tangipahoa
Grant	Tensas
Iberia	Terrebonne
Iberville	Union
Jackson	Vermillion
Jefferson	Vernon
Jefferson Davis	Washington
Lafayette	Webster
Lafourche	West Baton Rouge
LaSalle	West Carroll
Lincoln	West Feliciana
Livingston	Winn

EMPLOYMENT AND NON-COMPETITION AGREEMENT

Between

SUPERIOR ENERGY SERVICES, INC.

and

DALE MITCHELL

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (this "Agreement") is entered into and effective as of July 15, 1999 (the "Effective Date") between Superior Energy Services, Inc., a Delaware corporation (the "Company"), and Dale Mitchell (the "Executive").

W I T N E S S E T H:

WHEREAS, the Board of Directors (the "Board") of the Company desires to provide for the employment of Executive by the Company, and Executive desires to continue to serve the Company on a full-time basis upon the terms and conditions herein provided.

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

1. EMPLOYMENT. The Company hereby agrees to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. TERM.

(a) Commencing on the Effective Date hereof, Executive shall be employed by the Company as provided in Section 1 and such employment shall continue until the second anniversary of the Effective Date unless sooner terminated as hereinafter provided.

(b) If Executive continues to serve as an employee of the Company after the second anniversary of the Effective Date, his continued employment shall be subject to the terms of this Agreement but shall be terminable at will by either the Company or Executive.

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

3. POSITION AND DUTIES. The Employee shall perform such duties, consistent with the Employee's status as an officer of the Company elected by the Board, as may be prescribed from time to time by the Company's President and Chief Executive Officer or other officers to whom authority has been delegated by the President and Chief Executive Officer. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as an officer of any of the Company's subsidiaries.

4. COMPENSATION AND RELATED MATTERS.

(a) SALARY. The Company shall pay to Executive a minimum annual base salary of \$125,000, payable in equal semi-monthly installments in accordance with the Company's regular payroll practices for its principal executives. The Executive's base salary will be reviewed annually.

(b) INCENTIVE BONUS. During the term hereof, the Executive shall be eligible to earn an annual bonus pursuant to the Company's Management Incentive Plan based on the Executive's achievement of performance objectives for each year.

(c) STOCK OPTIONS. On the Effective Date, the Company shall grant to the Executive, pursuant to the Company's 1998 Stock Incentive Plan, options to purchase a total of 240,000 shares of the Company's common stock, at an exercise price equal to the closing sales price of the Common Stock on the Nasdaq National Market on the Effective Date pursuant to the form of option agreement attached as Exhibit "A" hereto.

(d) COMPANY AUTOMOBILE. The Company shall either provide a car allowance to the Executive or make available to Executive a Company automobile for the Executive's use in the discharge of his duties. The automobile so obtained by the Executive shall be maintained at the expense of the Company in accordance with the policies and practices of the Company in effect from time to time.

(e) EXPENSES. During the term of Executive's employment hereunder, Executive shall be entitled to receive prompt reimbursement for all reasonable and necessary expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(f) OTHER BENEFITS. Executive shall be entitled to

participate in or receive benefits under any Executive benefit plan or arrangement made available by the Company to its executives and key management Executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary and bonuses payable to Executive pursuant to this Section 4.

(g) VACATIONS. Executive shall be excused from rendering his services during reasonable vacation periods for not more than 15 days per year and during other reasonable temporary absences. Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

5. TERMINATION. Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) DEATH. Executive's employment hereunder shall terminate upon his death.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for a period of 60 consecutive days, or 120 non-consecutive days within any 365 day period, the Company may terminate Executive's employment.

(c) CAUSE. The Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate Executive's employment hereunder upon: (i) substantial and continued willful failure by the Executive to perform his duties hereunder which results, or could reasonably be expected to result, in material harm to the business or reputation of the Company, which failure is not cured (if curable) by Executive within 15 days after written notice of such failure is delivered to the Executive by the Company; and (ii) the commission by Executive of any criminal act involving moral turpitude or a felony which results in an arrest or indictment, or the commission by Executive, based on reasonable proof, of any act of fraud or embezzlement involving the Company or its customers or suppliers. For purposes of this Section 5(c), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

(d) NOTICE OF TERMINATION. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 5(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 9. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(e) DATE OF TERMINATION. "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated pursuant to Section 5(b), 30 days after Notice of Termination is given (provided that Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period) and (iii) if Executive's employment is terminated pursuant to Section 5(c), the date specified in the Notice of Termination.

Notwithstanding anything to the contrary in this Section 5, during the period commencing on the Effective Date and ending on the second anniversary of the Effective Date, the Company shall not be entitled to terminate Executive's employment "without cause" or for any reason that is not expressly specified in this Section 5.

6. COMPENSATION UPON TERMINATION.

(a) If Executive's employment is terminated pursuant to Section 5, the Company shall pay Executive his then current base salary through the Date of Termination and the Company shall have no further obligations to Executive under this Agreement.

(b) If Executive's employment is terminated pursuant to Section 5(a) or 5(b), the Company shall provide following such termination to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), COBRA continuation coverage with respect to the relevant group medical and dental insurance benefits to which Executive was entitled immediately prior to the Notice of Termination.

7. NONDISCLOSURE AND NONCOMPETITION

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

(i) "Confidential Information" means any information, knowledge or data of any nature and in any form (including information that is electronically transmitted or stored on any form of magnetic or electronic storage media) relating to the past, current or prospective business or operations of the Company and its subsidiaries, that at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted or contemplated by the Company and its subsidiaries (other than information known by such persons through a violation of an obligation of confidentiality to the Company), whether produced by the Company and its subsidiaries or any of their consultants, agents or independent contractors or by Executive, and whether or not marked confidential, including without limitation information relating to the Company's or its subsidiaries' products and services, business plans,

business acquisitions, processes, product or service research and development methods or techniques, training methods and other operational methods or techniques, quality assurance procedures or standards, operating procedures, files, plans, specifications, proposals, drawings, charts, graphs, support data, trade secrets, supplier lists, supplier information, purchasing methods or practices, distribution and selling activities, consultants' reports, marketing and engineering or other technical studies, maintenance records, employment or personnel data, marketing data, strategies or techniques, financial reports, budgets, projections, cost analyses, price lists and analyses, Executive lists, customer lists, customer source lists, proprietary computer software, and internal notes and memoranda relating to any of the foregoing.

(ii) "Company's Business" includes providing services in connection with the plugging and abandonment of oil and gas wells, providing wireline services, chartering and operating lift boats and other marine service vessels, renting specialized tools and equipment used in oil and gas drilling and production, providing workover services on oil and gas wells, providing oil spill containment services, and renting equipment and/or tools used in fishing operations.

(b) NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information which shall have been obtained by Executive during Executive's employment (whether prior to or after the effective date hereof) and shall use such Confidential Information solely within the scope of his employment with and for the exclusive benefit of the Company. At the end of the employment term, Executive agrees (i) not to communicate, divulge or make available to any person or entity (other than the Company) any such Confidential Information, except upon the prior written authorization of the Company or as may be required by law or legal process, and (ii) to deliver promptly to the Company any Confidential Information in his possession, including any duplicates thereof and any notes or other records Executive has prepared with respect thereto. In the event that the provisions of any applicable law or the order of any court would require Executive to disclose or otherwise make available any Confidential Information then Executive shall give the Company prompt prior written notice of such required disclosure and an opportunity to contest the requirement of such disclosure or apply for a protective order with respect to such Confidential Information by appropriate proceedings.

(c) LIMITED COVENANT NOT TO COMPETE. During the term of Executive's employment under this Agreement and for a period of two years thereafter, Executive agrees that:

(i) Executive shall not, directly or indirectly, for himself or others, own, manage, operate, control, be employed by, engage or participate in, allow his skill, knowledge, experience or reputation to be used by, or otherwise be connected in any manner with the ownership, management, operation or control of, any company or other business enterprise engaged in any aspect of the Company's Business, within any parish (or any adjacent offshore areas) of the State of Louisiana, (as set forth in Appendix A), or within the States of Florida, Alabama, Mississippi or Texas (including any adjacent offshore areas), and any other state or other jurisdiction (or any adjacent offshore areas) (whether within or outside the United States), in which the Company or any of its subsidiaries carries on a like line of business on the Date of Termination; provided, however, that nothing contained herein shall prohibit Executive from making passive investments in any publicly held company that do not exceed in the aggregate 1% of the equity interest of such company;

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

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

(iv) Executive shall not make contact with any of the Executives of the Company or its subsidiaries with whom he had contact during the course of his employment with the Company for the purpose of soliciting such Executive for hire, whether as an Executive or independent contractor, or otherwise disrupting such Executive's relationship with the Company or its subsidiaries.

Executive further agrees that during the term of this Agreement and for a period of two years thereafter, Executive shall not hire any Executive of the Company as an Executive or independent contractor, whether or not such engagement is solicited by Executive.

Notwithstanding the foregoing, the parties agree that this Section 7(c) shall not be binding upon the Executive in the event that Executive is discharged by the Company for other than theft, disability or Cause.

(d) PROTECTION OF INFORMATION.

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

of the Company.

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

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

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

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

(f) GOVERNING LAW OF THIS SECTION 7; CONSENT TO JURISDICTION. Any dispute regarding the reasonableness of the covenants and agreements set forth in this Section 7, or the territorial scope or duration thereof, or the remedies available to the Company upon any breach of such covenants and agreements, shall be governed by and interpreted in accordance with the laws of the state in which the prohibited competing activity or disclosure occurs, and, with respect to each such dispute, the

Company and Executive each hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts sitting in the relevant state for resolution of such dispute, and agree to be irrevocably bound by any judgment rendered thereby in connection with such dispute, and further agree that service of process may be made upon him in any legal proceeding relating to this Section 7 by any means allowed under the laws of such state. Each party irrevocably waives any objection he, she or it may have as to the venue of any such suit, action or proceeding brought in such a court or that such a court is an inconvenient forum.

(g) EXECUTIVE'S UNDERSTANDING OF THIS SECTION. Executive hereby represents to the Company that he has read and understands, and agrees to be bound by, the terms of this Section. Executive acknowledges that the geographic scope and duration of the covenants contained in paragraph (c) are the result of arm's-length bargaining and are fair and reasonable in light of (i) the importance of the functions performed by Executive and the length of time it would take the Company to find and train a suitable replacement, (ii) the nature and wide geographic scope of the operations of the Company, (iii) Executive's level of control over and contact with the Company's business and operations in all jurisdictions where same are conducted and (iv) the fact that the Company's Business is conducted throughout the geographic area where competition is restricted by this Agreement. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permitted under applicable law, whether now or hereafter in effect and therefore, to the extent permitted by applicable law, the parties hereto waive any provision of applicable law that would render any provision of this Section 7 invalid or unenforceable.

8. SUCCESSORS; BINDING AGREEMENT

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 8 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

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

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

If to Executive:
1105 Peters Road
Harvey, Louisiana 70058

If to the Company:
Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058

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

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

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

13. RIGHTS AND REMEDIES. In the event that Executive institutes proceedings to enforce this Agreement; he shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any damages or other relief awarded.

14. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, Executive or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

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

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

SUPERIOR ENERGY SERVICES, INC.

By: _____

Terence E. Hall
Chairman of the Board

Executive

APPENDIX A

Acadia	Madison
Allen	Morehouse
Ascension	Natchitoches
Assumption	Orleans
Avoyelles	Ouachita
Beauregard	Plaquemines
Bienville	Pointe Coupee
Bossier	Rapides
Caddo	Red River
Calcasieu	Richland
Caldwell	Sabine
Cameron	St. Bernard
Catahoula	St. Charles
Claiborne	St. Helena
Concordia	St. James
DeSoto	St. John the Baptist
East Baton Rouge	St. Landry
East Carroll	St. Martin
East Feliciana	St. Mary
Evangeline	St. Tammany
Franklin	Tangipahoa
Grant	Tensas
Iberia	Terrebonne
Iberville	Union
Jackson	Vermillion
Jefferson	Vernon
Jefferson Davis	Washington
Lafayette	Webster
Lafourche	West Baton Rouge
LaSalle	West Carroll
Lincoln	West Feliciana
Livingston	Winn

SUBSIDIARIES OF THE COMPANY

SUBSIDIARY	STATE OR JURISDICTION OF INCORPORATION OR ORGANIZATION
Connection Technology, Ltd.	Louisiana
Ace Rental Tools, Inc.	Louisiana
Superior Well Service, Inc.	Louisiana
Oil Stop, Inc.	Louisiana
Nautilus Pipe & Tool Rental, Inc.	Louisiana
Concentric Rentals, S.A.	Caracas, Venezuela
F & F Wireline Service, Inc.	Louisiana
Fastorg, Inc.	Louisiana
Stabil-Drill Specialties, Inc.	Louisiana
Tong Rentals and Supply Company, Inc.	Louisiana
Hydro-Dynamics Oilfield Contractors, Inc.	Louisiana
Superior Bareboat Charters, Inc.	Louisiana
1105 Peters Road, Inc.	Louisiana
1209 Peters Road, Inc.	Louisiana
Dimensional Oil Field Services, Inc.	Louisiana
Steerable Rotary Tools, L.L.C.	Louisiana
Cardinal Services, Inc.	Louisiana
Production Management Companies, Inc.	Louisiana
Production Management Industries, Inc.	Louisiana
Production Management Equities, Inc.	Louisiana
Production Management Control Systems, Inc.	Louisiana

N0488763.1

The Board of Directors
Superior Energy Services, Inc.:

We consent to incorporation by reference in registration statements No. 333-22603 and No. 333-86579 on Form S-3 and No. 333-12175 and No. 333-43421 on Form S-8 of Superior Energy Services, Inc. of our report dated February 25, 2000, relating to the consolidated balance sheet of Superior Energy Services, Inc. and subsidiaries as of December 31, 1999, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the year then ended, and the related financial statement schedule, which report appears in the December 31, 1999, annual report on Form 10-K of Superior Energy Services, Inc.

KPMG LLP

New Orleans, Louisiana
March 28, 2000

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Form S-3 Nos. 333-22603 and 333-86579) of Superior Energy Services, Inc. and in the related Prospectuses, and the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-12175 and 333-43421) of Superior Energy Services, Inc. of our report dated March 2, 1999, with respect to the consolidated financial statements and schedule of Superior Energy Services, Inc. and subsidiaries (formerly Cardinal Holding Corp.) included in this Annual Report (Form 10-K) for the year ended December 31, 1999.

Ernst & Young LLP

New Orleans, Louisiana
March 27, 2000

12-MOS
DEC-31-1999
DEC-31-1999
8,018,000
0
44,770,000
(2,892,000)
967,000
56,122,000
167,600,000
(32,877,000)
282,255,000
30,917,000
0
0
60,000
121,427,000
282,255,000
113,076,000
113,076,000
67,364,000
103,060,000
0
0
12,969,000
(2,645,000)
(611,000)
(2,034,000)
0
(4,514,000)
0
(6,548,000)
(0.25)
(0.25)