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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 7, 2006

SUPERIOR ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-20310	75-2379388
(State or other jurisdiction)	(Commission File Number)	(IRS Employer Identification No.)

1105 Peters Road, Harvey, Louisiana	70058
(Address of principal executive offices)	(Zip Code)

(504) 362-4321
(Registrant's telephone number, including area code)

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

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 – Entry into a Material Definitive Agreement

Purchase Agreement for 1.5% Senior Exchangeable Notes.

On December 7, 2006, Superior Energy Services, Inc., a Delaware corporation ("Superior Energy"), and SESI, L.L.C., a Delaware limited liability company and wholly-owned subsidiary of Superior Energy ("SESI"), executed a Purchase Agreement with Bear, Stearns & Co. Inc., Lehman Brothers Inc. and JPMorgan Securities Inc, or the initial purchasers, under which SESI agreed to issue $400.0 million aggregate principal amount of its 1.5% Senior Exchangeable Notes due 2026 (including $50.0 million aggregate principle amount of notes from the immediate exercise of the initial purchasers' option to purchase additional notes). The description of the Purchase Agreement in this report is a summary only, is not necessarily complete, and is qualified by the full text of the Purchase Agreement filed herewith as Exhibit 10.1 and incorporated herein by reference.

The Notes and the Indenture.

The notes are governed by an Indenture dated as of December 12, 2006 among The Bank of New York Trust Company, N.A., as trustee , Superior Energy, SESI and SESI's significant domestic subsidiaries, which are the same subsidiaries that guarantee SESI's outstanding 6$^{7}/_{8}$% Senior Notes due 2014. The description of the notes and indenture in this report is a summary only, is not necessarily complete, and is qualified by the full text of the indenture filed herewith as Exhibit 4.1 and incorporated herein by reference.

The notes bear interest at a rate of 1.5 % per annum prior to December 15, 2011, decreasing to a rate of 1.25% per annum from that date. Interest on the notes accrues from December 12, 2006. Interest is payable semiannually in arrears on December 15 and June 15 of each year, beginning June 15, 2007. SESI will pay additional interest, if any, under the circumstances described in the indenture.

The notes will mature on December 15, 2026. Holders may exchange their notes at their option at any time prior to the close of business on the business day immediately preceding the maturity date under the following circumstances: (1) during any fiscal quarter (and only during such fiscal quarter) commencing after March 31, 2007, if the last reported sale price of Superior Energy's common stock is greater than or equal to 135% of the exchange price of the notes for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) prior to December 15, 2011, during the five business-day period after any 10 consecutive trading-day period, or the measurement period, in which the trading price of $1,000 principal amount of notes for each trading day in the measurement period was less than 95% of the product of the last reported sale price of Superior Energy's common stock and the exchange rate on such trading day; (3) if the notes have been called for redemption; or (4) upon the occurrence of specified corporate transactions described in the indenture that constitute a fundamental change. Holders may also exchange their notes at their option at any time beginning on September 15, 2026, and ending at the close of business on the second business day immediately preceding the maturity date.

The initial exchange rate of the notes is 21.9414 shares of Superior Energy's common stock per $1,000 principal amount of notes, equivalent to an initial exchange price of approximately $45.58 per share of Superior Energy's common stock. The exchange rate is subject to adjustment in some events described in the indenture but will not be adjusted for accrued interest. In addition, following certain corporate transactions that occur prior to December 15, 2011 and that also constitute fundamental changes as contemplated in the indenture, SESI will increase the exchange rate for holders who elect to exchange notes in connection with such corporate transactions in certain circumstances. Upon exchange, SESI will have the right to deliver either (i) in the case of any exchange prior to December 15, 2011, shares of Superior Energy's common stock based upon the applicable exchange rate or (ii) a combination of cash and shares of Superior Energy's common stock, if any, based on a daily exchange value (as described in the indenture) calculated on a proportionate basis for each day of the 25 trading-day observation period.

In the event that SESI receives a holder's notice of exchange upon satisfaction of one or more of the conditions to exchange, SESI will notify the relevant holders within two scheduled trading days following the exchange date how it will satisfy its obligation to exchange the notes. However, SESI will not be permitted to elect to satisfy its obligation to exchange the notes solely in shares of Superior Energy's common stock on or after December 15, 2011, in connection with any exchanges made in connection with a redemption of the notes at its option, or if, at any time on or before the 28th scheduled trading day prior to December 15, 2011, SESI has made the election to waive, in its sole discretion without the consent of the holders of the notes, by notice to the trustee and the holders of the notes, its right to satisfy its obligation to exchange the notes prior to December 15, 2011 solely in shares of Superior Energy's common stock.

In case of a satisfaction of SESI's obligation to exchange the notes by a combination of cash and shares of Superior Energy's common stock, upon exchange SESI will, except in the event of an exchange in lieu of exchange as described in the indenture, deliver to holders in respect of each $1,000 principal amount of notes being exchanged a "settlement amount" equal to the sum of the daily settlement amounts for each of the 25 VWAP trading days during the observation period.

"Daily settlement amount," for each of the 25 VWAP trading days during the observation period, consists of:

- cash equal to the lesser of $40 and the daily exchange value; and
- to the extent the daily exchange value exceeds $40, a number of shares of Superior Energy's common stock equal to, (A) the difference between the daily exchange value and $40, divided by (B) the daily VWAP for such VWAP trading day.

"Daily exchange value" means, for each of the 25 consecutive VWAP trading days during the observation period, 4% of the product of (1) the applicable exchange rate and (2) the daily VWAP of Superior Energy's common stock on such VWAP trading day.

"Daily VWAP" means, for each of the 25 consecutive VWAP trading days during the observation period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "SPN UN <EQUITY> VAP <GO>" (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such VWAP trading day (or if such volume-weighted average price is unavailable, or if such page or its equivalent is unavailable, the (a) price of each trade in shares of Superior Energy's common stock multiplied by the number of shares in each such trade (b) divided by the total shares traded, in each case during such VWAP trading day between 9:30 a.m. and 4:00 p.m., New York City Time on the New York Stock Exchange or, if Superior Energy's common stock is not traded on the New York Stock Exchange, the principal U.S. national or regional securities exchange on which Superior Energy's common stock is listed, by a nationally recognized independent investment banking firm (which may be one of the initial purchasers or its affiliates) retained for this purpose by SESI).

A "VWAP trading day" is any scheduled trading day on which (i) there is no market disruption event and (ii) the New York Stock Exchange or, if Superior Energy's common stock is not quoted on the New York Stock Exchange, the principal U.S. national or regional securities exchange on which Superior Energy's common stock is listed, is open for trading or, if shares of Superior Energy's common stock are not so listed, admitted for trading or quoted, any business day. A "VWAP trading day" only includes those scheduled trading days that have a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on the relevant exchange or trading system. For the purposes of the definition of "VWAP trading day," "market disruption event" means (i) a failure by the primary U.S. national securities exchange or market on which Superior Energy's common stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. on any scheduled trading day for Superior Energy's common stock for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in Superior Energy's common stock or in any options contracts or future contracts relating to Superior Energy's common stock.

"Observation period" with respect to any note means the 25 consecutive VWAP trading day period beginning on and including the third trading day after the related exchange date, except that with respect to any related exchange date occurring after the date of issuance of a notice of redemption," the "observation period" means the 25 consecutive VWAP trading days beginning on and including the 28th scheduled trading day prior to the applicable redemption date.

"Scheduled trading day" means a day that is scheduled to be a trading day on the primary United States national securities exchange or market on which Superior Energy's common stock is listed or admitted to trading.

SESI may not redeem the notes before December 15, 2011. On or after December 15, 2011, SESI may redeem all or part of the notes at any time. Any redemption of the notes will be for cash at 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Subject to certain conditions set forth in the indenture, holders may require SESI to purchase all or a portion of their notes on each of December 15, 2011, December 15, 2016 and December 15, 2021. In addition, if Superior Energy experiences specified types of corporate transactions, holders may require SESI to purchase all or a portion of their notes. Any repurchase of the notes pursuant to these provisions will be for cash at a price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The notes are SESI's senior, unsecured obligations, and rank equal in right of payment to all of its other existing and future senior indebtedness. The notes are guaranteed on a senior, unsecured basis by Superior Energy and SESI's current domestic significant subsidiaries, which are the same subsidiaries that guarantee SESI's outstanding 6$^{7}/_{8}$% Senior Notes due 2014. Future subsidiaries that guarantee other indebtedness of SESI, SESI's domestic subsidiaries or Superior Energy will also guarantee the notes. The notes and the subsidiary guarantees will be effectively subordinated to all of SESI's secured indebtedness and that of SESI's subsidiary guarantors, including indebtedness under SESI's revolving credit facility, to the extent of the value of SESI's assets and those of its subsidiaries collateralizing such indebtedness.

If Superior Energy undergoes a fundamental change, the holders of the notes will have the right, at their option, to require SESI to purchase all or any portion of their notes. The fundamental change purchase price will be 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding the fundamental change purchase date. SESI will pay cash for all notes so purchased. A "fundamental change" will be deemed to have occurred if any of the following occurs:

(1) a "person" or "group" within the meaning of Section 13(d) of the Securities Exchange Act of 1934, or the Exchange Act, other than Superior Energy, its subsidiaries or their employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of Superior Energy's common equity representing more than 50% of the ordinary voting power of Superior Energy's common equity;

(2) consummation of any share exchange, consolidation or merger of Superior Energy pursuant to which Superior Energy's common stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of Superior Energy's and its subsidiaries' assets, taken as a whole, to any person other than one of its subsidiaries; provided, however, that a transaction where the holders of more than 50% of all classes of Superior Energy's common equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving entity or transferee or the parent thereof immediately after such event will not be a fundamental change; or

(3) Superior Energy's common stock (or other common stock for which the notes are then exchangeable) ceases to be listed on a U.S. national or regional securities

exchange or quoted on an established automated over-the-counter trading market in the United States for a period of 30 consecutive scheduled trading days.

A fundamental change described in clause (2) of the definition will not be deemed to have occurred, however, if at least 90% of the consideration received or to be received by Superior Energy's common stockholders, excluding cash payments for fractional shares and cash payments in respect of statutory dissenters' rights, in connection with the transaction or transactions constituting the fundamental change described in clause (2) of the definition consists of shares of common stock traded on a U.S. national or regional securities exchange, or which will be so traded when issued or exchanged in connection with a fundamental change described in clause (2) of the definition (these securities being referred to as "publicly traded securities") and as a result of this transaction or transactions the notes become exchangeable for such publicly traded securities, excluding cash payments for fractional shares and cash payments in respect of statutory dissenters' rights.

Each of the following is an event of default under the indenture and the notes:

(1) default in any payment of interest, including any additional interest, and any "make-whole" premium on any note when due and payable and the default continues for a period of 30 days;

(2) default in the payment of principal of any note when due and payable at its stated maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(3) failure by SESI to comply with its obligation to exchange the notes in accordance with the indenture upon exercise of a holder's exchange right and such failure continues for a period of 10 days;

(4) failure by SESI to give a fundamental change notice, notice of a specified corporate transaction or a public acquirer change of control notice as required by the indenture, in each case when due;

(5) failure by SESI or Superior Energy to comply with its obligations not to consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its properties and assets to, another person, unless (i) the resulting, surviving or transferee entity (if not Superior Energy or SESI) expressly assumes by supplemental indenture all of SESI's obligations under the notes, the indenture and, to the extent then still operative, the registration rights agreement; and (ii) immediately after giving effect to such transaction, no default has occurred and is continuing under the indenture;

(6) failure by SESI or Superior Energy for 60 days after written notice from the trustee or the holders of at least 25% in principal amount of the notes then outstanding has been received to comply with any of its other agreements contained in the notes or indenture;

(7) default by SESI, Superior Energy or any subsidiary in the payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced any indebtedness for money borrowed in excess of $20 million in the aggregate of Superior Energy, SESI and/or any subsidiary, whether such indebtedness now exists or is hereafter be created resulting in such indebtedness becoming or being declared due and payable, and such acceleration is not rescinded or annulled within 30 days after written notice of such acceleration has been received by Superior Energy, SESI or such subsidiary from the trustee (or to Superior Energy, SESI and the trustee from the holders of at least 25% in principal amount of the outstanding notes);

(8) certain events of bankruptcy, insolvency, or reorganization of Superior Energy, SESI or any significant subsidiary (as defined in Regulation S-X under the Exchange Act); or

(9) except as permitted by the indenture, any subsidiary guarantee is held in any final judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect or any guarantor, or any person acting in behalf of any guarantor, denies or disaffirms its obligations under its subsidiary guarantee.

If an event of default occurs and is continuing, the trustee by notice to SESI, or the holders of at least 25% in principal amount of the outstanding notes by notice to SESI and the trustee, may, and the trustee at the request of such holders must, declare 100% of the principal of and accrued and unpaid interest, including additional interest, or premium, if any, on all the notes to be due and payable. In case of certain events of bankruptcy, insolvency or reorganization, involving Superior Energy, SESI or a significant subsidiary, 100% of the principal, premium, if any, and accrued and unpaid interest on the notes will automatically become due and payable. Upon such a declaration, such principal, premium, if any, and accrued and unpaid interest, including any additional interest will be due and payable immediately.

Notwithstanding the foregoing, the indenture provides that the sole remedy for an event of default relating to the failure to comply with the reporting obligations in the indenture and for any failure to comply with the requirements of Section 314(a)(1) of the Trust Indenture Act, will for the 365 days after the occurrence of such an event of default consist exclusively of the right to receive additional interest on the notes at an annual rate equal to 0.50% of the principal amount of the notes. This additional interest will be in addition to any additional interest that may accrue as a result of a registration default as described below under “Registration Rights Agreement” and will be payable in the same manner as other interest accruing under the indenture. The additional interest will accrue on all outstanding notes from and including the date on which an event of default relating to a failure to comply with the reporting obligations in the indenture first occurs to but not including the 365th day thereafter (or such earlier date on which the event of default relating to the reporting obligations shall have been cured or waived). On such 365th day (or earlier, if the event of default relating to the reporting obligations is cured or waived prior to such 365th day), such additional interest will cease to accrue and the notes will

be subject to acceleration as provided above if the event of default is continuing. The provisions of the indenture described in this paragraph will not affect the rights of holders of notes in the event of the occurrence of any other event of default and will have no effect on the rights of holders of notes under the registration rights agreement.

The notes and shares of Superior Energy's common stock issuable in certain circumstances upon the exchange of the notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"). SESI sold the notes to the initial purchasers in reliance on the exemption from registration provided by Section 4(2) of the Securities Act. The initial purchasers then sold the notes to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A under the Securities Act. SESI relied on these exemptions from registration based in part on representations made by the initial purchasers in the Purchase Agreement.

Registration Rights Agreement

In connection with the issuance of the notes, Superior Energy, SESI and the other guarantors entered into a Registration Rights Agreement dated December 12, 2006 providing for their obligation to register the resale of the notes, and shares of Superior Energy's common stock issued upon exchange of the notes, under the Securities Act. The description of the Registration Rights Agreement in this report is a summary only, is not necessarily complete, and is qualified by the full text of the Registration Rights Agreement filed herewith as Exhibit 10.2 and incorporated herein by reference.

Pursuant to the Registration Rights Agreement, Superior Energy, SESI and the other guarantors agreed for the benefit of the holders of the notes and the common stock issuable upon exchange of the notes that they will, at their cost:

- use reasonable best efforts to cause a shelf registration statement covering resales of the notes and the common stock issuable upon the exchange of the notes pursuant to Rule 415 under the Securities Act to become effective under the Securities Act no later than 180 days after the original date of issuance of the notes; and
- subject to certain rights to suspend use of the shelf registration statement, use reasonable best efforts to keep the shelf registration statement effective until the date there are no longer any registrable securities.

Superior Energy, SESI and the other guarantors will be permitted to suspend the effectiveness of the shelf registration statement or the use of the prospectus that is part of the shelf registration statement during specified periods (not to exceed 120 days in the aggregate in any 12 month period) in specified circumstances, including circumstances relating to pending corporate developments. Superior Energy, SESI and the other guarantors need not specify the nature of the event giving rise to a suspension in any notice to holders of the notes of the existence of a suspension.

Superior Energy, SESI and the other guarantors have agreed jointly and severally to pay

predetermined additional interest as described in the indenture, which is referred to in this report as additional interest, to holders of the notes if the shelf registration statement does not become effective as described above or if the prospectus is unavailable for periods in excess of those permitted above. The additional interest, if any, will accrue until a failure to become effective or unavailability is cured in respect of any notes required to bear a legend restricting their transfer under the Securities Act, at a rate per annum equal to 0.25% for the first 90 days after the occurrence of the event and 0.50% after the first 90 days of the outstanding principal amount thereof, provided that no additional interest will accrue with respect to any period after the second anniversary of the original issuance of the notes and provided further that, if the shelf registration statement has become effective but is unavailable for periods in excess of those permitted above, additional interest will accrue on registrable securities only. No additional interest or other additional amounts will be payable in respect of shares of Superior Energy's common stock into which the notes have been exchanged that are required to bear a legend restricting their transfer under the Securities Act in relation to any registration default.

Exchangeable Note Hedge and Warrant Transactions

In connection with the sale of the notes, SESI entered into exchangeable note hedge transactions with respect to Superior Energy's common stock with Bear, Stearns International Limited and Lehman Brothers OTC Derivatives Inc., or the dealers. Each of the exchangeable note hedge transactions involves the purchase of call options, or the call options, with exercise prices equal to the exchange price of the notes, and are intended to limit exposure to dilution to Superior Energy's stockholders upon the potential future exchange of the notes. The call options cover, subject to customary anti-dilution adjustments, approximately 8.8 million shares of Superior Energy's common stock at a strike price of approximately $45.58 per share of Superior Energy's common stock. The description of the call options in this report is a summary only, is not necessarily complete, and is qualified by the full text of the agreements relating to the call options filed herewith as Exhibits 10.3 and 10.4, respectively, and incorporated herein by reference.

Superior Energy also entered into separate warrant transactions, or warrants, whereby Superior Energy sold to the dealers warrants to acquire, subject to customary anti-dilution adjustments, approximately 8.8 million shares of Superior Energy's common stock at a strike price of approximately $59.42 per share of common stock. On exercise of the warrants, Superior Energy has the option to deliver cash or shares of Superior Energy's common stock equal to the difference between the then market price and strike price. The description of the warrants in this report is a summary only, is not necessarily complete, and is qualified by the full text of the agreements relating to the warrants filed herewith as Exhibits 10.5 and 10.6, respectively, and incorporated herein by reference.

The call options and the warrants described herein will effectively increase the exchange price of the notes to approximately $59.42 per share of Superior Energy's common stock, representing a 76% premium based on the last reported sale price on December 7, 2006 of $33.76 per share. The call options and warrants are separate contracts entered into by Superior Energy and SESI and each of the dealers, are not part of the terms of the notes and will not affect the holders' rights under the notes.

The warrants and the underlying shares of Superior Energy's common stock issuable upon exercise of the warrants have not been registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This report on Form 8-K does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful.

Certain Relationships

The trustee under the indenture and its affiliates, as well as certain of the initial purchasers and their respective affiliates, have, from time to time, performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for us, for which they received or will receive customary fees and expenses. The trustee is also the trustee under the indenture governing SESI's 6$^{7}/_{8}$% Senior Notes due 2014.

Item 2.03 – Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information disclosed under Item 1.01 is incorporated herein by reference.

Item 3.02 – Unregistered Sales of Equity Securities

The information disclosed under Item 1.01 is incorporated herein by reference.

Item 8.01 – Other Events

On December 12, 2006, Superior Energy announced the closing of $400.0 million aggregate principal amount of 1.5% Senior Exchangeable Notes due 2026 issued by SESI, its wholly-owned subsidiary, that were privately offered within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act together with a concurrent stock repurchase and exchangeable note hedge and warrant transactions. In connection with the issuance of the notes, on December 12, 2006, Superior Energy paid approximately $160 million to repurchase approximately 4,739,300 shares of Superior Energy's common stock. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits.

4.1 Indenture dated as of December 12, 2006 by and among Superior Energy Services, Inc., SESI, L.L.C., the guarantors named therein and The Bank of New York Trust Company, N.A., as trustee (including form of 1.5% Senior Exchangeable Notes due 2026).

10.1 Purchase Agreement dated December 7, 2006 by and among Superior Energy Services, Inc., SESI, L.L.C., the guarantors named therein, and Bear, Stearns & Co. Inc. and

Lehman Brothers Inc. as representatives of the initial purchasers named in Schedule I thereto. (The registrant agrees to furnish supplementally a copy of any omitted schedules and exhibits to the SEC upon request.)

10.2 Registration Rights Agreement dated December 12, 2006 by and among Superior Energy Services, Inc., SESI, L.L.C., the guarantors named therein, Bear, Stearns & Co. Inc., Lehman Brothers Inc. and JPMorgan Securities Inc.

10.3 Confirmation of OTC Exchangeable Note Hedge dated as of December 7, 2006 by and between SESI, L.L.C. and Bear, Stearns International, Limited.

10.4 Confirmation of OTC Exchangeable Note Hedge dated as of December 7, 2006 by and between SESI, L.L.C. and Lehman Brothers OTC Derivatives Inc.

10.5 Confirmation of OTC Warrant Confirmation dated as of December 7, 2006 by and between Superior Energy Services, Inc. and Bear, Stearns International, Limited.

10.6 Confirmation of OTC Warrant Confirmation dated as of December 7, 2006 by and between Superior Energy Services, Inc. and Lehman Brothers OTC Derivatives Inc.

99.1 Press Release, dated December 12, 2006.

SIGNATURES

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

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor
Robert S. Taylor
Chief Financial Officer

Dated: December 12, 2006

EXHIBIT INDEX

4.1	Indenture dated as of December 12, 2006 by and among Superior Energy Services, Inc., SESI, L.L.C., the guarantors named therein and The Bank of New York Trust Company, N.A., as trustee (including form of 1.5% Senior Exchangeable Notes due 2026).
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10.4	Confirmation of OTC Exchangeable Note Hedge dated as of December 7, 2006 by and between SESI, L.L.C. and Lehman Brothers OTC Derivatives Inc.
10.5	Confirmation of OTC Warrant Confirmation dated as of December 7, 2006 by and between Superior Energy Services, Inc. and Bear, Stearns International, Limited.
10.6	Confirmation of OTC Warrant Confirmation dated as of December 7, 2006 by and between Superior Energy Services, Inc. and Lehman Brothers OTC Derivatives Inc.
99.1	Press Release, dated December 12, 2006.

EXHIBIT 4.1

SESI, L.L.C.

AS ISSUER,

SUPERIOR ENERGY SERVICES, INC.

AS PARENT GUARANTOR,

EACH OF THE SUBSIDIARY GUARANTORS PARTY HERETO,

AS SUBSIDIARY GUARANTORS

AND

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
AS TRUSTEE

1.50% Senior Exchangeable Notes due 2026

INDENTURE

Dated as of December 12, 2006

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INDENTURE dated as of December 12, 2006, among SESI, L.L.C., a Delaware limited liability company (together with its successors and assigns, the "**Company**"), Superior Energy Services, Inc., a Delaware corporation (together with its successors and assigns, the "**Parent**"), the Subsidiary Guarantors (as defined below) and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee (the "**Trustee**").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Company's 1.50% Senior Exchangeable Notes due 2026 (the "**Securities**") on the date hereof.

ARTICLE 1
Definitions and Incorporation by Reference

Section 1.01 . *Definitions.*

"**Additional Interest**" means all amounts, if any, payable pursuant to Section 2 of the Registration Rights Agreement and Section 7.03 hereof.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Bankruptcy Law**" means Title 11 of the United States Code or any similar federal or state law for the relief of debtors.

"**Beneficial Owner**" shall mean any Person who is considered a beneficial owner of a security in accordance with Rule 13d-3 promulgated by the SEC under the Exchange Act.

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by law to close.

"**Capital Stock**" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities exchangeable into such equity.

"**Common Equity**" of any Person means Capital Stock of such Person that is generally entitled to (1) vote in the election of directors of such Person or (2) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

"**Common Stock**" means the Parent's Common Stock, par value $0.001 per share.

"**Company**" has the meaning set forth in the introductory paragraph to this Indenture.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Definitive Securities**" means certificated Securities that are not Global Securities.

"**Domestic Subsidiary**" means any Subsidiary of the Company other than a Foreign Subsidiary.

"**DTC**" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Company pursuant to the terms of this Indenture.

"**Ex-Dividend Date**" means, in respect of an issuance, a dividend or distribution to holders of Common Stock, the first date on which Common Stock

trades on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Exchange Agent**" means the office or agency appointed by the Company where Securities may be presented for exchange. The Exchange Agent appointed by the Company shall initially be the Trustee.

"**Exchange Price**" means, in respect of each $1,000 principal amount of Securities, $1,000 divided by the Exchange Rate, as may be adjusted from time to time as set forth herein.

"**Exchange Rate**" means, in respect of each $1,000 principal amount of Securities, an initial rate of 21.9414 shares of Common Stock, subject to adjustments as set forth herein.

"**Fair Market Value**" means the amount that a willing buyer would pay a willing seller in an arm's length transaction.

"**Foreign Subsidiary**" means any Subsidiary of the Company that is not formed under the laws of the United States or any state of the United States or the District of Columbia and that conducts substantially all of its operations outside the United States.

A "**Fundamental Change**" shall be deemed to have occurred if any of the following occurs:

(1) any "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than the Parent, any Subsidiary of the Parent or any employee benefit plan of the Parent or any such Subsidiary, files a Schedule TO or any other schedule, form or report under the Exchange Act disclosing that such person or group has become the Beneficial Owner of Common Equity of the Parent representing more than 50% of the ordinary voting power of the Parent's Common Equity;

(2) consummation of any share exchange, consolidation or merger of the Parent pursuant to which the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Parent and its Subsidiaries, taken as a whole, to any Person other than one of the Parent's Subsidiaries; *provided, however,* that a transaction where the

holders of more than 50% of all classes of the Parent's Common Equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving entity or transferee or parent thereof immediately after such event shall not be a Fundamental Change; or

(3) the Common Stock (or other Common Equity for which the Securities are then exchangeable) ceases to be listed on a U.S. national or regional securities exchange or quoted on an established automated over-the-counter trading market in the United States for a period of 30 consecutive Scheduled Trading Days,

provided, however, that a Fundamental Change described in clause (2) of the definition above shall not be deemed to have occurred if at least 90% of the consideration received or to be received by the holders of the Common Stock, excluding cash payments for fractional shares and cash payments in respect of statutory dissenters' rights, in connection with the transaction or transactions constituting the Fundamental Change described in clause (2) consists of shares of common stock traded on a U.S. national or regional securities exchange, or which shall be so traded when issued or exchanged in connection with such Fundamental Change as described in clause (2) of the definition above (such securities being referred to as "**Publicly Traded Securities**") and as a result of such transaction or transactions the Securities become exchangeable for such Publicly Traded Securities (excluding cash payments for fractional shares and cash payments in respect of statutory dissenters' rights) pursuant to the terms of this Indenture.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the (i) Public Company Accounting Oversight Board, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) in such other statements by such other entity as may be approved by a significant segment of the accounting profession as in effect from time to time and (iv) the rules and regulations of the SEC governing to inclusion of financial statements in period reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"**Global Securities**" means certificated Securities in global form, without interest coupons, substantially in the form of Exhibit A hereto and registered in the name of DTC or a nominee of DTC.

"**Guarantor**" means each of (1) the Parent; (2) the Company's Subsidiaries party hereto on the date of this Indenture; and (3) any other

Subsidiary of the Company that executes a notation of Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns.

"**Holder**" means the Person in whose name a Security is registered in the Securities Register.

"**Indenture**" means this Indenture, as amended or supplemented from time to time.

"**Initial Purchasers**" means the several initial purchasers named in Schedule I to the Purchase Agreement.

"**Interest Payment Date**" has the meaning set forth in Exhibit A attached hereto.

"**Issue Date**" means December 12, 2006.

"**Last Reported Sale Price**" of the Common Stock on any date means the closing sale price per share of the Common Stock (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and average ask prices) on that date as reported in the composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock is listed for trading.

If the Common Stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the Last Reported Sale Price shall be the mid-point of the last quoted bid and ask prices for the Common Stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization.

If the Common Stock is not so quoted, the Last Reported Sale Price shall be the average of the midpoint of the last bid and ask prices for the Common Stock on the relevant date from each of at least three nationally recognized independent investment banking firms (which may include one or more Initial Purchasers or their Affiliates) selected by the Company for this purpose.

"**Majority Owner**" of a Person means the Person having "**beneficial ownership**" (as defined in Rule 13(d)(3) under the Exchange Act) of more than 50% of the total voting power of all shares of the respective Person's Common Equity.

"**Observation Period**" means, with respect to a exchange of any Security, the 25 consecutive VWAP Trading Day period beginning on and including the third Trading Day immediately following the related Exchange Date for such Security, except that with respect to any related Exchange Date for such Security

occurring after the date of issuance by the Company of a notice of redemption pursuant to Section 6.04, the Observation Period shall be the 25 consecutive VWAP Trading Days beginning on and including the 28th Scheduled Trading Day prior to the applicable Redemption Date.

"**Offering Memorandum**" means the offering memorandum, dated December 7, 2006, relating to the offering by the Company of the Securities.

"**Officer**" means, with respect to any Person, the Chairman of the Board (if an executive officer), the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Chief Administrative Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice President of such Person (or, if the Person is a limited liability company, its managing member).

"**Officers' Certificate**" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be, in the case of the Officers' Certificate referred to in Section 3.05 hereof, the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 14.05 hereof.

"**Opinion of Counsel**" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Parent, the Company or the Trustee.

"**Parent**" has the meaning set forth in the introductory paragraph to this Indenture.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision hereof or any other entity.

"**Preferred Stock**", as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"**Public Acquirer Change of Control**" means a Fundamental Change of the type set forth in clause (2) in the definition thereof (after giving effect to the proviso to the definition) in which the acquirer has a class of common stock traded on any U.S. national securities exchange or which will be so traded when issued or exchanged in connection with such Fundamental Change (the "**Public Acquirer Common Stock**"). If an acquirer does not itself have a class of

common stock satisfying the foregoing requirement, it shall be deemed to have Public Acquirer Common Stock if a corporation that directly or indirectly is the Majority Owner of the acquirer has a class of common stock satisfying the foregoing requirement; in such case, all references to Public Acquirer Common Stock shall refer to such class of common stock.

"**Purchase Agreement**" means the Purchase Agreement dated as of December 7, 2006 between the Company, the Parent, the Subsidiary Guarantors named therein and the Initial Purchasers relating to the initial purchase and sale of the Securities.

"**QIB**" means any "qualified institutional buyer" (as such term is defined in Rule 144A).

"**Record Date**" means, in respect of a dividend or distribution to holders of Common Stock, the date fixed for determination of holders of Common Stock entitled to receive such dividend or distribution.

"**Redemption Date**" means, with respect to any redemption of Securities, the date of redemption with respect thereto.

"**Registration Rights Agreement**" means the Registration Rights Agreement dated as of the Issue Date among the Initial Purchasers, the Parent, the Subsidiary Guarantors named therein and the Company.

"**Regular Record Date**" for the payment of interest on the Securities (including Additional Interest, if any), means the June 1 (whether or not a Business Day) immediately preceding an Interest Payment Date on June 15 and the December 1 (whether or not a Business Day) immediately preceding an Interest Payment Date on December 15.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Scheduled Trading Da**y" means a day that is scheduled to be a Trading Day on the primary U.S. national securities exchange or market on which the Common Stock is listed or admitted to trading.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities**" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"**Securities Act**" means the Securities Act of 1933 (15 U.S.C. §§ 77a – 77aa), as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Securities Custodian**" means the custodian with respect to the Global Security (as appointed by DTC), or any successor Person thereto and shall initially be the Trustee.

"**Shelf Registration Statement**" shall have the meaning contemplated by and in accordance with the terms of the Registration Rights Agreement.

"**Significant Subsidiary**" means any Subsidiary that would be a "Significant Subsidiary" of the Parent within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"**Stated Maturity**" means December 15, 2026.

"**Stock Price**" means, in respect of a Fundamental Change, the price per share of Common Stock paid in connection with such Fundamental Change, which shall be equal to (i) if such Fundamental Change is a transaction set forth in clause (2) of the definition thereof, and holders of Common Stock receive only cash in such transaction, the cash amount paid per share of Common Stock and (ii) in all other cases, the average of the Last Reported Sale Prices of the Common Stock over the five Trading Day period ending on the Trading Day preceding the Effective Date of such Fundamental Change.

"**Subsidiary**" means, with respect to any Person, (a) any corporation, association or other business entity of which more than 50% of the total Common Equity is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof), (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (ii) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof) and (c) any other Person whose results for financial reporting purposes are consolidated with those of such Person in accordance with GAAP.

"**Subsidiary Guarantor**" means each Guarantor other than the Parent.

"**TIA**" or "**Trust Indenture Act**" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb), as in effect on the date of this Indenture, except as provided in Section 10.03.

"**Trading Day**" means any day during which (i) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange in which the Common Stock is listed for trading and (ii) there is no Market Disruption Event. "**Market Disruption Event**" means, for the purpose of the definition of Trading Day, the occurrence or existence during the one half-hour period ending on the scheduled close of trading on the principal U.S.

national or regional securities exchange on which the Common Stock is listed for trading of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options contracts or future contracts relating to the Common Stock.

"**Trading Price**" of the Securities on any date of determination means the average of the secondary market bid quotations per $1,000 principal amount of the Securities obtained by the Trustee for $5,000,000 principal amount of the Securities at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers selected by the Company (which may include one or more Initial Purchasers or their Affiliates); *provided* that, if three such bids cannot reasonably be obtained by the Trustee but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the Trustee, that one bid shall be used. If the Trustee cannot reasonably obtain on any Trading Day at least one bid for $5,000,000 principal amount of the Securities from a nationally recognized securities dealer, then the Trading Price per $1,000 principal amount of Securities for such Trading Day will be deemed to be less than 95% of the product of the Last Reported Sale Price of the Common Stock and the applicable Exchange Rate.

"**Trust Officer**" means, when used with respect to the Trustee, the officer within the corporate trust department of the Trustee having direct responsibility for the administration of this Indenture.

"**Trustee**" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"**UCC**" means the Uniform Commercial Code as in effect in the State of New York.

"**VWAP Trading Day**" means any Scheduled Trading Day on which (i) there is no VWAP Market Disruption Event and (ii) the New York Stock Exchange or, if the Common Stock is not quoted on the New York Stock Exchange, the principal U.S. national or regional securities exchange on which the Common Stock is listed, is open for trading or, if the Common Stock is not so listed, admitted for trading or quoted, any Business Day. A "VWAP Trading Day" only includes those Scheduled Trading Days that have a scheduled closing time of 4:00 p.m., New York City time, or the then standard closing time for regular trading on the relevant exchange or trading system. "**VWAP Market Disruption Event**" means, for purpose of the definition of VWAP Trading Day, (i) failure by the primary U.S. national securities exchange or market on which the Common Stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New

York City time, on any Scheduled Trading Day for the Common Stock for an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options contracts or future contracts relating to the Common Stock.

Section 1.02 . *Other Definitions.*

Term	Defined in Section
"Additional Shares"	12.03(a)
"Agent Members"	2.09(a)
"Authenticating Agent"	2.04
"Company Notice"	11.03(a)
"Company Notice Date"	11.03(a)
"Company Order"	2.04
"Daily Settlement Amount"	12.01(d)
"Daily Exchange Value"	12.01(d)
"Daily VWAP"	12.01(d)
"Defaulted Interest"	2.15
"Designated Institution"	12.01(f)
"Effective Date"	12.03(b)
"Event of Default"	7.01
"Exchange Date"	12.01(c)
"Exchange Obligation"	12.01(d)(i)
"Fundamental Change Purchase Date"	11.01
"Fundamental Change Purchase Notice"	11.01(b)
"Fundamental Change Purchase Price"	11.01
"Global Security Legend"	2.03(iv)
"Guarantee"	13.01
"Legal Holiday"	14.08
"Measurement Period"	12.01(a)(ii)
"Paying Agent"	2.05
"Purchase Date"	11.02(a)
"Purchase Notice"	11.02(a)
"Purchase Price"	11.02(a)
"Redemption Price"	6.01(b)
"Reference Property"	12.05
"Registrar"	2.05
"Relevant Date"	12.01(d)(iii)
"Reorganization Event"	12.05
"Restricted Securities"	2.03

Term	Defined in Section
“Restricted Securities Legend”	2.03
“Securities Register”	2.05
“Settlement Amount”	12.01(d)
“Special Interest Payment Date”	2.15(a)
“Special Record Date”	2.15(a)
“Spin-Off”	12.02(c)
“Successor Company”	4.01(a)

Section 1.03 . *Incorporation by Reference of Trust Indenture Act.* This Indenture is subject to the mandatory provisions of the TIA which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

“**Commission**” means the SEC.

“**indenture securities**” means the Securities and the Guarantees.

“**indenture security holder**” means a Holder.

“**indenture to be qualified**” means this Indenture.

“**indenture trustee**” or “**institutional trustee**” means the Trustee.

“**obligor**” on the Securities and the Guarantees means the Company and the Guarantors, respectively, and any other successor obligor on the Securities and the Guarantees, respectively.

All other TIA terms used in this Indenture that are defined by the TIA, defined in the TIA by reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

Section 1.04 . *Rules of Construction.* Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) “or” is not exclusive;

(d) “including” means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular;

(f) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP; and

(g) the principal amount of any Preferred Stock shall be the greater of (i) the maximum liquidation value of such Preferred Stock and (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock.

ARTICLE 2
THE SECURITIES

Section 2.01 . *Title; Amount and Issue of Securities; Principal and Interest.* (a) The Securities shall be known and designated as the "1.50% Senior Exchangeable Notes due 2026" of the Company. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is initially limited to $400,000,000, except for Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of other Securities pursuant to Section 2.03, 2.04, 2.08, 2.09, 2.10, 2.11, 2.13, 6.07, 10.05, 11.03, or 12.01; *provided* that additional Securities may be issued in an unlimited aggregate principal amount from time to time thereafter as set forth pursuant to Section 2.04 but only if any such additional Securities are considered part of the same issue of Securities as the Securities issued and sold pursuant to the Offering Memorandum for U.S. federal income tax purposes. The Securities shall be issuable in denominations of $1,000 or multiples thereof.

(b) The Securities shall mature on December 15, 2026 unless earlier exchanged, redeemed or repurchased in accordance with the provisions hereof.

(c) Interest on the Securities shall accrue from and including the date specified on the face of such Securities until the principal thereof is paid or made available for payment. Interest shall be payable semiannually in arrears on June 15 and December 15 in each year, commencing June 15, 2007.

(d) A Holder of any Security at 5:00 p.m., New York City time, on a Regular Record Date shall be entitled to receive interest (including any Additional Interest), on such Security on the corresponding Interest Payment Date, notwithstanding the exchange of such Securities at any time after the close of business on such Regular Record Date. Securities surrendered for exchange during the period after 5:00 p.m., New York City time, on any Regular Record

Date to 9:00 a.m., New York City time, on the corresponding Interest Payment Date must be accompanied by payment of an amount equal to the interest (including any Additional Interest) that the Holder is to receive on the Securities. Notwithstanding the foregoing, no such payment of interest (including any Additional Interest) need be made by any exchanging Holder (i) if the Company has specified a Redemption Date that is after a Regular Record Date and on or prior to the third Scheduled Trading Day following the corresponding Interest Payment Date, (ii) if the Company has specified a Fundamental Change Purchase Date that is after a Regular Record Date and on or prior to the third Scheduled Trading Day following the corresponding Interest Payment Date, or (iii) to the extent of any overdue interest (including any Additional Interest) existing at the time of exchange of such Security. Except as described above, no interest or Additional Interest on exchanged Securities will be payable by the Company on any Interest Payment Date subsequent to the date of exchange, and delivery of shares of Common Stock or the combination of cash and shares of Common Stock, if applicable, pursuant to Article 12 hereunder, together with any cash payment for any fractional share, upon exchange will be deemed to satisfy in full the Company's obligation to pay the principal amount of the Securities and accrued and unpaid interest and Additional Interest, if any, to, but not including, the related Exchange Date.

(e) Principal of, and interest (including Additional Interest, if any) on, Global Securities shall be payable to DTC in immediately available funds.

(f) Principal of Definitive Securities shall be payable at the office or agency of the Company maintained for such purpose, which initially shall be the corporate trust office of the Trustee. Interest (including Additional Interest, if any), on Definitive Securities will be payable (i) to Holders having an aggregate principal amount of $5,000,000 or less, by check mailed to the Holders of these Securities and (ii) to Holders having an aggregate principal amount of more than $5,000,000, either by check mailed to each Holder or, upon application by a Holder to the Registrar not later than the relevant Regular Record Date, by wire transfer in immediately available funds to such Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

Section 2.02 . *Form of Securities.*

(a) Except as otherwise provided pursuant to this Section 2.02, the Securities are issuable in fully registered form without coupons in substantially the form of Exhibit A hereto, with such applicable legends as are provided for in Section 2.03. The Securities are not issuable in bearer form. The terms and provisions contained in the form of Security shall constitute, and are hereby expressly made, a part of this Indenture and to the extent applicable, the Company, the Guarantors and the Trustee, by their execution and delivery of this

Indenture, expressly agree to such terms and provisions and to be bound thereby. Any of the Securities may have such letters, numbers or other marks of identification and such notations, legends and endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Securities may be listed or designated for issuance, or to conform to usage.

(b) The Securities shall be issued initially in the form of one or more permanent Global Securities, with the applicable legends as provided in Section 2.03. Each Global Security shall be duly executed by the Company and authenticated and delivered by the Trustee, and shall be registered in the name of DTC or its nominee and retained by the Trustee, as Securities Custodian, at its corporate trust office, for credit to the accounts of the Agent Members holding the Securities evidenced thereby. The aggregate principal amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as Securities Custodian, and of DTC or its nominee, as hereinafter provided.

Section 2.03 . *Legends.* Each Security issued hereunder shall, upon issuance, bear the legend set forth in Section 2.03(i), and each Common Stock certificate representing shares of the Common Stock issued upon exchange of any Security issued hereunder, shall, upon issuance, unless as otherwise set forth below, bear the legend set forth in Section 2.03(ii) (each such legend, a "**Restricted Securities Legend**"), and such legend shall not be removed except as provided in Section 2.03(iii). Each Security that bears or is required to bear the Restricted Securities Legend set forth in Section 2.03(i) (together with each Common Stock certificate representing shares of the Common Stock issued upon exchange of such Security that bears or is required to bear the Restricted Securities Legend set forth in Section 2.03(ii), collectively, the "**Restricted Securities**") shall be subject to the restrictions on transfer set forth in this Section 2.03 (including the Restricted Securities Legend set forth below), and the Holder of each such Restricted Security, by such Holder's acceptance thereof, shall be deemed to have agreed to be bound by all such restrictions on transfer.

As used in Section 2.03, the term "transfer" encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

(i) *Restricted Securities Legend for Securities.* Except as provided in Section 2.03(iii), any certificate evidencing such Security (and all Securities issued in exchange therefor or substitution thereof, other than stock certificates representing shares of the Common Stock, if any, issued upon exchange thereof which shall bear the legend set forth in

Section 2.03(ii), if applicable) shall bear a Restricted Securities Legend in substantially the following form:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")); (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY OR ANY OF THE SUPERIOR ENERGY SERVICES, INC. COMMON STOCK ISSUABLE UPON EXCHANGE FOR SUCH SECURITY, PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THIS SECURITY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, IN COMPLIANCE WITH RULE 144A TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM; AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THIS SECURITY PURSUANT TO CLAUSE 2(B) OR

ABOVE OR UPON ANY TRANSFER OF THIS SECURITY UNDER RULE 144A UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION)."

(ii) *Restricted Securities Legend for the Common Stock Issued Upon Exchange of the Securities.* Each stock certificate representing Common Stock issued upon exchange of Securities bearing a Restricted Securities Legend will, subject to the availability of a Shelf Registration Statement and registration thereunder as set forth in the Registration Rights Agreement, bear the following legend:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")); (2) AGREES ON ITS OWN BEHALF, AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THIS SECURITY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER) OR (C) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. SUBJECT TO THE ISSUER'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM; AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THIS SECURITY PURSUANT TO CLAUSE 2(B) ABOVE OR UPON ANY TRANSFER OF THIS SECURITY

UNDER RULE 144 UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION)."

(iii) *Removal of the Restricted Securities Legends.* The Restricted Securities Legend may be removed from any Security or any Common Stock certificate representing shares of the Common Stock issued upon exchange of any Security if there is delivered to the Company such satisfactory evidence, which may include an opinion of independent counsel, as may be reasonably required by the Company, that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Security or shares of the Common Stock issued upon exchange of Securities, as the case may be, will not violate the registration requirements of the Securities Act or the qualification requirements under any state securities laws. Upon provision of such satisfactory evidence, at the written direction of the Company, (x) in the case of a Security, the Trustee shall authenticate and deliver in exchange for such Security another Security or Securities having an equal aggregate principal amount that do not bear such legend or (y) in the case of a Common Stock certificate representing shares of the Common Stock, the transfer agent for the Common Stock shall authenticate and deliver in exchange for the Common Stock certificate or certificates representing such shares of Common Stock bearing such legend, one or more new Common Stock certificates representing a like aggregate number of shares of Common Stock that do not bear such legend. If the Restricted Securities Legend has been removed from a Security or Common Stock certificates representing shares of the Common Stock issued upon exchange of any Security as provided above, no other Security issued in exchange for all or any part of such Security, or no other Common Stock certificates issued in exchange for such Common Stock, shall bear such legend, unless the Company has reasonable cause to believe that such other Security is a "restricted security" (or such shares of Common Stock are "restricted securities") within the meaning of Rule 144 and instructs the Trustee in writing to cause a Restricted Securities Legend to appear thereon.

Any Security (or Security issued in exchange or substitution therefor) as to which the conditions for removal of the Restricted Securities Legend set forth in Section 2.03(i) as set forth therein have been satisfied may, upon surrender of such Security for exchange to the Registrar in accordance with the provisions of Section 2.08, be exchanged for a new Security or Securities, of like tenor and aggregate principal amount, which shall not bear the Restricted Securities Legend required by Section 2.03(i).

Any Common Stock certificate representing shares of Common Stock issued upon exchange of any Security as to which the conditions for removal of

the Restricted Securities Legend set forth in Section 2.03(ii) have been satisfied may, upon surrender of the Common Stock certificates representing such shares of Common Stock for exchange in accordance with the procedures of the transfer agent for the Common Stock, be exchanged for a new Common Stock certificate or certificates representing a like aggregate number of shares of Common Stock, which shall not bear the Restricted Securities Legend.

(iv) *Global Security Legend.* Each Global Security shall also bear the following legend (the "**Global Security Legend**") on the face thereof:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO IN THE TERMS OF SECURITIES ATTACHED HERETO."

(v) *Legend for Definitive Securities.* Definitive Securities, in addition to the legend set forth in Section 2.03(i), will also bear a legend substantially in the following form:

"THIS SECURITY WILL NOT BE ACCEPTED IN EXCHANGE FOR A BENEFICIAL INTEREST IN A GLOBAL SECURITY UNLESS THE HOLDER OF THIS SECURITY, SUBSEQUENT TO SUCH EXCHANGE, WILL HOLD NO SECURITIES."

Section 2.04 . *Execution and Authentication.* One Officer shall sign the Securities for the Company by manual or facsimile signature. If an Officer whose

signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be valid until an authorized signatory of the Trustee manually authenticates the Security. The signature of the Trustee on a Security shall be conclusive evidence that such Security has been duly and validly authenticated and issued under this Indenture. A Security shall be dated the date of its authentication.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company in an unlimited aggregate principal amount to the Trustee for authentication, together with a written order of the Company signed by two Officers or by an Officer and an Assistant Secretary of the Company (the "**Company Order**") for the authentication and delivery of such Securities, and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise. All Securities issued on the Issue Date shall be identical in all respects with any such Securities authenticated and delivered thereafter, other than issue dates, the date from which interest accrues, appropriate CUSIP numbers or other identifying notations and any changes relating thereto. Notwithstanding anything to the contrary contained in this Indenture, subject to Section 2.12, all Securities issued under this Indenture shall vote and consent together on all matters as one class and no series of Securities will have the right to vote or consent as a separate class on any matter.

The Trustee may appoint an agent (the "**Authenticating Agent**") reasonably acceptable to the Company to authenticate the Securities. Initially, the Trustee will act as the Authenticating Agent. Any such instrument shall be evidenced by an instrument signed by a Trust Officer of the Trustee, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by the Authenticating Agent. An Authenticating Agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

In case the Company, pursuant to Article 4, shall be consolidated or merged with or into, or shall convey, transfer or lease all or substantially all of its properties and assets to, any Person, and the Successor Company, if not the Company, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article 4, any of the Securities authenticated or delivered prior to such consolidation, merger, conveyance, transfer or lease may, from time to time, at the request of the Successor Company, be exchanged for other Securities executed in the name of the Successor Company with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the

Securities surrendered for such exchange and of like principal amount; and the Trustee, upon Company Order of the Successor Company, shall authenticate and deliver Securities as specified in such order for the purpose of such exchange. If Securities shall at any time be authenticated and delivered in any new name of a Successor Company pursuant to this Section 2.04 in exchange or substitution for or upon registration of transfer of any Securities, such Successor Company, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time outstanding for Securities authenticated and delivered in such new name.

Section 2.05 . *Registrar and Paying Agent.* The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange (the "**Registrar**") and an office or agency where Securities may be presented for payment (the "**Paying Agent**"). The Registrar shall keep a register of the Securities and of their transfer and exchange (the "**Securities Register**"). The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any co-registrar.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of each such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 8.07. The Company or any of its domestically organized, wholly owned Subsidiaries may act as Paying Agent, Registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent for the Securities. The Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; *provided, however,* that no such removal shall become effective until (i) acceptance of any appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or successor Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Company and the Trustee.

Section 2.06 . *Paying Agent to Hold Money in Trust.* By no later than 11:00 a.m., New York City time, on the date on which any principal of, or interest (including any Additional Interest) on, any Security is due and payable, the Company shall deposit with the Paying Agent a sum sufficient in immediately

available funds to pay such principal, or interest (including any Additional Interest), when due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of, or interest (including any Additional Interest) on, the Securities and shall notify the Trustee in writing of any default by the Company in making any such payment. If the Company or a Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section 2.06, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Company, the Trustee shall serve as Paying Agent for the Securities.

Section 2.07 . *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, or to the extent otherwise required under the TIA, the Company shall furnish or cause the Registrar to furnish to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders and the Company shall otherwise comply with TIA § 312(a).

Section 2.08 . *General Provisions Relating to Transfer and Exchange.* The Securities are issuable only in registered form. A Holder may transfer a Security only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Securities Register. Furthermore, any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent) and that ownership of a beneficial interest in the Global Security shall be required to be reflected in a book-entry.

When Securities are presented to the Registrar with a request to register the transfer or to exchange them for an equal aggregate principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Securities are duly endorsed or accompanied by a written instrument of transfer duly executed by the Holder

thereof or by an attorney who is authorized in writing to act on behalf of the Holder). Subject to Section 2.04, to permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Securities at the Registrar's request. No service charge shall be made for any registration of transfer or exchange or redemption of the Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge required by law or permitted under the terms of this Indenture.

Neither the Company nor the Registrar shall be required to exchange or register a transfer of any Securities:

(a) selected for redemption under Article 6 or, if a portion of any Security is selected for redemption, the portion thereof selected for redemption;

(b) surrendered for exchange or, if a portion of any Security is surrendered for exchange, the portion thereof surrendered for exchange; or

(c) in certificated form for a period of 15 days prior to mailing a notice of redemption under Article 6.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between beneficial owners of any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.09 . *Book-Entry Provisions for the Global Securities.* (a) The Global Securities initially shall:

(i) be registered in the name of DTC (or a nominee thereof);

(ii) be delivered to the Trustee as Securities Custodian;

(iii) bear the Restricted Securities Legend set forth in Section 2.03(i); and

(iv) bear the Global Security Legend set forth in Section 2.03(iv).

Members of, or participants in, DTC ("**Agent Members**") shall have no rights under this Indenture with respect to any Global Security held on their behalf by DTC, or the Trustee as its custodian, or under such Global Security, and

DTC may be treated by the Company, the Guarantors, the Trustee and any agent of the Company, the Guarantors or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing contained herein shall prevent the Company, the Guarantors, the Trustee or any agent of the Company, the Guarantors or Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and the Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(b) The Holder of a Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(c) A Global Security may not be transferred, in whole or in part, to any Person other than DTC (or a nominee thereof) or to a successor thereof (or such successor's nominee), and no such transfer to any such other Person may be registered. Beneficial interests in a Global Security may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 2.10.

(d) If at any time:

(i) DTC notifies the Company in writing that it is unwilling or unable to continue to act as depositary for the Global Securities and a successor depositary for the Global Securities is not appointed by the Company within 90 days of such notice;

(ii) DTC ceases to be registered as a "clearing agency" under the Exchange Act and a successor depositary for the Global Securities is not appointed by the Company within 90 days of such cessation;

(iii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Definitive Securities under this Indenture in exchange for all or any part of the Securities represented by a Global Security or Global Securities, subject to the procedures of DTC; or

(iv) an Event of Default has occurred and is continuing and the Registrar has received a request from DTC for the issuance of Definitive Securities in exchange for such Global Security or Global Securities;

the Securities Custodian shall surrender such Global Security or Global Securities to the Trustee for cancellation and the Company shall execute, and the Trustee, upon receipt of an Officers' Certificate and Company Order for the authentication and delivery of Securities, shall authenticate and deliver in exchange for such

Global Security or Global Securities, Definitive Securities in an aggregate principal amount equal to the aggregate principal amount of such Global Security or Global Securities. Such Definitive Securities shall be registered in such names as DTC (or any nominee thereof) shall identify in writing as the beneficial owners of the Securities represented by such Global Security or Global Securities.

(e) Notwithstanding the foregoing, in connection with any transfer of beneficial interests in a Global Security to the beneficial owners thereof pursuant to Section 2.09(d), the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Security in an amount equal to the principal amount of the beneficial interests in such Global Security to be transferred.

Section 2.10 . *Special Transfer Provisions.* Unless a Security is no longer a Restricted Security, the following provisions shall apply to any sale, pledge or other transfer of such Securities:

(a) *Transfer of Securities to a QIB.* The following provisions shall apply with respect to the registration of any proposed transfer of Securities to a QIB:

(i) If the Securities to be transferred consist of a beneficial interest in the Global Securities, the transfer of such interest may be effected only through the book-entry systems maintained by DTC.

(ii) If the Securities to be transferred consist of Definitive Securities, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Security stating (or has otherwise advised the Company and the Registrar in writing) that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed a certification stating or has otherwise advised the Company and the Registrar in writing that:

(A) it is purchasing the Securities for its own account or an account with respect to which it exercises sole investment discretion;

(B) it and any such account is a QIB within the meaning of Rule 144A;

(C) it is aware that the sale to it is being made in reliance on Rule 144A;

(D) it acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information; and

(E) it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(b) *General*. By its acceptance of any Security bearing the Restricted Securities Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and agrees that it will transfer such Security only as provided in this Indenture. The Registrar shall not register a transfer of any Security unless such transfer complies with the restrictions on transfer of such Security set forth in this Indenture. The Registrar shall be entitled to receive and rely on written instructions from the Company verifying that such transfer complies with such restrictions on transfer. In connection with any transfer of Securities, each Holder agrees by its acceptance of the Securities to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; *provided* that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all certifications, letters, notices and other written communications received pursuant to Section 2.09 hereof or this Section 2.10. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

Section 2.11 . *Mutilated, Destroyed, Lost or Wrongfully Taken Securities.* If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Security if the requirements of Section 8-405 of the UCC are met, such that the Holder (a) notifies the Company or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar has not registered a transfer prior to receiving such notification, (b) makes such request to the Company or Trustee prior to the Security being acquired by a protected purchaser as defined in Section 8-303 of the UCC and (c) satisfies any other reasonable requirements of the Trustee. Such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Guarantors, the Trustee, the Paying Agent and the Registrar from any loss which any of them may suffer if a Security is replaced, and, in the

absence of notice to the Company or the Trustee that such Security has been acquired by a protected purchaser, the Company shall execute and upon Company Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or wrongfully taken Security, a new Security of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or wrongfully taken Security has become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section 2.11, the Company may require the payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Security issued pursuant to this Section 2.11 in lieu of any mutilated, destroyed, lost or wrongfully taken Security shall constitute an original additional contractual obligation of the Company and any other obligor upon the Securities, whether or not the mutilated, destroyed, lost or wrongfully taken Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and ratably with any and all other Securities duly issued hereunder.

The provisions of this Section 2.11 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or wrongfully taken Securities.

Section 2.12 . *Outstanding Securities.* Securities outstanding at any time are all Securities authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.12 as not outstanding. A Security does not cease to be outstanding in the event the Company or an Affiliate of the Company holds the Security; *provided, however,* that (i) for purposes of determining which Securities are outstanding for consent or voting purposes hereunder, the provisions of Section 14.06 shall apply and (ii) in determining whether the Trustee shall be protected in making a determination whether the Holders of the requisite principal amount of outstanding Securities are present at a meeting of Holders of Securities for quorum purposes or have consented to or voted in favor of any request, demand, authorization, direction, notice, consent, waiver, amendment or modification hereunder, or relying upon any such quorum, consent or vote, only Securities which a Trust Officer of the Trustee actually knows to be held by the Company or an Affiliate of the Company shall not be considered outstanding.

If a Security is replaced or paid pursuant to Section 2.11, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Security is held by a protected purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a Redemption Date or at Stated Maturity, money sufficient to pay all principal and interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or maturing, as the case may be, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest (including any Additional Interest) on them ceases to accrue.

Section 2.13 . *Temporary Securities.* In the event that Definitive Securities are to be issued under the terms of this Indenture, until such Definitive Securities are ready for delivery, the Company may prepare and upon receipt of a Company Order the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of Definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and upon receipt of a Company Order the Trustee shall authenticate Definitive Securities. After the preparation of Definitive Securities, the temporary Securities shall be exchangeable for Definitive Securities upon surrender of the temporary Securities at any office or agency maintained by the Company for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, one or more Definitive Securities representing an equal principal amount of Securities. Until so exchanged, the Holder of temporary Securities shall in all respects be entitled to the same benefits under this Indenture as a Holder of Definitive Securities.

Section 2.14 . *Cancellation.* The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar, the Exchange Agent and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange, exchange or payment. The Trustee and no one else shall cancel all Securities surrendered for registration of transfer, exchange, exchange, payment or cancellation and dispose of such Securities in accordance with its internal policies and customary procedures including delivery of a certificate describing such Securities disposed of (subject to the record retention requirements of the Exchange Act). The Company may not issue new Securities to replace Securities it has paid for or exchanged or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange.

At such time as all beneficial interests in a Global Security have either been exchanged for Definitive Securities, transferred, redeemed, repurchased,

exchanged or canceled, such Global Security shall be returned by the Securities Custodian to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for Definitive Securities, transferred in exchange for an interest in another Global Security, redeemed, repurchased, exchanged or canceled, the principal amount of Securities represented by such Global Security shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Securities Custodian for such Global Security) with respect to such Global Security, by the Trustee or the Securities Custodian, to reflect such reduction.

Section 2.15 . *Payment of Interest; Defaulted Interest.* Interest (including any Additional Interest) on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name such Security (or one or more predecessor Securities) is registered at the close of business on the Regular Record Date for such payment at the office or agency of the Company maintained for such purpose pursuant to Section 2.05.

Any interest on any Security which is payable, but is not paid when the same becomes due and payable and such nonpayment continues for a period of 30 days, shall forthwith cease to be payable to the Holder on the Regular Record Date, and such interest and (to the extent lawful) interest on such interest at the rate borne by the Securities (such interest and interest thereon herein collectively called "**Defaulted Interest**") shall be paid by the Company at its election, in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective predecessor Securities) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date (not less than 30 days after such notice) of the proposed payment (the "**Special Interest Payment Date**"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a record date (the "**Special Record Date**") for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the Special Interest Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date, and in the name and at the expense of the Company, shall cause notice of the proposed payment of such

Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor to be given in the manner provided for in Section 14.02, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor having been so given, such Defaulted Interest shall be paid on the Special Interest Payment Date to the Persons in whose names the Securities (or their respective predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after notice is given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.15, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest (including any Additional Interest) accrued and unpaid, and to accrue, which were carried by such other Security.

Section 2.16 . *Computation of Interest.* Interest (including any Additional Interest) on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.17 . *CUSIP and ISIN Numbers.* The Company in issuing the Securities may use "CUSIP" and "ISIN" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" and "ISIN" numbers in notices of redemption as a convenience to Holders; *provided*, *however*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such CUSIP or ISIN numbers. The Company shall promptly notify the Trustee in writing of any change in the CUSIP and ISIN numbers.

ARTICLE 3
COVENANTS

Section 3.01 . *Payment of Securities.* The Company shall promptly pay the principal of, and interest (including any Additional Interest) on, the Securities on the dates and in the manner provided in the Securities and in this Indenture.

Principal and interest (including any Additional Interest) shall be considered paid on the date due if by 11:00 a.m., New York City time, on such date the Trustee or the Paying Agent holds in accordance with this Indenture immediately available funds sufficient to pay all principal and interest (including any Additional Interest) then due.

The Company shall pay interest on overdue principal at the rate specified therefor in the Securities, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest (including any Additional Interest) payments hereunder.

Section 3.02 . *Maintenance of Office or Agency.* The Company will maintain an office or agency where the Securities may be presented or surrendered for payment, where, if applicable, the Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served to the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation. The Company will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.03 . *Corporate Existence.* Except as otherwise provided in Article 4 or Article 13, each of the Company and the Guarantors will do or cause to be done all things necessary to preserve and keep in full force and effect (i) its existence and (ii) the material rights (charter and statutory), licenses and franchises of the Company and the Guarantors, except, in the case of clause (ii), to the extent the Company otherwise reasonably determines it no longer desirable.

Section 3.04 . *Payment of Taxes and Other Claims.* The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges levied or imposed upon the Parent, the Company or any Subsidiary or upon the income, profits or property of the Parent, the Company or any Subsidiary and (ii) all

lawful claims for labor, materials and supplies, which, if unpaid, might by law become a material liability or lien upon the property of the Parent, the Company or any Subsidiary; *provided, however,* that the Company and the Parent shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of management of the Company or the Parent), are being maintained in accordance with GAAP or where the failure to effect such payment will not be disadvantageous to the Holders.

Section 3.05 . *Compliance Certificate.* The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate, one of the signers of which shall be the principal executive officer, principal financial officer or principal accounting officer of the Company, stating that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default or Event of Default and whether or not the signers know of any Default or Event of Default that occurred during such period. If they do, the certificate shall describe each Default or Event of Default, its status and the action the Company is taking or proposes to take with respect thereto. The Company also shall comply with TIA § 314(a)(4).

Section 3.06 . *Further Instruments and Acts.* Upon request of the Trustee, the Company and the Guarantors will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 3.07 . *Statement by Officers as to Default.* The Company shall deliver to the Trustee, within 30 days after the Company becomes aware of the occurrence of any Event of Default or Default, an Officers' Certificate setting forth the details of such events which would constitute an Event of Default or Default, its status and the action which the Company proposes to take with respect thereto.

Section 3.08 . *Additional Interest.* If Additional Interest is payable by the Company pursuant to the Registration Rights Agreement or Section 7.03, the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable. Unless and until a Trust Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no Additional Interest is payable. If the Company has paid Additional Interest directly to the persons entitled to it, the Company shall deliver to the Trustee an Officers' Certificate setting forth the particulars of such payment.

Section 3.09 . *Additional Guarantees.* If any of the Company's Subsidiaries (including a Foreign Subsidiary) that is not already a Guarantor, guarantees any indebtedness of the Parent, the Company or a Domestic Subsidiary of the Company, then such Subsidiary will become a Guarantor and execute and deliver to the Trustee a supplemental indenture in substantially the form attached hereto as Exhibit C, a notation of Guarantee and an Officers' Certificate and an Opinion of Counsel in accordance with Section 10.06, within 10 Business Days of the date on which it guarantees such indebtedness of the Company or a Domestic Subsidiary. The form of such notation of Guarantee is attached as Exhibit B hereto.

ARTICLE 4
SUCCESSOR COMPANY

Section 4.01 . *Consolidation, Merger and Sale of Assets.* Neither the Company nor the Parent shall consolidate with or merge with or into, or convey, transfer or lease all or substantially all its properties and assets to, another Person, unless:

(a) the resulting, surviving or transferee Person (the "**Successor Company**"), if not the Parent or the Company, shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Parent or the Company, as applicable, under the Securities, this Indenture and, to the extent then still operative, the Registration Rights Agreement;

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with this Indenture.

For purposes of this Section 4.01, the conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Parent or the Company, which properties and assets, if held by the Parent or the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent or the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Parent or the Company, as applicable.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Parent or the Company, as applicable, under this Indenture, but, in the case of a lease of all or substantially all its

properties and assets, the Parent or the Company, as applicable, will not be released from the obligation to pay the principal of, and interest (including any Additional Interest) on, the Securities.

ARTICLE 5
Reporting Obligations

Section 5.01 . *Reporting Obligations.* (a) The Parent shall deliver to the Trustee, within 15 days after filing with the SEC, copies of its annual reports and of information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Parent is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act.

(b) In the event and for as long as the Parent is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act:

(i) it shall continue to provide the Trustee with reports containing substantially the same information as would have been required to be filed with the SEC had the Parent continued to have been subject to such reporting requirements and also mail such documents to each Holder at such Holder's registered address, upon the request of any Holder or beneficial holder of the Securities or the Common Stock issued upon exchange thereof. In such event, such reports shall be provided at the times the Parent would have been required to provide reports had it continued to have been subject to Section 13 or 15(d) of the Exchange Act; and

(ii) it shall make available, to each Holder or beneficial holder of Securities or Common Stock in connection with any sale thereof and any prospective purchaser of Securities or Common Stock designated by such Holder or beneficial holder, upon request, the information required pursuant to Rule 144A(d)(4) under the Securities Act and it will take such further action as any Holder or beneficial holder of such Securities or Common Stock may reasonably request, all to the extent required from time to time to enable such Holder or beneficial holder to sell its Securities or Common Stock without registration under the Securities Act within the limitation of the exemption provided by Rule 144A, as such Rule may be amended from time to time.

(c) Delivery of reports, information and other documents under this Section 5.01 to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including

the Parent's or the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 5.02 . *Reporting in Compliance with TIA.* The Company and the Guarantors also shall comply with the other provisions of Section 314(a) of the Trust Indenture Act.

ARTICLE 6
Redemption of Securities

Section 6.01 . *Optional Redemption.*

(a) Prior to December 15, 2011, the Securities shall not be redeemable.

(b) On or after December 15, 2011, subject to the terms and conditions of this Article 6, the Company may, at its option, redeem at any time for cash all or a portion of the Securities, at a price (the "**Redemption Price**") equal to 100% of the principal amount of Securities to be redeemed, plus accrued and unpaid interest (including any Additional Interest) to but excluding the Redemption Date.

(c) In the event that the Redemption Date occurs after a Regular Record Date for the payment of interest and on or prior to the related Interest Payment Date, the Redemption Price for any such Securities to be redeemed shall be 100% of the principal amount of such Securities, and accrued and unpaid interest (including any Additional Interest) shall be paid to the Holder on such Regular Record Date.

Section 6.02 . *Election to Redeem; Notice to Trustee.* In case of any redemption at the election of the Company, the Company shall, on or prior to the date that is 15 days prior to the date on which notice is given to the Holders (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities to be redeemed and shall deliver to the Trustee such documentation and records as shall enable the Trustee to select the Securities to be redeemed pursuant to Section 6.03. Any such notice may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

Section 6.03 . *Selection by Trustee of Securities to Be Redeemed.* If less than all the Securities are to be redeemed at any time pursuant to this Article 6, the particular Securities to be redeemed shall be selected by the Trustee, from the outstanding Securities not previously called for redemption, by lot or on a *pro rata* basis among the Securities or by such other method as the Trustee shall deem fair and appropriate, including any method required by DTC or any successor depositary (and in such manner as is not prohibited by applicable legal

requirements) and which may provide for the selection for redemption of portions of the principal of the Securities; *provided, however,* that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than $1,000.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

If any Securities selected for partial redemption are thereafter surrendered for exchange in part before termination of the exchange right with respect to the portion of the Securities so selected, the exchanged portion of such Securities shall be deemed (so far as may be), solely for purposes of determining the aggregate principal amount of Securities to be redeemed by the Company, to be the portion selected for redemption. Securities which have been exchanged during a selection of Securities to be redeemed may be treated by the Trustee as outstanding for the purpose of such selection. Nothing in this Section 6.03 shall affect the right of any Holder to exchange any Securities pursuant to Article 12 before the termination of the exchange right with respect thereto.

Section 6.04 . *Notice of Redemption.* Notice of redemption shall be given in the manner provided for in Section 14.02 not less than 30 Scheduled Trading Days nor more than 45 Scheduled Trading Days prior to the Redemption Date, to the Trustee, the Paying Agent and each Holder of Securities to be redeemed. The Trustee shall give notice of redemption in the Company's name and at the Company's expense; *provided, however,* that the Company shall deliver to the Trustee an Officers' Certificate, at least 15 calendar days prior to the date on which notice is required to be given to the Holders (unless shorter notice shall be satisfactory to the Trustee), requesting that the Trustee give such notice at the Company's expense and setting forth the information to be stated in such notice as provided in the following items.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) the then current Exchange Rate and the related Observation Period for exchange of Securities, and provide a statement that the Securities called for

redemption may be exchanged at any time before the close of business on the third Scheduled Trading Day prior to the Redemption Date, and that Holders who wish to exchange Securities must comply with the procedures in Section 12.01(c);

(d) if less than all outstanding Securities are to be redeemed, the identification of the particular Securities (or portion thereof) to be redeemed, as well as the aggregate principal amount of Securities to be redeemed and the aggregate principal amount of Securities to be outstanding after such partial redemption;

(e) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed;

(f) that on the Redemption Date the Redemption Price will become due and payable upon each such Security, or the portion thereof, to be redeemed, and, unless the Company defaults in making the redemption payment, that interest (including any Additional Interest) on Securities called for redemption (or the portion thereof) will cease to accrue on and after said date;

(g) the place or places where such Securities are to be surrendered for payment of the Redemption Price;

(h) the name and address of the Paying Agent and the Exchange Agent;

(i) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price; and

(j) the CUSIP or ISIN number, and that no representation is made as to the accuracy or correctness of the CUSIP or ISIN number, if any, listed in such notice or printed on the Securities.

Section 6.05. *Deposit of Redemption Price.* Prior to 11:00 a.m., New York City time, on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 2.06) an amount of money sufficient to pay the Redemption Price of all the Securities which are to be redeemed on that date other than Securities or portions of Securities called for redemption that are beneficially owned by the Company and have been delivered by the Company to the Trustee for cancellation.

Section 6.06. *Securities Payable on Redemption Date.* Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall,

on the Redemption Date, become due and payable at the Redemption Price, and from and after such date (unless the Company shall default in the payment of the Redemption Price or accrued and unpaid interest (including any Additional Interest)) such Securities shall cease to bear interest or Additional Interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Securities.

Section 6.07. *Securities Redeemed in Part.* Any Security which is to be redeemed only in part (pursuant to the provisions of this Article 6) shall be surrendered at the office or agency of the Company maintained for such purpose pursuant to Section 3.02 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security at the expense of the Company, a new Security or Securities, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered; *provided* that each such new Security will be in a principal amount of $1,000 or multiple thereof.

ARTICLE 7
Defaults and Remedies

Section 7.01. *Events of Default.* Each of the following is an "**Event of Default**":

(a) default in any payment of interest (including Additional Interest) on any Security when the same becomes due and payable, and such default continues for a period of 30 days;

(b) default in the payment of the principal of any Security when the same becomes due and payable at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(c) failure by the Company to comply with its obligation to exchange the Securities in accordance with this Indenture, upon exercise of a Holder's exchange right and such failure continues for a period of 10 days;

(d) failure by the Company to give a Company Notice of the occurrence of a Fundamental Change to Holders pursuant to Section 11.01 or notice of a specified corporate transaction (as described in Section 12.01(a)(iv)) or a notice of a Public Acquirer Change of Control (as described in Section 12.04(c)) to Holders, in each case when due;

(e) failure by the Parent or the Company to comply with its obligations under Article 4;

(f) failure by the Parent or the Company for a period of 60 days after written notice from the Trustee or Holders of at least 25% in principal amount of Securities then outstanding has been received to comply with any obligation, covenant or agreement in this Indenture or under the Securities (other than those referred to in Section 7.01(a) through (e) and Section 7.01(g) through (i));

(g) default by the Parent or the Company or any other Subsidiary of the Parent in the payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of $20,000,000 in the aggregate of the Parent, the Company and/or any such Subsidiary, whether such indebtedness now exists or shall hereafter be created, resulting in such indebtedness becoming or being declared due and payable, and such acceleration shall not have been rescinded or annulled within 30 days after written notice of such acceleration has been received by the Parent, the Company or such Subsidiary from the Trustee (or to the Company and the Trustee from Holders of at least 25% in principal amount of outstanding Securities);

(h) the Parent, the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case or proceeding;

(ii) consents to the entry of judgment, decree or order for relief against it in an involuntary case or proceeding;

(iii) consents to the appointment of a Custodian of it or for any substantial part of its property;

(iv) makes a general assignment for the benefit of its creditors;

(v) consents to or acquiesces in the institution of a bankruptcy or an insolvency proceeding against it;

(vi) takes any corporate action to authorize or effect any of the foregoing; or

(vii) takes any comparable action under any foreign laws relating to insolvency;

(i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Parent, the Company or any Significant Subsidiary in an involuntary case;

(ii) appoints a Custodian of the Company for all or substantially all of the Parent's, the Company's or any Significant Subsidiary's property; or

(iii) orders the winding up or liquidation of the Parent, the Company or Significant Subsidiary;

and, in each case, the order or decree or relief remains unstayed and in effect for 90 days; or

(j) except as permitted by this Indenture, any Guarantee shall be held in any final judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Guarantee.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

Notwithstanding the foregoing, a Default under clause (f) or (g) of this Section 7.01 will not constitute an Event of Default until the Trustee notifies the Company (or the Holders of 25% or more in principal amount of the outstanding Securities notify the Company and the Trustee) of the Default in writing and the Company does not cure such Default within the time specified in clause (f) or (g) of this Section 7.01 after receipt of such notice.

Section 7.02. *Acceleration.* Subject to Section 7.03, if an Event of Default (other than an Event of Default specified in Section 7.01(h) or Section 7.01(i) above) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in outstanding principal amount of the outstanding Securities by notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of and accrued and unpaid interest, if any, and Additional Interest, if any, on all the Securities to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest

and Additional Interest, if any, shall be due and payable immediately. If an Event of Default specified in Section 7.01(h) or Section 7.01(i) above occurs and is continuing, the principal of and accrued and unpaid interest, if any, and Additional Interest, if any, on all the Securities outstanding shall be immediately due and payable with no further action by the Trustee or the Holders.

Section 7.03 . *Sole Remedy for Failure to Report.* Notwithstanding any other provision of this Indenture, the sole remedy for an Event of Default relating to the failure to comply with the reporting obligations under Article 5 of this Indenture, and for any failure to comply with the requirements of Section 314(a)(1) of the TIA, will for the 365 days after the occurrence of such an Event of Default consist exclusively of the right to receive Additional Interest on the principal amount of the Securities at a rate equal to 0.50% per annum. This Additional Interest will be in addition to any Additional Interest that may accrue as a result of a registration default as described in the Registration Rights Agreement and will be payable in the same manner and subject to the same terms as other interest payable under this Indenture. The Additional Interest will accrue on all outstanding Securities from and including the date on which an Event of Default relating to a failure to comply with Article 5 or Section 314(a)(1) of the TIA first occurs to but not excluding the 365th day thereafter (or such earlier date on which the Event of Default relating to the reporting obligations under Article 5 or Section 314(a)(1) of the TIA shall have been cured or waived). On such 365th day (or earlier, if the Event of Default relating to such reporting obligations is cured or waived prior to such 365th day), such Additional Interest will cease to accrue and the Securities will be subject to acceleration and other remedies as provided in this Article 7 if the Event of Default is continuing. For the avoidance of doubt, the provisions of this Section 7.02 will not affect the rights of Holders of Securities in the event of the occurrence of any other Event of Default and will have no effect on the rights of Holders of Securities under the Registration Rights Agreement.

Section 7.04 . *Other Remedies.* If an Event of Default other than an Event of Default specified in Section 7.01(f), occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of, or interest (including any Additional Interest) on, the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 7.05 . *Waiver of Past Defaults.* The Holders of a majority in principal amount of the outstanding Securities by notice to the Trustee may (a) waive, by their consent (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities), an existing Default or Event of Default and its consequences except (i) a Default or Event of Default resulting from the non-payment of the principal of, or interest (including any Additional Interest) on, a Security, (ii) a Default or Event of Default resulting from the failure to deliver, upon exchange, shares of Common Stock or the combination of cash and shares of Common Stock, if any, upon the exchange of the Security or (iii) a Default or Event of Default in respect of a provision that under Section 10.02 cannot be amended without the consent of each Holder affected and (b) rescind any such acceleration with respect to the Securities and its consequences if (i) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, other than the nonpayment of the principal of, or interest (including any Additional Interest) on, the Securities that have become due solely by such declaration of acceleration, have been cured or waived. When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right.

Section 7.06 . *Control by Majority.* The Holders of a majority in principal amount of the outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Sections 8.01 and 8.02, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; *provided, however,* that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Section 7.07 . *Limitation on Suits.* Subject to Section 7.08, a Holder may not pursue any remedy with respect to this Indenture or the Securities unless:

(a) such Holder has previously given to the Trustee written notice stating that an Event of Default is continuing;

(b) Holders of at least 25% in principal amount of the outstanding Securities have requested that the Trustee pursue the remedy;

(c) such Holders have offered to the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense to be incurred in compliance with such request;

(d) the Trustee has not complied with such request within 60 days after receipt of the request and the offer of security or indemnity; and

(e) the Holders of a majority in principal amount of the outstanding Securities have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 7.08 . *Rights of Holders to Receive Payment.* Notwithstanding any other provision of this Indenture (including, without limitation, Section 7.07), the right of any Holder to receive payment of principal of, or interest (including any Additional Interest) on, the Securities held by such Holder, on or after the respective due dates expressed in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 7.09 . *Collection Suit by Trustee.* If an Event of Default specified in clauses (a) or (b) of Section 7.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest (including any Additional Interest) to the extent lawful) and the amounts provided for in Section 8.07.

Section 7.10 . *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company, the Guarantors or its or their respective creditors or properties and, unless prohibited by law or applicable regulations, may be entitled and empowered to participate as a member of any official committee of creditors appointed in such matter, and may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due to the Trustee under Section 8.07.

Section 7.11 . *Priorities.* If the Trustee collects any money or property pursuant to this Article 7, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 8.07;

SECOND: to Holders for amounts due and unpaid on the Securities for principal or interest (including any Additional Interest) ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal and interest, respectively; and

THIRD: to the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 7.11. At least 15 days before such record date, the Company shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 7.12 . *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted a proceeding to enforce any right or remedy under this Indenture and the proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to the Holder, then, subject to any determination in the proceeding, the Company, the Trustee, the Guarantors and the Holders will be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Company, the Trustee, the Guarantors and the Holders will continue as though no such proceeding had been instituted.

Section 7.13 . *Undertaking of Costs.* In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 7.13 does not apply to a suit by the Trustee, a suit by the Company, a suit by a Holder pursuant to Section 7.08 or a suit by Holders of more than 10% in outstanding principal amount of the Securities.

ARTICLE 8
TRUSTEE

Section 8.01 . *Duties of Trustee.* (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; *provided* that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders

unless such Holders have offered to the Trustee reasonable indemnity or security against loss, liability or expense that might be incurred in compliance with such request or direction.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, opinions or orders furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates, opinions or orders which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 8.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer of the Trustee unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 7.06.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 8.01.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01 and to the provisions of the TIA.

(i) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

Section 8.02 . *Rights of Trustee.* Subject to Section 8.01:

(a) The Trustee may conclusively rely on any document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document. The Trustee shall receive and retain financial reports and statements of the Parent or the Company as provided herein, but shall have no duty to review or analyze such reports or statements to determine compliance under covenants or other obligations of the Parent or the Company.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officers' Certificate and an Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers, unless the Trustee's conduct constitutes willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) resulting from actions taken in good faith and which the Trustee believes to be authorized or within its rights or powers, unless the Trustee's conduct constitutes willful misconduct or negligence.

(g) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, Securities Custodian and other Person employed to act hereunder.

(h) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of Officers authorized at such time to take specified actions pursuant to this Indenture.

(i) The Trustee shall not be deemed to have notice of any Default or Event of Default unless an Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or Event of Default is received by an Officer of the Trustee from the Company or the Holders of 25% in aggregate principal amount of the outstanding Securities, and such notice references the specific Default or Event of Default, the Securities and this Indenture.

(j) The Trustee shall not be required to give any bond or surety in respect of the performance of its power and duties hereunder.

(k) The Trustee shall have no duty to inquire as to the performance of the Company's covenants herein.

Section 8.03 . *Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent or Registrar may do the same with like rights. However, the Trustee must comply with Sections 8.10 and 8.11. In addition, the Trustee shall be permitted to engage in transactions with the Company; *provided, however,* that if, during the continuance of any Default, the Trustee acquires any conflicting interest the Trustee must (i) eliminate such conflict within 90 days of acquiring such conflicting interest, (ii) apply to the SEC for permission to continue acting as Trustee or (iii) resign.

Section 8.04 . *Trustee's Disclaimer.* The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Securities, shall not be accountable for the Company's use of the proceeds from the Securities, shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee and shall not be

responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

Section 8.05 . *Notice of Defaults.* If a Default or Event of Default occurs and is continuing and if a Trust Officer of the Trustee has actual knowledge thereof, the Trustee shall mail by first class mail to each Holder at the address set forth in the Securities Register notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, or interest (including any Additional Interest) on, any Security (including payments pursuant to the optional redemption or required repurchase provisions of such Security, if any), the Trustee may withhold the notice if and so long as it determines in good faith that withholding the notice is in the interests of Holders.

Section 8.06 . *Reports by Trustee to Holders.* Within 60 days after each June 15 beginning with the June 15 following the date of this Indenture, the Trustee shall mail to each Holder a brief report dated as of such June 15 that complies with TIA § 313(a), if required by such TIA § 313(a). The Trustee also shall comply with TIA § 313(b). The Trustee shall also transmit by mail all reports required by TIA § 313(c).

Section 8.07 . *Compensation and Indemnity.* The Company shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. In addition to the compensation the Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it. Such expenses shall include the reasonable compensation and out-of-pocket expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company and the Guarantors, jointly and severally, shall indemnify the Trustee against any and all loss, liability, damages, claims or expense (including reasonable attorneys' fees and expenses) incurred by it without negligence or bad faith on its part in connection with the administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture (including this Section 8.07) and of defending itself against any claims (whether asserted by any Holder, the Company, any Guarantor or otherwise). The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company or any of the Guarantors of its obligations hereunder. The Company and such Guarantor shall defend the claim and the Trustee shall provide reasonable cooperation at the Company's expense in the defense. The Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel, provided that the Company shall not be

required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Company or any Guarantor and the Trustee in connection with such defense. The Company and the Guarantors need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

To secure the Company's and the Guarantors' payment obligations in this Section 8.07, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of, or interest (including any Additional Interest) on, particular Securities. Such lien shall survive the satisfaction and discharge of this Indenture. The Trustee's right to receive payment of any amounts due under this Section 8.07 shall not be subordinate to any other unsecured liability or debt of the Company or any Guarantor.

The Company's and the Guarantors' payment obligations pursuant to this Section 8.07 shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default specified in Section 7.01(h) or Section 7.01(i) with respect to the Company or any Guarantor, the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

Section 8.08 . *Replacement of Trustee.* The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Securities may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(a) the Trustee fails to comply with Section 8.10;

(b) the Trustee is adjudged bankrupt or insolvent;

(c) a receiver or other public officer takes charge of the Trustee or its property; or

(d) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in principal amount of the Securities and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal

of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 8.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of at least 10% in principal amount of the Securities may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 8.10, unless the Trustee's duty to resign is stayed as provided in TIA § 310(b), any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 8.08, the Company's obligations under Section 8.07 shall continue for the benefit of the retiring Trustee.

Section 8.09 . *Successor Trustee by Merger.* If the Trustee consolidates with, merges or exchanges into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, exchange or consolidation to the Trustee shall succeed to the trusts created by this Indenture, any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; *provided* that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Securities in the name of any predecessor Trustee shall only apply to its successor or successors by merger, consolidation or exchange.

Section 8.10 . *Eligibility; Disqualification.* The Trustee shall at all times satisfy the requirements of TIA § 310(a). The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA § 310(b); *provided, however,* that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding,

including the indenture governing the Company's $6^{7}/_{8}$% Senior Notes due 2014, if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

Section 8.11 . *Preferential Collection of Claims Against Company.* The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated.

ARTICLE 9
Discharge of Indenture

Section 9.01 . *Discharge of Liability on Securities.* When (1) the Company shall deliver to the Registrar for cancellation all Securities theretofore authenticated (other than any Securities which have been mutilated, destroyed, lost or wrongfully taken and in lieu of or in substitution for which other Securities shall have been authenticated and delivered) and not theretofore canceled, or (2) all the Securities not theretofore canceled or delivered to the Registrar for cancellation shall have (a) been deposited for exchange (after all related Observation Periods have elapsed) and the Company shall deliver to the Holders shares of Common Stock or a combination of cash and shares of Common Stock, as applicable, sufficient to pay all amounts owing in respect of all Securities (other than any Securities which shall have been mutilated, destroyed, lost or wrongfully taken and in lieu of or in substitution for which other Securities shall have been authenticated and delivered) not theretofore canceled or delivered to the Registrar for cancellation or (b) become due and payable on the Stated Maturity, Purchase Date, Fundamental Change Purchase Date or Redemption Date, as applicable, and the Company shall deposit with the Trustee cash and shares of Common Stock, as applicable, sufficient to pay all amounts owing in respect of all Securities (other than any Securities which shall have been mutilated, destroyed, lost or wrongfully taken and in lieu of or in substitution for which other Securities shall have been authenticated and delivered) not theretofore canceled or delivered to the Registrar for cancellation, including the principal amount and interest (including any Additional Interest) accrued and unpaid to such Stated Maturity, Purchase Date, Fundamental Change Purchase Date or Redemption Date, as the case may be, and if in either case (1) or (2) the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture with respect to the Securities shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange and exchange of Securities; (ii) rights hereunder of Holders to receive from the Trustee payments of the amounts then due, including interest (including any Additional Interest), with respect to the Securities and the other rights, duties and obligations of Holders, as beneficiaries hereof solely with respect to the amounts, if any, so deposited with the Trustee; and (iii) the rights,

obligations and immunities of the Trustee, Authenticating Agent, Paying Agent, Exchange Agent and Registrar under this Indenture with respect to the Securities), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 9.03 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to the Securities; however, the Company hereby agrees to reimburse the Trustee, Authenticating Agent, Paying Agent, Exchange Agent and Registrar for any costs or expenses thereafter reasonably and properly incurred by the Trustee, Authenticating Agent, Paying Agent, Exchange Agent and Registrar and to compensate the Trustee, Authenticating Agent, Paying Agent, Exchange Agent and Registrar for any services thereafter reasonably and properly rendered by the Trustee, Authenticating Agent, Paying Agent, Exchange Agent and Registrar in connection with this Indenture with respect to the Securities.

Section 9.02 . *Reinstatement.* If the Trustee or the Paying Agent is unable to apply any money to the Holders entitled thereto by reason of any order or judgment of any court of governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture with respect to the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 9.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with this Indenture and the Securities to the Holders entitled thereto; *provided, however,* that if the Company makes any payment of principal amount of, or interest (including any Additional Interest) on, any Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

Section 9.03 . *Officers' Certificate; Opinion of Counsel.* Upon any application or demand by the Company to the Trustee to take any action under Section 9.01, the Company shall furnish to the Trustee an Officers' Certificate or Opinion of Counsel stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with.

ARTICLE 10
AMENDMENTS

Section 10.01 . *Without Consent of Holders.* The Company, the Guarantors and the Trustee may amend this Indenture, the Securities and the Guarantees without notice to or consent of any Holder:

(a) to cure any ambiguity, omission, defect or inconsistency in this Indenture in a manner that does not individually or in the aggregate adversely affect the rights of any Holder of Securities in any respect;

(b) to comply with Article 4 or Section 13.04 in respect of the assumption by a Successor Company of an obligation of the Parent or the Company under this Indenture or any successor Subsidiary Guarantor under any Guarantee of a Subsidiary;

(c) to add Guarantors with respect to the Securities or release Subsidiary Guarantors from Guarantees as provided or permitted by the terms of this Indenture;

(d) to secure the Securities;

(e) to add to the covenants of the Parent or the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Parent or the Company;

(f) to comply with any requirement of the SEC in connection with the qualification of this Indenture under the TIA;

(g) to provide for the acceptance of appointment by a successor Trustee or Paying Agent or facilitate the administration of the trusts under this Indenture by more than one Trustee or Paying Agent;

(h) to add to any Events of Default for the benefit of Holders of Securities;

(i) to make any change that does not materially adversely affect the rights of any Holder; or

(j) to conform the text of this Indenture, any Guarantee or the Securities to the “Description of Notes” section of the Offering Memorandum.

After an amendment under this Section 10.01 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 10.01.

Section 10.02 . *With Consent of Holders.* The Company, the Guarantors and the Trustee may amend this Indenture, the Guarantees and the Securities without notice to any Holder but with the written or electronic consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities), and subject to the

provisions of Section 7.05 past Defaults or compliance with the provisions of this Indenture or the Securities issued hereunder or related Guarantees may be waived with the written consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities). However, without the consent of each Holder affected, an amendment or waiver may not:

(a) reduce the percentage in aggregate principal amount of Securities whose Holders must consent to an amendment or waive any past default;

(b) reduce the rate of or extend the stated time for payment of interest, including Additional Interest, on any Security;

(c) reduce the principal of or extend the Stated Maturity of any Security;

(d) otherwise impair the right of any Holder to receive payment of principal of, or interest (including any Additional Interest) on, such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Securities;

(e) make any change that impairs or adversely affects the exchange rights of any Securities;

(f) release any Guarantor from any of its obligations under its Guarantee or this Indenture, except in accordance with this Indenture;

(g) reduce the Redemption Price, the Fundamental Change Purchase Price or the Purchase Price payable upon the redemption or repurchase or exchange of any Security or amend or modify in any manner adverse to Holders of the Securities the Company's obligation to make such payments;

(h) make any Security payable in currency other than that stated in the Security (it being understood that all references to cash in this Indenture and the Securities are to U.S. legal tender); or

(i) make any changes to the amendment provisions which require each Holder's consent or to the waiver provisions.

It shall not be necessary for the consent of the Holders under this Section 10.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment or waiver under this Indenture by any Holder of the Securities

given in connection with a tender or exchange of such Holder's Securities will not be rendered invalid by such tender or exchange.

After an amendment under this Section 10.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 10.02.

Section 10.03 . *Compliance with Trust Indenture Act.* Every amendment or supplement to this Indenture or the Securities shall comply with the TIA as then in effect.

Section 10.04 . *Revocation and Effect of Consents and Waivers.* A consent to an amendment or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent or waiver is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective or otherwise in accordance with any related solicitation documents. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver shall become effective upon receipt by the Trustee of the requisite number of written or electronic consents under Section 10.01 or 10.02, as applicable.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall become valid or effective more than 120 days after such record date.

Section 10.05 . *Notation on or Exchange of Securities.* If an amendment changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

Section 10.06 . *Trustee to Sign Amendments.* The Trustee shall sign any amendment authorized pursuant to this Article 10 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive and (subject to Sections 8.01 and 8.02) shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

ARTICLE 11
PURCHASE AT THE OPTION OF HOLDERS UPON A FUNDAMENTAL CHANGE; PURCHASE AT THE OPTION OF HOLDERS

Section 11.01 . *Purchase at the Option of the Holder Upon a Fundamental Change.* If a Fundamental Change shall occur at any time, each Holder shall have the right, at such Holder's option, to require the Company to purchase any or all of such Holder's Securities on a date specified by the Company that is no later than the 35th calendar day after the date of the Company Notice of the occurrence of such Fundamental Change (subject to extension to comply with applicable law, as provided in Section 11.03(d)) (the "**Fundamental Change Purchase Date**"). The Company shall purchase such Securities at a price (the "**Fundamental Change Purchase Price**"), which shall be paid in cash, equal to 100% of the principal amount of the Securities to be purchased plus accrued and unpaid interest, including any Additional Interest, to but excluding the Fundamental Change Purchase Date, unless the Fundamental Change Purchase Date is between a Regular Record Date and the Interest Payment Date to which it relates, in which case the Fundamental Change Purchase Price shall equal 100% of the principal amount of Securities to be purchased and accrued and unpaid interest, including Additional Interest, shall be paid to the Holder of record on the Regular Record Date.

(a) *Notice of Fundamental Change*. The Company, or at its request (which must be received by the Paying Agent at least three Business Days (or such lesser period as agreed to by the Paying Agent) prior to the date the Paying Agent is requested to give such notice as described below) the Paying Agent, in the name of and at the expense of the Company, shall mail to all Holders and the Trustee a Company Notice of the occurrence of a Fundamental Change and of the purchase right arising as a result thereof, including the information required by Section 11.03(a) hereof, on or before the 20th calendar day after the occurrence of such Fundamental Change. The Company shall promptly furnish to the Paying Agent a copy of such Company Notice.

(b) *Exercise of Option*. For a Security to be so purchased at the option of the Holder, such Holder must deliver to the Paying Agent such Security duly

endorsed for transfer, together with a written notice of purchase (a "**Fundamental Change Purchase Notice**") in the form entitled "Form of Fundamental Change Purchase Notice" attached to the Security duly completed, on or before the Business Day immediately preceding the Fundamental Change Purchase Date, subject to extension to comply with applicable law. The Fundamental Change Purchase Notice shall state:

(i) if certificated, the certificate numbers of the Securities which the Holder shall deliver to be purchased, or if not certificated, such notice must comply with appropriate DTC procedures;

(ii) the portion of the principal amount of the Securities which the Holder shall deliver to be purchased, which portion must be $1,000 in principal amount or a multiple thereof; and

(iii) that such Securities shall be purchased as of the Fundamental Change Purchase Date pursuant to the terms and conditions specified in paragraph 4 of the Securities and in this Indenture.

(c) *Procedures*. The Company shall purchase from a Holder, pursuant to this Section 11.01, Securities if the principal amount of such Securities is $1,000 or a multiple of $1,000 if so requested by such Holder.

Any purchase by the Company contemplated pursuant to the provisions of this Section 11.01 shall be consummated by the delivery of the Fundamental Change Purchase Price to be received by the Holder promptly following the later of the Fundamental Change Purchase Date or the time of book-entry transfer or delivery of the Securities.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Purchase Notice contemplated by this Section 11.01 shall have the right at any time prior to the close of business on the Business Day prior to the Fundamental Change Purchase Date to withdraw such Fundamental Change Purchase Notice (in whole or in part) by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 11.03(b).

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written notice of withdrawal thereof.

At or before 11:00 a.m. (New York City time) on the Fundamental Change Purchase Date, the Company shall deposit with the Paying Agent (or if the Company or an Affiliate of the Company is acting as the Paying Agent, shall segregate and hold in trust) cash sufficient to pay the aggregate Fundamental

Change Purchase Price of the Securities to be purchased pursuant to this Section 11.01. Payment by the Paying Agent of the Fundamental Change Purchase Price for such Securities shall be made promptly following the later of the Fundamental Change Purchase Date or the time of book-entry transfer or delivery of such Securities. If the Paying Agent holds, in accordance with the terms of this Indenture, cash sufficient to pay the Fundamental Change Purchase Price of such Securities on the Fundamental Change Purchase Date, then, on and after such date, such Securities shall cease to be outstanding and interest (including any Additional Interest), on such Securities shall cease to accrue, whether or not book-entry transfer of such Securities is made or such Securities are delivered to the Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the Fundamental Change Purchase Price and previously accrued and unpaid interest (including any Additional Interest), upon delivery or transfer of the Securities). Nothing herein shall preclude any withholding tax required by law.

The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all cash held by the Paying Agent for the payment of the Fundamental Change Purchase Price and shall notify the Trustee of any default by the Company in making any such payment. If the Company or an Affiliate of the Company acts as Paying Agent, it shall segregate the cash held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to deliver all cash held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon doing so, the Paying Agent shall have no further liability for the cash delivered to the Trustee.

Section 11.02 . *Purchase of Securities at the Option of the Holder.*

(a) A Holder shall have the option to require the Company to purchase any outstanding Securities on each of December 15, 2011, December 15, 2016 and December 15, 2021 (each, a "**Purchase Date**"), at a price (the "**Purchase Price**") which shall be paid in cash, equal to 100% of the principal amount of the Securities to be repurchased plus any accrued and unpaid interest, including any Additional Interest, to but excluding the Purchase Date, upon:

(i) delivery to the Paying Agent by the Holder of a written notice of purchase (a "**Purchase Notice**") at any time from the opening of business on the date that is 20 Business Days prior to the relevant Purchase Date until the close of business on the second Business Day prior to such Purchase Date, stating:

(A) if certificated, the certificate numbers of the Securities which the Holder will deliver to be purchased, or, if not

certificated, the Purchase Notice must comply with appropriate DTC procedures;

(B) the portion of the principal amount of the Securities which the Holder will deliver to be purchased, which portion must be $1,000 in principal amount or a multiple thereof;

(C) that such Securities shall be purchased by the Company as of the Purchase Date pursuant to the terms and conditions specified in paragraph 4 of the Securities and in this Indenture; and

(ii) delivery or book-entry transfer of such Securities to the Paying Agent (together with all necessary endorsements) at the offices of the Paying Agent, such delivery or transfer being a condition to receipt by the Holder of the Purchase Price therefor; *provided*, *however*, that such Purchase Price shall be so paid pursuant to this Section 11.02 only if the Securities so delivered or transferred to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice.

(b) The Company shall purchase from a Holder, pursuant to this Section 11.02, Securities if the principal amount of such Securities is $1,000 or a multiple of $1,000 if so requested by such Holder.

(c) Any purchase by the Company contemplated pursuant to the provisions of this Section 11.02 shall be consummated by the delivery of the Purchase Price to be received by the Holder promptly following the later of the Purchase Date or the time of book-entry transfer or delivery of the Securities.

(d) Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Purchase Notice contemplated by this Section 11.02 shall have the right at any time prior to the close of business on the Business Day prior to the Purchase Date to withdraw such Purchase Notice (in whole or in part) by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 11.03(b).

(e) The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(f) At or before 11:00 a.m. (New York City time) on the Purchase Date, the Company shall deposit with the Paying Agent (or if the Company or an Affiliate of the Company is acting as the Paying Agent, shall segregate and hold in trust) cash sufficient to pay the aggregate Purchase Price of the Securities to be purchased pursuant to this Section 11.02. Payment by the Paying Agent of the Purchase Price for such Securities shall be made promptly following the later of

the Purchase Date or the time of book-entry transfer or delivery of such Securities. If the Paying Agent holds, in accordance with the terms of this Indenture, cash sufficient to pay the Purchase Price of such Securities on the Purchase Date, then, on and after such date, such Securities shall cease to be outstanding and interest (including any Additional Interest) on such Securities shall cease to accrue, whether or not book-entry transfer of such Securities is made or such Securities are delivered to the Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the Purchase Price and previously accrued interest (including any Additional Interest) upon delivery or transfer of the Securities). Nothing herein shall preclude any withholding tax required by law.

(g) The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all cash held by the Paying Agent for the payment of the Purchase Price and shall notify the Trustee of any default by the Company in making any such payment. If the Company or an Affiliate of the Company acts as Paying Agent, it shall segregate the cash held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to deliver all cash held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon doing so, the Paying Agent shall have no further liability for the cash delivered to the Trustee.

Section 11.03 . *Further Conditions and Procedures for Purchase at the Option of the Holder Upon a Fundamental Change and Purchase of Securities at the Option of the Holder.*

(a) *Notice of Purchase Date or Fundamental Change*. The Company shall send notices (each, a "**Company Notice**") to the Holders, the Trustee, the Paying Agent and beneficial owners as required by applicable law, not less than 20 Business Days prior to each Purchase Date, or on or before the 20th calendar day after the occurrence of the Fundamental Change, as the case may be (each such date of delivery, a "**Company Notice Date**"). Each Company Notice shall include a form of Purchase Notice or Fundamental Change Purchase Notice, as the case may be, to be completed by a Holder and shall state:

(i) the applicable Purchase Price or Fundamental Change Purchase Price, as the case may be;

(ii) if exchange is permitted under Section 12.01(a)(iv), the Exchange Rate at the time of such notice and any expected adjustments to the Exchange Rate;

(iii) the applicable Purchase Date or Fundamental Change Purchase Date, as the case may be, and the last date on which a Holder

may exercise its repurchase rights under Section 11.01 or Section 11.02, as applicable;

(iv) the name and address of the Paying Agent and the Exchange Agent;

(v) that Securities must be surrendered to the Paying Agent to collect payment of the Purchase Price or the Fundamental Change Purchase Price, as the case may be;

(vi) that Securities as to which a Purchase Notice or a Fundamental Change Purchase Notice has been delivered may be surrendered for exchange only if the applicable Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has been withdrawn in accordance with the terms of this Indenture;

(vii) that the Purchase Price or the Fundamental Change Purchase Price for any Securities as to which a Purchase Notice or a Fundamental Change Purchase Notice, as applicable, has been given and not withdrawn shall be paid by the Paying Agent promptly following the later of the Purchase Date or the Fundamental Change Purchase Date, as applicable, or the time of book-entry transfer or delivery of such Securities;

(viii) the procedures the Holder must follow under Sections 11.01 or 11.02, as applicable, and Section 11.03;

(ix) the exchange rights of the Securities;

(x) that, unless the Company defaults in making payment of such Purchase Price or Fundamental Change Purchase Price on Securities covered by any Purchase Notice or Fundamental Change Purchase Notice, as applicable, interest (including any Additional Interest) will cease to accrue on and after the Purchase Date or Fundamental Change Purchase Date, as applicable;

(xi) the CUSIP or ISIN number of the Securities;

(xii) the procedures for withdrawing a Purchase Notice or a Fundamental Change Purchase Notice, as the case may be; and

(xiii) in the case of a Company Notice pursuant to Section 11.01, the events causing a Fundamental Change and the effective date of the Fundamental Change.

Simultaneously with providing such Company Notice, the Company will publish a notice containing the information in such Company Notice in a newspaper of general circulation in The City of New York or publish such information on the Parent's then existing website or through such other public medium as it may use at the time.

At the Company's request, made at least five Business Days prior to the date upon which such notice is to be mailed, and at the Company's expense, the Paying Agent shall give the Company Notice in the Company's name; *provided, however,* that, in all cases, the text of the Company Notice shall be prepared by the Company.

(b) *Adequacy and Effect of Purchase Notice or Fundamental Change Purchase Notice; Withdrawal; Effect of Event of Default*. The Company shall reasonably determine whether the Purchase Notice or Fundamental Change Purchase Notice delivered by the relevant Holders satisfies the conditions set out in Section 11.02(a), Section 11.01(b) and Section 11.03 for such notices. The Company's determination under this Section 11.03(b) will be binding and conclusive, absent manifest error.

Upon receipt by the Company of the Purchase Notice or Fundamental Change Purchase Notice specified in Section 11.02(a) or Section 11.01(b), as applicable, the Holder of the Securities in respect of which such Purchase Notice or Fundamental Change Purchase Notice, as the case may be, was given shall (unless such Purchase Notice or Fundamental Change Purchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Purchase Price or Fundamental Change Purchase Price with respect to such Securities. Such Purchase Price or Fundamental Change Purchase Price shall be paid by the Paying Agent to such Holder promptly following the later of (x) the Purchase Date or the Fundamental Change Purchase Date, as the case may be, with respect to such Securities (*provided* the conditions in this Article 11 have been satisfied) and (y) the time of delivery or book-entry transfer of such Securities to the Paying Agent by the Holder thereof in the manner required by Section 11.02 or Section 11.01, as applicable. Securities in respect of which a Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has been given by the Holder thereof may not be exchanged on or after the date of the delivery of such Purchase Notice or Fundamental Change Purchase Notice, as the case may be, unless such Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has first been validly withdrawn as specified in the following two paragraphs.

A Purchase Notice or Fundamental Change Purchase Notice, as the case may be, may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent at any time prior to 5:00 p.m., New York City

time, on the Business Day prior to the Purchase Date or the Fundamental Change Purchase Date, as the case may be, to which it relates, specifying:

(i) the principal amount of the Securities with respect to which such notice of withdrawal is being submitted;

(ii) if certificated, the certificate number of the Securities in respect of which such notice of withdrawal is being submitted, or, if not certificated, the written notice of withdrawal must comply with appropriate DTC procedures; and

(iii) the principal amount, if any, of such Securities which remains subject to the original Purchase Notice or Fundamental Change Purchase Notice, as the case may be, and which has been or shall be delivered for purchase by the Company.

There shall be no purchase of any Securities pursuant to Section 11.02 or Section 11.01 if an Event of Default has occurred and is continuing (other than a default that is cured by the payment of the Purchase Price or Fundamental Change Purchase Price, as the case may be). The Paying Agent shall promptly return to the respective Holders thereof any Securities (x) with respect to which a Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default that is cured by the payment of the Purchase Price or Fundamental Change Purchase Price, as the case may be) in which case, upon such return, the Purchase Notice or Fundamental Change Purchase Notice with respect thereto shall be deemed to have been withdrawn.

(c) *Securities Purchased in Part*. Any Securities that are to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver to the Holder of such Securities, without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Securities so surrendered which is not purchased.

(d) *Covenant to Comply with Securities Laws Upon Purchase of Securities*. In connection with any offer to purchase Securities under Section 11.02 or Section 11.01, the Company shall, to the extent applicable, (a) comply with Rules 13e-4 and 14e-1 (and any successor provisions thereto) under the

Exchange Act, if applicable; (b) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, if applicable; and (c) otherwise comply with all applicable federal and state securities laws so as to permit the rights and obligations under Section 11.02 or Section 11.01 to be exercised in the time and in the manner specified in Section 11.02 or Section 11.01.

(e) *Repayment to the Company*. Subject to applicable abandoned property laws, the Trustee and the Paying Agent shall return to the Company any cash or property that remains unclaimed, as provided in paragraph 8 of the Securities, together with interest that the Trustee or Paying Agent, as the case may be, has expressly agreed in writing to pay, if any, that is held by them for the payment of a Purchase Price or Fundamental Change Purchase Price, as the case may be; *provided, however,* that to the extent that the aggregate amount of cash or property deposited by the Company pursuant to Section 11.01(c) or Section 11.02(f), as applicable, exceeds the aggregate Purchase Price or Fundamental Change Purchase Price, as the case may be, of the Securities or portions thereof which the Company is obligated to purchase as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, then promptly on and after the Business Day following the Purchase Date or Fundamental Change Purchase Date, as the case may be, the Trustee and the Paying Agent shall return any such excess to the Company together with interest that the Trustee or Paying Agent, as the case may be, has expressly agreed in writing to pay, if any.

(f) *Officers' Certificate*. At least five Business Days before the Company Notice Date, the Company shall deliver an Officers' Certificate to the Trustee specifying whether the Company desires the Trustee to give the Company Notice required by Section 11.03(a) herein.

ARTICLE 12
EXCHANGE

Section 12.01 . *Exchange of Securities.* (a) *Right to Exchange*. Subject to the procedures for exchange set forth in this Article 12, a Holder may exchange its Securities on or prior to the close of business on the Business Day immediately preceding Stated Maturity at the Exchange Rate when one or more of the conditions specified below are met and during the related specified period. Whenever the Securities shall become exchangeable upon one or more of the conditions stated in clauses (i), (ii), (iv)(A), (iv)(B) or (iv)(C) below, the Company or, at the Company's request, the Trustee in the name and at the expense of the Company, shall notify the Holders of the event triggering such exchangeability in the manner provided in Section 14.02 and, in the case of one or more conditions stated in clauses (iv)(B) or (iv)(C), the Company shall also publish a notice in accordance with Section 11.03(a). For the avoidance of doubt,

the Trustee has no duty to determine if Securities have become exchangeable, and its only obligation is to notify Holders of such at the Company's request. Whenever the Securities shall become exchangeable upon the condition stated in clause (iii), notice of the event triggering such exchangeability shall be given in accordance with the provisions of Section 6.04. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice.

(i) *Exchange Upon Satisfaction of Sale Price Condition.* A Holder may surrender all or a portion of its Securities for exchange during any fiscal quarter (and only during such fiscal quarter) commencing after March 31, 2007 if the Last Reported Sale Price for the Common Stock for at least 20 Trading Days during the period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding fiscal quarter is greater than or equal to 135% of the Exchange Price in effect on such last Trading Day.

(ii) *Exchange Upon Satisfaction of Trading Price Condition*. Prior to December 15, 2011, a Holder may surrender its Securities for exchange during the five Business Day period after any 10 consecutive Trading Day period (the "**Measurement Period**") in which the Trading Price per $1,000 principal amount of Securities, as determined following a request by a Holder in accordance with the procedures set forth in this Section 12.01(a)(ii), for each Trading Day of the Measurement Period was less than 95% of the product of the Last Reported Sale Price of the Common Stock and the applicable Exchange Rate for such Trading Day. In connection with any exchange in accordance with this Section 12.01(a)(ii), the Trustee shall have no obligation to determine the Trading Price of the Securities unless requested by the Company; and the Company shall have no obligation to make such request unless a Holder provides the Company with reasonable evidence that the Trading Price per $1,000 principal amount of Securities would be less than 95% of the product of the Last Reported Sale Price of the Common Stock and the applicable Exchange Rate. Promptly after receiving such evidence, the Company shall instruct the Trustee to determine the Trading Price of the Securities beginning on the next Trading Day and on each successive Trading Day until the Trading Price per $1,000 principal amount of Securities for any Trading Day is greater than or equal to 95% of the product of the Last Reported Sale Price of the Common Stock and the applicable Exchange Rate.

(iii) *Exchange Upon Notice of Redemption*. If the Company calls any or all of the Securities for Redemption, a Holder may surrender for exchange all or a portion of its Securities called for redemption at any time prior to the close of business on the third Scheduled Trading Day

prior to the related Redemption Date, even if the Securities are not otherwise exchangeable at such time, after which time a Holder's right to exchange will expire unless the Company defaults in the payment of the Redemption Price. For the avoidance of doubt, if the Company gives two or more notices of redemption such that the Observation Periods applicable to the relevant Redemption Dates overlap, the Observation Period based on the first notice of redemption that is given shall be applicable to such Securities.

(iv) *Exchange Upon Specified Corporate Transactions.*

(A) If the Parent elects to (1) distribute to all holders of Common Stock any rights or warrants entitling them to purchase, for a period expiring within 45 days after the Ex-Dividend Date of the distribution, shares of Common Stock at a price per share less than the average of the Last Reported Sale Price of Common Stock for the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution, or (2) distribute to all holders of Common Stock assets, debt securities or rights to purchase securities of the Parent, which distribution has a per share Fair Market Value, as determined by the Parent's Board of Directors, exceeding 15% of the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such distribution, then, in each case, the Company must notify the Holders of such distribution and of their rights under this clause (A), in the manner provided in Section 14.02, at least 35 Scheduled Trading Days prior to the Ex-Dividend Date for such distribution. Once the Company has given such notice, Holders may surrender Securities for exchange at any time until the earlier of 5:00 p.m., New York City time, on the Business Day immediately prior to such Ex-Dividend Date or the announcement that such distribution will not take place even if the Securities are not otherwise exchangeable at such time. Notwithstanding the foregoing, Holders may not surrender Securities for exchange if the Holders participate (as a result of holding the Securities, and at the same time as holders of Common Stock participate) in any of the transactions described in this Section 12.01(a)(iv) as if such Holders of the Securities held a number of shares of Common Stock equal to the applicable Exchange Rate, *multiplied* by the principal amount (expressed in thousands) of Securities held by such Holder, without having to exchange the Securities.

(B) If the Parent is party to a transaction described in clause (2) of the definition of Fundamental Change (after giving

effect to the proviso set forth in the definition thereof relating to Publicly Traded Securities) or a combination, merger, binding share exchange or sale, lease or other transfer of all or substantially all of the Parent's and its Subsidiaries' assets, taken as a whole, in each case pursuant to which the Common Stock would be converted into cash, securities and/or other property that does not also constitute a Fundamental Change, the Company must notify Holders of such an event and of their rights under this clause (B), in the manner provided in Section 14.02, at least 35 Scheduled Trading Days prior to the anticipated effective date for such transaction. Once the Company has given such notice, Holders may surrender Securities for exchange at any time until seven Scheduled Trading Days after the actual effective date of such transaction or, if later, the related Fundamental Change Purchase Date.

(C) A Holder may surrender all or a portion of such Holder's Securities for exchange, if a Fundamental Change of the type described in clause (1) or (3) in the definition thereof occurs. In such event, Holders may surrender Securities for exchange at any time beginning on the actual Effective Date of such Fundamental Change until and including the date which is seven Scheduled Trading Days after the actual effective date of such transaction or, if later, until the related Fundamental Change Purchase Date.

A Holder may exchange a portion of the principal amount of Securities if the portion is $1,000 or a multiple of $1,000. The number of shares of Common Stock issuable or the combination of cash payable and the number of shares of Common Stock issuable, if any, upon exchange of a Security shall be determined as set forth in Section 12.01(d).

(b) *Exchange During Specified Period Immediately Prior to Stated Maturity.* Notwithstanding anything herein to the contrary, a Holder may surrender its Securities for exchange beginning on September 15, 2026, until the close of business on the second Business Day immediately preceding the Stated Maturity.

(c) *Exchange Procedures*. The following procedures shall apply to the exchange of Securities:

(i) In respect of a Definitive Security, a Holder must (A) complete and manually sign the exchange notice on the back of the Security, or a facsimile of such exchange notice; (B) deliver such exchange notice, which is irrevocable, and the Security to the Exchange

Agent; (C) to the extent any shares of Common Stock issuable upon exchange are to be issued in a name other than the Holder's, furnish appropriate endorsements and transfer documents as may be required by the Exchange Agent; (D) if required pursuant to Section 12.01(h), pay all transfer or similar taxes; and (E) if required pursuant to Section 2.01(d), pay funds equal to interest payable on the next Interest Payment Date to which such Holder is not entitled.

(ii) In respect of a beneficial interest in a Global Security, a Beneficial Owner must comply with DTC's procedures for exchanging a beneficial interest in a Global Security and, if required pursuant to Section 2.01(d), pay funds equal to interest payable on the next Interest Payment Date to which such Beneficial Owner is not entitled, and if required, taxes or duties, if any.

The date a Holder satisfies the foregoing requirements is the "**Exchange Date**" hereunder.

If a Holder exchanges more than one Security at the same time, the number of shares of Common Stock issuable or the combination of the cash payable and number of shares of Common Stock issuable upon the exchange, if any, shall be based on the total principal amount of the Securities exchanged.

Upon surrender of a Security that is exchanged in part, the Company shall execute, and the Trustee or the Authenticating Agent shall authenticate and deliver to the Holder, a new Security in an authorized denomination equal in principal amount to the unexchanged portion of the Security surrendered.

Delivery of shares of Common Stock will be accomplished by delivery to the Exchange Agent of certificates for the relevant number of shares of Common Stock, other than in the case of Holders of Global Securities in book-entry form with DTC, in which case shares of Common Stock shall be delivered in accordance with DTC customary practices. In addition, the Company will pay cash for any fractional shares of Common Stock in accordance with Section 12.01(g).

(d) *Settlement Upon Exchange*. In the event that the Company receives a Holder's notice of exchange upon satisfaction of one or more of the conditions to exchange described in this Section 12.01, the Company will notify the relevant Holders within two Scheduled Trading Days following the Exchange Date whether the Company will satisfy its obligation to exchange the Securities through delivery of (x) shares of Common Stock pursuant to clause (ii) below or (y) a combination of cash and shares of Common Stock pursuant to clause (i) below; *provided*, *however*, the Company may not elect to satisfy such obligation pursuant to clause (ii) below (A) on or after December 15, 2011, (B) in

connection with any exchanges made pursuant to Section 12.01(a)(iii) or (C) if the Company has made the election to waive its right to do so pursuant to Section 12.01(e).

(i) If the Company chooses or has to satisfy its obligation to exchange the Securities (the ‘‘**Exchange Obligation**’’) by a combination of cash and shares of Common Stock, upon exchange the Company will, except as provided in Section 12.01(f), deliver to exchanging Holders, in respect of each $1,000 principal amount of Securities being exchanged, a “**Settlement Amount**” equal to the sum of the Daily Settlement Amounts for each of the 25 VWAP Trading Days during the Observation Period for such Security.

“**Daily Settlement Amount**,” for each of the 25 VWAP Trading Days during the Observation Period, shall consist of:

(A) cash equal to the lesser of $40 and the Daily Exchange Value; and

(B) to the extent the Daily Exchange Value exceeds $40, a number of shares of the Common Stock equal to, (A) the difference between the Daily Exchange Value and $40, divided by (B) the Daily VWAP for such VWAP Trading Day.

“**Daily Exchange Value**” means, for each of the 25 consecutive VWAP Trading Days during the Observation Period, 4% of the product of (1) the applicable Exchange Rate and (2) the Daily VWAP of the Common Stock on such VWAP Trading Day.

“**Daily VWAP**” means, for each of the 25 consecutive VWAP Trading Days during the Observation Period, the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “SPN UN <EQUITY> VAP <GO>”, or its equivalent successor page, in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such VWAP Trading Day, or if such volume-weighted average price is unavailable or if such page or its equivalent is unavailable, the (a) price of each trade in shares of Common Stock multiplied by the number of shares of Common Stock in each such trade (b) divided by the total number of shares of Common Stock traded, in each case during such VWAP Trading Day from 9:30 a.m. to 4:00 p.m., New York City time on the New York Stock Exchange or, if the Common Stock is not traded on the New York Stock Exchange, the principal U.S. national or regional securities exchange on which the Common Stock is listed, by a nationally recognized independent investment banking firm

(which may be one of the Initial Purchasers or its Affiliates) retained for this purpose by the Company.

The Settlement Amount in respect of any Security exchanged pursuant to this clause (i) will be delivered to exchanging Holders as soon as practicable following the last day of the Observation Period for the Exchange Date for such Security.

(ii) If the Company elects to satisfy all of its Exchange Obligation in shares of Common Stock pursuant to this Section 12.01(d), upon exchange the Company will, except as provided in Section 12.01(f), deliver to any exchanging Holder a number of shares of Common Stock equal to (i) the aggregate principal amount of Securities being exchanged by such Holder divided by $1,000 multiplied by (ii) the applicable Exchange Rate.

The shares of Common Stock in respect of any Security exchanged (and cash in lieu of any fractional shares) pursuant to this clause (ii) will be delivered through the Exchange Agent or DTC as soon as practicable following the last day of the Observation Period for the Exchange Date for such Security.

(iii) With respect to a exchange of a Security pursuant hereto, at and after the close of business on the last Trading Day (the "**Relevant Date**") of the Observation Period applicable to such exchange, the Person in whose name any certificate representing any shares of Common Stock issuable upon such exchange is registered shall be treated as a stockholder of record of the Company; *provided, however,* that if any such shares of Common Stock constitute Additional Shares, then the Relevant Date with respect to such shares that constitute Additional Shares shall instead be deemed to be the later of (i) the last Trading Day of the Observation Period applicable to such exchange and (ii) the Effective Date of the Fundamental Change resulting in the Additional Shares. On and after the Exchange Date with respect to a exchange of a Security pursuant hereto, all rights of the Holder of such Security shall terminate, other than the right to receive the consideration deliverable upon exchange of such Security as provided herein. A Holder of a Security is not entitled, as such, to any rights of a holder of Common Stock until, if such Holder exchanges such Security and is entitled pursuant hereto to receive shares of Common Stock in respect of such exchange, the close of business on the Relevant Date or respective Relevant Dates, as the case may be, with respect to such exchange.

(e) *Exchange After Irrevocable Election to Waive Right to Settle Solely in Cash and Settle Solely in Shares of Common Stock.* At any time on or before

the 28th Scheduled Trading Day prior to December 15, 2011, the Company may, irrevocably waive, in its sole discretion, without the consent of the Holders, by notice to the Trustee and the Holders, its right to satisfy the Exchange Obligation prior to December 15, 2011 solely in shares of Common Stock.

(f) *Surrender to a Financial Institution in Lieu of Exchange*. When a Holder surrenders Securities for exchange, the Company may direct the Exchange Agent to surrender such Securities to a financial institution designated by the Company (the "**Designated Institution**") for transfer in lieu of exchange. In order to accept any Securities surrendered for exchange, the Designated Institution must agree to deliver, in exchange for such Securities, shares of Common Stock based upon the applicable Exchange Rate or a combination of cash and shares of Common Stock, if applicable, equal to the consideration due upon exchange, as determined under Section 12.01(d). By the close of business on the Scheduled Trading Day immediately preceding the start of the Observation Period, the Company will notify the Holder surrendering Securities for exchange that (i) it has directed the Designated Institution to accept the Securities in lieu of exchange and (ii) whether the Designated Institution will deliver, upon exchange, shares of Common Stock based upon the applicable Exchange Rate or a combination of cash and shares of Common Stock, if applicable, equal to the consideration due upon exchange, as determined under Section 12.01(d). If the Designated Institution accepts any such Securities, it will deliver the appropriate number of shares of Common Stock or cash and shares of Common Stock, if applicable, as the case may be, to the Exchange Agent and the Exchange Agent will deliver those shares of Common Stock or cash and shares of Common Stock, if applicable, as the case may be, to the Holder. Any Securities accepted by the Designated Institution in lieu of exchange will remain outstanding. If the Designated Institution agrees to accept any Securities surrendered for exchange but does not timely deliver the related consideration, or if such Designated Institution does not accept the Securities for exchange, the Company will, as promptly as practical thereafter exchange the Securities into shares of Common Stock or cash and shares of Common Stock, if applicable, in accordance with the election made by the Company in the initial notice to the Holders surrendering the Securities and based on the Observation Period as determined under Section 12.01(d). The Company's designation of a financial institution to which the Securities may be surrendered for exchange does not require the institution to accept any Securities. The Company will not pay any consideration to, or otherwise enter into any agreement with, the Designated Institution for or with respect to such designation.

(g) *Cash Payments in Lieu of Fractional Shares*. The Company shall not deliver a fractional share of Common Stock upon exchange of Securities. Instead the Company shall deliver cash for the current market value of the fractional share. The current market value of a fractional share shall be

determined to the nearest 1/10,000th of a share by multiplying the Daily VWAP of a full share of Common Stock on the final Trading Day of the related Observation Period by the fractional amount and rounding the product to the nearest whole cent.

(h) *Taxes on Exchange*. If a Holder exchanges Securities, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock upon the exchange. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Exchange Agent may refuse to deliver the certificates representing the Common Stock being issued in a name other than the Holder's name until the Exchange Agent receives a sum sufficient to pay any tax which shall be due because the shares are to be issued in a name other than the Holder's name, but the Exchange Agent shall have no duty to determine if any such tax is due. Nothing herein shall preclude any withholding of tax required by law.

(i) *Certain Covenants of the Parent*.

(i) The Parent shall, prior to issuance of any Securities hereunder, and from time to time as may be necessary, reserve out of its authorized but unissued Common Stock or shares of Common Stock held in treasury, a sufficient number of shares of Common Stock, free of preemptive rights, to permit the exchange of the Securities, and shall make available to the Company any shares of Common Stock required to be delivered by the Company upon exchange of the Securities in accordance with this Article 12.

(ii) All shares of Common Stock delivered upon exchange of the Securities shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim. To the extent required, the Company shall pay to the Parent consideration for the issuance of shares of Common Stock as shall be necessary to ensure that the foregoing requirements are satisfied.

(iii) The Parent shall endeavor promptly to comply with all federal and state securities laws regulating the issuance and delivery of shares of Common Stock upon the exchange of Securities, if any, and shall cause to have listed or quoted all such shares of Common Stock on each U.S. national securities exchange or over-the-counter or other domestic market on which the Common Stock is then listed or quoted.

(iv) Before taking any action which would cause an adjustment increasing the Exchange Rate to an amount that would cause the Exchange

Price to be reduced below the then par value per share of the Common Stock, if any, of the shares of Common Stock issuable upon exchange of the Securities, the Parent will take all corporate action which may, in the opinion of its counsel, be necessary in order that the Parent may validly and legally issue shares of such Common Stock at such adjusted Exchange Rate.

Section 12.02. *Adjustments to Exchange Rate.* The applicable Exchange Rate shall be adjusted by the Company as follows:

(a) If the Parent issues shares of Common Stock as a dividend or distribution on shares of the Common Stock, or effects a share split or share combination, the Exchange Rate will be adjusted based on the following formula:

$$ER' = ER_0 \times \frac{OS'}{OS_0}$$

where,

ER_0 = the Exchange Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be;

ER' = the new Exchange Rate in effect immediately after the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be;

OS_0 = the number of shares of Common Stock outstanding immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be; and

OS' = the number of shares of Common Stock outstanding immediately after such dividend or distribution, or the effective date of such share split or share combination, as the case may be.

Such adjustment shall become effective immediately after (i) the Ex-Dividend Date for such dividend or distribution or (ii) the date on which such split or combination becomes effective, as applicable. If any dividend or distribution of the type described in this Section 12.02(a) is declared but not so paid or made, the new Exchange Rate shall again be adjusted to the Exchange Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Parent distributes to all holders of its Common Stock any rights or warrants entitling them to purchase, for a period of not more than 45 days after the Ex-Dividend Date for the distribution, shares of Common Stock at a price per share less than the average of the Last Reported Sale Prices of the Common Stock for the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution, the Exchange Rate will be adjusted based on the following formula:

$$ER' = ER_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

ER_0 = the Exchange Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

ER' = the new Exchange Rate in effect immediately after the Ex-Dividend Date for such distribution;

OS_0 = the number of shares of Common Stock outstanding immediately prior to the Ex-Dividend Date for such distribution;

X = the total number of shares of Common Stock issuable pursuant to such rights or warrants; and

Y = the number of shares of Common Stock equal to the aggregate price payable to exercise such rights or warrants divided by the average of the Last Reported Sale Prices of the Common Stock over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

For purposes of this Section 12.02(b), in determining whether any rights or warrants entitle the Holders to subscribe for or purchase shares of Common Stock at less than the average of the applicable Last Reported Sale Prices, and in determining the aggregate exercise or exchange price payable for such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants and any amount payable on exercise or exchange thereof, with the value of such consideration, if other than cash, to be determined by the Parent's Board of Directors. If any right or warrant described in this Section 12.02(b) is not exercised or exchanged prior to the expiration of the exercisability or exchangeability thereof, the new Exchange Rate shall be readjusted to the Exchange Rate that would then be in effect if such right or warrant had not been so issued. Any adjustment made pursuant to this Section

12.02(b) shall become effective immediately after the Ex-Dividend Date for the applicable distribution.

(c) If the Parent distributes shares of Capital Stock, evidences of its indebtedness or other assets or property of the Parent to all holders of the Common Stock, excluding:

(i) dividends or distributions referred to in clause (a) or (b) above;

(ii) dividends or distributions paid exclusively in cash; and

(iii) Spin-Offs to which the provisions set forth below in this clause (c) shall apply;

then the Exchange Rate will be adjusted based on the following formula:

$$ER' = ER_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

ER_0 = the Exchange Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

ER' = the new Exchange Rate in effect immediately after the Ex-Dividend Date for such distribution;

SP_0 = the average of the Last Reported Sale Prices of the Common Stock over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the average of the Fair Market Values (as determined by the Board of Directors of the Parent) of the shares of Capital Stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of Common Stock over the 10 consecutive Trading-Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

Such adjustment shall become effective immediately after the Ex-Dividend Date for the applicable distribution.

With respect to an adjustment pursuant to this clause (c) where there has been a payment of a dividend or other distribution on the Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Parent (a "**Spin-Off**"), the Exchange Rate in effect immediately before 5:00 p.m., New York City time, on the tenth Trading

Day immediately following, and including, the effective date of the Spin-Off will be increased based on the following formula:

$$ER' = ER_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

ER_0 = the Exchange Rate in effect immediately prior to the tenth Trading Day immediately following, and including, the effective date of the Spin-Off;

ER' = the new Exchange Rate in effect immediately after the tenth Trading Day immediately following, and including, the effective date of the Spin-Off;

FMV_0 = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of Common Stock applicable to one share of Common Stock over the first 10 consecutive Trading Day period immediately following, and including, the effective date of the Spin-Off; and

MP_0 = the average of the Last Reported Sale Prices of Common Stock over the first 10 consecutive Trading Day period immediately following, and including, the effective date of the Spin-Off.

Such adjustment shall occur immediately after the tenth Trading Day immediately following, and including, the effective date of the Spin-Off provided that, for purposes of determining the Exchange Rate, in respect of any exchange during the ten Trading Days following the effective date of any Spin-Off, references within the portion of this clause (c) related to "Spin-Offs" to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed between the effective date of such Spin-Off and the relevant Exchange Date.

If any such dividend or distribution described in this clause (c) is declared but not paid or made, the new Exchange Rate shall be readjusted to be the Exchange Rate that would then be in effect if such dividend or distribution had not been declared.

(d) If any cash dividend or distribution is made to all holders of Common Stock, the Exchange Rate will be adjusted based on the following formula:

$$ER' = ER_0 \times \frac{SP_0}{SP_0 - C}$$

where,

ER_0 = the Exchange Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

ER' = the new Exchange Rate in effect immediately after the Ex-Dividend Date for such distribution;

SP_0 = the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

C = the amount in cash per share of Common Stock distributed to holders of Common Stock.

An adjustment to the Exchange Rate made pursuant to this clause (d) shall become effective immediately after the Ex-Dividend Date for the applicable dividend or distribution. If any dividend or distribution described in this clause (d) is declared but not so paid or made, the new Exchange Rate shall be readjusted to the Exchange Rate that would then be in effect if such dividend or distribution had not been declared.

(e) If the Parent or any of its Subsidiaries makes a payment in respect of a tender or exchange offer for Common Stock, to the extent that the cash and value of any other consideration included in the payment per share of Common Stock exceeds the Last Reported Sale Price of the Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Exchange Rate will be increased based on the following formula:

$$ER' = ER_0 \times \frac{AC + (SP' \times OS')}{OS_0 \times SP'}$$

where,

ER_0 = the Exchange Rate in effect at the close of business on the last Trading Day of the 10 consecutive Trading Day period commencing on the Trading Day next succeeding the date such tender or exchange offer expires;

ER' = the new Exchange Rate in effect immediately following the last Trading Day of the 10 consecutive Trading Day period commencing on the Trading Day next succeeding the date such tender or exchange offer expires;

AC = the aggregate value of all cash and any other consideration (as determined by the Parent's Board of Directors) paid or payable for shares purchased in such tender or exchange offer;

OS_0 = the number of shares of Common Stock outstanding immediately prior to the expiration of such tender or exchange offer;

OS' = the number of shares of Common Stock outstanding immediately after the expiration of such tender or exchange offer (after giving effect to the purchase or exchange of shares pursuant to such tender or exchange offer); and

SP' = the average of the Last Reported Sale Prices of Common Stock over the 10 consecutive Trading Day period commencing on the Trading Day next succeeding the date such tender or exchange offer expires.

The adjustment to the Exchange Rate under this clause (e) shall become effective immediately following the tenth Trading Day next succeeding the date such tender or exchange offer expires; *provided* that, for purposes of determining the Exchange Rate, in respect of any exchange during the ten Trading Days following the date that any tender or exchange offer expires, references within this clause (e) to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed between the date such tender or exchange offer expires and the relevant Exchange Date. If the Parent or one of its Subsidiaries is obligated to purchase Common Stock pursuant to any such tender or exchange offer but are permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the new Exchange Rate shall be readjusted to be the Exchange Rate that would be in effect if such tender or exchange offer had not been made.

(f) Without limiting the foregoing provisions of this Section 12.02, no adjustment will be made thereunder, nor shall an adjustment be made to the ability of a Holder to exchange, for any distribution described therein if the Holder will otherwise participate in the distribution without exchange of such Holder's securities as if such Holder held a number of shares of Common Stock equal to the applicable Exchange Rate, *multiplied* by the principal amount (expressed in thousands) of notes held by such holder, without having to exchange its Securities. Further, if the application of the foregoing formulas in this Section 12.02 would result in a decrease in the Exchange Rate, no adjustment to the Exchange Rate will be made (except on account of share combinations).

(g) No adjustment to the Exchange Rate will be made unless as specifically set forth in this Section 12.02 and Section 12.03. Further, in the event of an adjustment to the Exchange Rate pursuant to Section 12.02(d) or Section 12.02(e), in no event will the Exchange Rate exceed 40 shares of Common Stock per $1,000 principal amount of Securities, subject to adjustment pursuant to clauses (a), (b) or (c) above. For the avoidance of doubt, this cap on the Exchange Rate will not apply to an adjustment to the Exchange Rate pursuant to Section 12.02(a), Section 12.02(b) and Section 12.02(c).

(h) Without limiting the foregoing, no adjustment to the Exchange Rate need be made:

(i) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Parent and the investment of additional optional amounts in shares of Common Stock under any plan;

(ii) upon the issuance of any shares of Common Stock or options or rights to purchase shares of Common Stock pursuant to any present or future employee, director or consultant benefit plan or program or employee stock purchase plan of or assumed by the Parent or any of its Subsidiaries;

(iii) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right, or exercisable, convertible or exchangeable security not described in clause (ii) above and outstanding as of the Issue Date;

(iv) for a change in the par value of the Common Stock;

(v) for accrued and unpaid Interest (including any Additional Interest); or

(vi) upon the issuance of any shares of Common Stock pursuant to the warrants contemplated by the Offering Memorandum.

(i) No adjustment to the Exchange Rate will be required unless the adjustment would require an increase or decrease of at least 1% of the Exchange Rate. If the adjustment is not made because the adjustment does not change the Exchange Rate by at least 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment. All required calculations will be made to the nearest cent or 1/1000th of a share, as the case may be. Notwithstanding the foregoing, if the Securities are called for redemption, all adjustments not made on or prior to the date 30 days prior to the applicable Redemption Date will be made effective as of such date 30 days prior to such Redemption Date.

(j) Whenever the Exchange Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any Exchange Agent other than the Trustee an Officers' Certificate setting forth the Exchange Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Trust Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Exchange Rate and may assume that the last Exchange Rate

of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Exchange Rate setting forth the adjusted Exchange Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Exchange Rate to the Holder of each Security at such Holder's last address appearing on the Securities Register provided for in Section 2.05 of this Indenture within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) For purposes of this Section 12.02, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Parent but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. If the Parent pays any dividend or makes any distribution on, or issues any rights, options or warrants in respect of, shares of Common Stock held in treasury by the Company, the Parent shall not issue, transfer or convey such shares of Common Stock in a manner that would have the effect of circumventing the provisions of this Section 12.02.

(l) Whenever any provision of this Article 12 requires a calculation of an average of Last Reported Sale Prices or Daily VWAP over a span of multiple days, the Company will make appropriate adjustments (determined in good faith by the Parent's Board of Directors) to account for any adjustment to the Exchange Rate that becomes effective, or any event requiring an adjustment to the Exchange Rate where the Ex-Dividend Date of the event occurs, at any time during the period from which the average is to be calculated.

Section 12.03 . *Adjustment to Common Stock Delivered Upon Certain Fundamental Changes.* (a) If a Holder elects to exchange Securities pursuant to Section 12.01(a)(iv) above in connection with a corporate transaction described therein and the transaction (1) has an effective date occurring on or prior to December 15, 2011 and (2) constitutes a Fundamental Change, then, subject to Section 12.04 below, the Exchange Rate for such Securities shall be increased by an additional number of shares of Common Stock (the "**Additional Shares**") as described below. Any exchange will be deemed to have occurred in connection with such Fundamental Change if such Securities are surrendered for exchange at a time when the Securities would be exchangeable in light of the expected or actual occurrence of a Fundamental Change and notwithstanding the fact that a Security may then be exchangeable because another condition to exchange also has been satisfied.

(b) The number of Additional Shares will be determined by reference to the table attached as Schedule A hereto, based on the actual effective date on which the Fundamental Change occurs or becomes effective (the "**Effective Date**") and the Stock Price paid per share of Common Stock with respect to such

Fundamental Change; *provided* that if the Stock Price is between two Stock Price amounts set forth in such table or the Effective Date is between two Effective Dates in the table, the number of Additional Shares will be determined by a straight-line interpolation between the number of Additional Shares set forth for the higher and lower Stock Price amounts and the two dates, as applicable, based on a 365-day year; *provided further* that if the Stock Price is greater than $140.00 per share (subject to adjustment as set forth in clause (d) below) or less than $33.76 per share (subject to adjustment as set forth in clause (d) below), then no Additional Shares will be issued upon exchange. Notwithstanding the foregoing, the Exchange Rate shall not exceed 29.6209 per $1,000 principal amount of Securities on account of adjustments pursuant to this Section 12.03, subject to adjustments set out in Section 12.02(a) through (e).

(c) If a Holder elects to exchange the Security as described in this Section 12.03 prior to the Effective Date of any Fundamental Change, and the Fundamental Change does not occur, the Holder will not be entitled to Additional Shares in connection with such exchange.

(d) The Stock Prices set forth in the first row of the table in Schedule A hereto will be adjusted as of any date on which the Exchange Rate of the Securities is otherwise adjusted pursuant to Section 12.02. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the Exchange Rate immediately prior to such adjustment and the denominator of which is the Exchange Rate as so adjusted. The number of Additional Shares set forth in such table will be adjusted in the same manner as the Exchange Rate as set forth in Section 12.02.

(e) Settlement of Securities tendered for exchange upon a Fundamental Change, as to which the Exchange Rate will be increased by Additional Shares pursuant to this Section 12.03 shall occur as follows:

(i) if the last day of the applicable Observation Period for such Securities is prior to the third Scheduled Trading Day immediately preceding the Effective Date, the Company shall deliver shares of Common Stock or the Settlement Amount (together, in each case, with cash in lieu of fractional shares), determined in accordance with Section 12.01(d) by delivering the number of shares of Common Stock or the amount of cash and shares of Common Stock, as the case may be, based on the applicable Exchange Rate then in effect without such Additional Shares, as promptly as practicable immediately following the last day of the applicable Observation Period; *provided* that such Settlement Amount and related Daily Exchange Values shall be based on the Exchange Rate without giving effect to the Additional Shares to be added thereto as set forth in this subsection. As soon as practicable following the Effective

Date, the Company shall calculate the increase in such amount of cash and Reference Property deliverable in lieu of Common Stock, as if the applicable Exchange Rate had been increased by such number of Additional Shares during the related Observation Period (and based upon the same Daily VWAP for each Trading Day in such Observation Period). If such increased amount results in an increase to the amount of cash to be paid to Holders, the Company will pay such increase in cash, and if such increased Settlement Amount results in an increase to the number of shares of Common Stock, the Company will deliver such increase by delivering Reference Property based on such increased number of shares of Common Stock. Any shares of Common Stock to be delivered following the Effective Date shall be subject to Section 12.05 and shall be delivered in Reference Property.

(ii) If the last day of the applicable Observation Period for such Securities is on or after the third Scheduled Trading Day immediately preceding the Effective Date, the Company shall deliver the shares of Common Stock or the Settlement Amount (together, in each case, with cash in lieu of fractional shares) determined in accordance with Section 12.01(d) (such determination, for the avoidance of doubt, to include the number of Additional Shares to be added to the Exchange Rate as set forth in this subsection) on the later to occur of (x) the Effective Date and (y) as promptly as practicable following the last day of the Observation Period. Any shares of Common Stock to be delivered on or following the Effective Date shall be subject to Section 12.05 and shall be delivered in Reference Property.

In no event shall the Company pay any such increase to the Exchange Rate or to the Settlement Amount if the transaction causing the increase to the Exchange Rate pursuant to this subsection never becomes effective.

Section 12.04 . *Exchange After a Public Acquirer Change of Control.* (a) In the event of a Public Acquirer Change of Control, the Company may, in lieu of increasing the Exchange Rate by Additional Shares pursuant to Section 12.03 above and in lieu of application of Section 12.05, elect to adjust the Exchange Rate and the related Exchange Obligation such that from and after the Effective Date of such Public Acquirer Change of Control, Holders shall be entitled to exchange their Securities, subject to the conditions in Section 12.01(a) or (b), into cash and/or a number of shares of Public Acquirer Common Stock, if applicable, in accordance with procedures and elections contemplated by Section 12.01. The adjusted Exchange Rate shall be the Exchange Rate in effect immediately before the Public Acquirer Change of Control by multiplying it by a fraction:

(i) the numerator of which will be the average of the Daily VWAP of the Common Stock for the five consecutive VWAP Trading

Days prior to but excluding the Effective Date of such Public Acquirer Change of Control, and

(ii) the denominator of which will be the average of Daily VWAP of the Public Acquirer Common Stock (determined in a manner consistent with the method used with respect to the Common Stock) for the five consecutive VWAP Trading Days commencing on the VWAP Trading Day next succeeding the Effective Date of such Public Acquirer Change of Control.

(b) In order to make the election pursuant to this Section 12.04, the Parent, the Company and the issuer of the Public Acquirer Common Stock shall execute with the Trustee a supplemental indenture providing that each Security shall be exchangeable into Public Acquirer Common Stock and execute an amendment to the Registration Rights Agreement (to the extent any Registrable Securities (as defined therein) remain outstanding) to make the provisions thereof apply to the Public Acquirer Common Stock. Such supplemental indenture shall provide for provisions and adjustments which shall be as nearly equivalent as may be practicable to the provisions and adjustments provided for in this Article 12 as determined in good faith by the Board of Directors of the Parent or such issuer (which shall be conclusive).

(c) At least 35 Scheduled Trading Days prior to the expected Effective Date of a Fundamental Change that is also a Public Acquirer Change of Control, the Company will provide a notice to all Holders, the Trustee and the Paying Agent stating whether the Company (i) elects to adjust the Exchange Rate and the related Exchange Obligation as set forth in this Section 12.04 or (ii) does not elect to so adjust the Exchange Rate and the related Exchange Obligation, in which case the Holders will have the right to exchange Securities and, if applicable, receive Additional Shares as set forth in Section 12.03. In addition, upon a Public Acquirer Change of Control, in lieu of exchanging the Securities, the Holders can, subject to the conditions set forth therein, require the Company to repurchase all or a portion of the Securities pursuant to Section 11.02.

Section 12.05 . *Effect of Recapitalizations, Reclassifications, and Changes of Common Stock.* (a) Except as otherwise provided in Section 12.04, if any of the following events occur: (i) any recapitalization, reclassification or change of the outstanding shares of Common Stock (other than a subdivision or combination to which Section 12.02(a) applies), (ii) any consolidation, merger, binding share exchange or combination of the Parent with another Person, or (iii) any sale or conveyance to another Person of all or substantially all of the property and assets of the Parent and its Subsidiaries, in each case as a result of which Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event or transaction, a "**Reorganization Event**"), then, following the effective time of the

Reorganization Event, the right to receive shares of Common Stock upon exchange of Securities, if any, will be changed into a right to receive the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) (the "**Reference Property**") that a Holder of a like number of shares of Common Stock immediately prior to such Reorganization Event would have been entitled to receive upon such Reorganization Event. If the Reorganization Event causes Common Stock to be exchanged into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the Reference Property will be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Stock that affirmatively make such an election. The Company will notify Holders of the weighted average as soon as practicable after such determination is made. Upon such Reorganization Event, the Parent or any Successor Company will enter into a supplemental indenture consistent with the foregoing. Such supplemental indenture shall provide for provisions and adjustments which shall be as nearly equivalent as may be practicable to the provisions and adjustments provided for in this Article 12, Article 10 and Article 11 and the definition of Fundamental Change, as appropriate, as determined in good faith by the Company (which determination shall be conclusive and binding), to make such provisions apply to such other Person if different from the original issuer of the Securities.

(b) Following the effective time of any such Reorganization Event, settlement of Securities exchanged shall be in units of Reference Property or cash and units of Reference Property, if applicable, determined in accordance with Section 12.01(d)(i) and Section 12.01(d)(ii) above based on the Daily Exchange Value and Daily VWAP of such Reference Property. For the purposes of determining such Daily Exchange Value and Daily VWAP, (i) if the Reference Property includes securities for which the price can be determined in a manner contemplated by the definition of Daily VWAP, then the value of such securities shall be determined in accordance with the principles set forth in such definition, as determined in good faith by the Company (which determination shall be conclusive and binding); (ii) if the Reference Property includes other property (other than securities as to which clause (i) applies or cash), then the value of such property shall be the Fair Market Value of such property as determined by the Parent's Board of Directors in good faith; and (iii) if the Reference Property includes cash, then the value of such cash shall be the amount thereof.

(c) Any issuer of securities included in the Reference Property shall execute an amendment to the Registration Rights Agreement (to the extent any Registrable Securities (as defined therein) remain outstanding) to make the provisions thereof applicable to such securities included in the Applicable Consideration.

(d) The Company shall cause notice of the execution of any supplemental indenture required by this Section 12.05 to be mailed to each Holder, at its address appearing on the Securities Register provided for in Section 2.05 of this Indenture, within 20 calendar days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

(e) The above provisions of this Section 12.05 shall similarly apply to successive Reorganization Events.

(f) If this Section 12.05 applies to any event or occurrence, Section 12.02 shall not apply in respect of such event or occurrence.

(g) The Parent shall not become a party to any Reorganization Event unless its terms are consistent with the foregoing. None of the foregoing provisions shall affect the right of a Holder of Securities to exchange the Securities as set forth in Section 12.01 prior to the effective time of such Reorganization Event.

Section 12.06 . *Responsibility of Trustee.* The Trustee and any other Exchange Agent shall not at any time be under any duty or responsibility to the Company or any Holder of Securities to determine when the Securities become exchangeable, the Exchange Rate, or whether any facts exist which may require any adjustment of the Exchange Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Trustee and any other Exchange Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the exchange of any Security; and the Trustee and any other Exchange Agent make no representations with respect thereto. Neither the Trustee nor any Exchange Agent shall be responsible for any failure of the Parent or the Company to issue, transfer or deliver any cash or shares of Common Stock or stock certificates or other securities or property upon the surrender of any Security for the purpose of exchange or to comply with any of the duties, responsibilities or covenants of the Parent or the Company contained in this Article 12. Without limiting the generality of the foregoing, neither the Trustee nor any Exchange Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 12.05 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the exchange of their Securities after any Reorganization Event or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 8.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, an Officers' Certificate with respect thereto.

Section 12.07 . *Stockholder Rights Plan.* To the extent that the Parent has a rights plan in effect upon exchange of the Securities into Common Stock, the Holder will receive upon exchange of the Securities in respect of which the Company has elected to deliver Common Stock, if applicable, the rights under the rights plan, unless prior to any exchange, the rights have separated from the Common Stock, in which case, and only in such case, the Exchange Rate will be adjusted at the time of separation as if the Parent distributed to all holders of Common Stock shares of the Parent's Capital Stock, evidences of indebtedness or assets as described in Section 12.02(c) above, subject to readjustment in the event of the expiration, termination or redemption of such rights. In lieu of any such adjustment, the Parent may amend such applicable stockholder rights agreement to provide that upon exchange of the Securities the Holders will receive, in addition to the Common Stock issuable upon such exchange, the rights which would have attached to such Common Stock if the rights had not become separated from the Common Stock under such applicable stockholder rights agreement.

Section 12.08 . *No Stockholder Rights.* For the avoidance of doubt, Holders of Securities will not have any rights as holders of Common Stock (including voting rights and rights to receive any dividends or other distributions on the Common Stock) if and until the Securities are exchanged into shares of Common Stock.

Section 12.09 . *Withholding Taxes for Adjustments in Conversation Rate.* If the Company pays withholding taxes on behalf of a Holder as a result of an adjustment to the Exchange Rate, the Company may, at its option, set off such payments against payments of cash and shares of Common Stock on the Securities.

ARTICLE 13
GUARANTEES

Section 13.01 . *Guarantee.* (a) Subject to this Article 13, each of the Guarantors hereby, jointly and severally, unconditionally guarantees (a "**Guarantee**") to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Securities or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, and interest on, the Securities will be promptly paid in full when due, whether at Stated Maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, and interest on, the Securities, if any, if lawful, and all other

obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed, for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof; the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Guarantee will not be discharged except by complete performance of the obligations contained in the Securities and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(d) Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 7 hereof for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided in Article 7 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Guarantee. The

Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

Section 13.02 . *Limitation on Guarantor Liability.* Each Guarantor, and by its acceptance of Securities, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Subsidiary Guarantors hereby irrevocably agree that the obligations of such Subsidiary Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Subsidiary Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 13, result in the obligations of such Subsidiary Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance.

Section 13.03 . *Execution and Delivery of Guarantee.* To evidence its Guarantee set forth in Section 13.01 hereof, each Guarantor hereby agrees that a notation of such Guarantee substantially in the form attached as Exhibit B hereto will be endorsed by an Officer of such Guarantor on each Security authenticated and delivered by the Trustee and that either this Indenture or a supplemental indenture substantially in the form attached as Exhibit C will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Guarantee set forth in Section 13.01 hereof will remain in full force and effect notwithstanding any failure to endorse on each Security a notation of such Guarantee.

If an Officer whose signature is on this Indenture or on the Guarantee no longer holds that office at the time the Trustee authenticates the Security on which a notation of Guarantee is endorsed, the Guarantee will be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that any of the Company’s Subsidiaries (including a Foreign Subsidiary) that is not already a Guarantor guarantees any indebtedness of the Parent, the Company or a Domestic Subsidiary after the date of this Indenture, the

Company will cause such Subsidiary to comply with the provisions of Section 3.09 hereof and this Article 13, to the extent applicable.

Section 13.04 . *Subsidiary Guarantors May Not Consolidate, etc., Except on Certain Terms.* No Subsidiary Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless (a) immediately after giving effect to such transaction, no Default or Event of Default exists, (b) in the case of such consolidation, merger, sale or disposition with or to the Company or the Parent, the conditions in Section 4.01 are satisfied, and, unless such Subsidiary Guarantor's Guarantee is subject to release under Section 13.05, (c) the Person acquiring the assets in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Subsidiary Guarantor under this Indenture and its Guarantee pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, on the terms set forth herein or therein.

In case of any such consolidation, merger, sale or disposition and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the notation of Guarantee endorsed upon the Securities and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person will succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the notation of Guarantees to be endorsed upon all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued will in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

Section 13.05 . *Releases.* Each Subsidiary Guarantor shall be released from its obligations under its Guarantee and this Indenture:

(a) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Parent, the Company or a Subsidiary thereof, provided that any such release shall occur only to the extent that all obligations of such Subsidiary Guarantor under all of its guarantees of, and under all of its pledges of assets or other security interests which secure any indebtedness of the Company or the indebtedness of any of the other Subsidiary Guarantors shall also terminate upon such release, sale or transfer;

(b) in connection with any sale of all the Capital Stock of the relevant Subsidiary Guarantor, in accordance with the provisions of this Indenture;

(c) upon the release of its guarantee of all other indebtedness of the Parent, the Company or any of its Domestic Subsidiaries; or

(d) upon satisfaction and discharge of this Indenture in accordance with Section 9.01.

At the Company's request and expense, the Trustee shall promptly execute and deliver an appropriate instrument evidencing such release upon receipt of a request by the Company accompanied by an Officers' Certificate certifying as to the compliance with this Section 13.05. Any Subsidiary Guarantor not released from its obligations under its Guarantee as provided in this Section 13.05 will remain liable for the full amount of principal of, and interest on, the Securities and for the other obligations of any Guarantor under this Indenture as provided in this Article 13.

ARTICLE 14
MISCELLANEOUS

Section 14.01 . *Trust Indenture Act Controls.* If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the provision required by the TIA shall control.

Section 14.02 . *Notices.* Any notice or communication shall be in writing in the English language (including telecopy or e-mail promptly confirmed in writing) and delivered in person or mailed by first-class mail addressed as follows:

if to the Company, the Parent and/or any Subsidiary Guarantor:

SESI, L.L.C.
c/o Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 70058
Attention: Chief Financial Officer
Fax: (504) 365-9624

if to the Trustee:

The Bank of New York Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Services
Fax.: (904) 645-1931

The Company, the Parent, any Subsidiary Guarantor or the Trustee by notice to the other may designate additional or different addresses (including e-mail addresses) for subsequent notices or communications.

Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the Securities Register and shall be sufficiently given if so mailed within the time prescribed; *provided* that notices given to Holders holding Securities in book-entry form may be given through facilities of DTC or any successor depositary.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee shall be effective only upon receipt.

Section 14.03 . *Communication by Holders with other Holders.* Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

Section 14.04 . *Certificate and Opinion as to Conditions Precedent.* Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 14.05 . *Statements Required in Certificate or Opinion.* Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officers' Certificate or on certificates of public officials.

Section 14.06 . *When Securities Are Disregarded.* In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Parent or by any Affiliate of the Parent shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which a Trust Officer of the Trustee actually knows are so owned shall be so disregarded. Also, subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

Section 14.07 . *Rules by Trustee, Paying Agent and Registrar.* The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 14.08 . *Legal Holidays.* A "**Legal Holiday**" is a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York, New York. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest or Additional Interest, if any, shall accrue for the intervening period. If a Regular Record Date is a Legal Holiday, the record date shall not be affected.

Section 14.09 . *Governing Law.* THIS INDENTURE, THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 14.10 . *No Recourse Against Others.* An incorporator, director, officer, manager, employee, member, partner or stockholder of the Company or a Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Securities, this Indenture, the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder shall waive and release all such liability*; provided*, *however*, the parties acknowledge that such waiver may not be effective to waive liability under federal securities laws. The waiver and release shall be part of the consideration for the issue of the Securities.

Section 14.11 . *Successors.* All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind its successors, except as otherwise provided in Section 13.05.

Section 14.12 . *Multiple Originals.* The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 14.13 . *Qualification of Indenture.* The Company shall qualify this Indenture under the TIA in accordance with the terms and conditions of the Registration Rights Agreement and shall pay all reasonable costs and expenses (including attorneys' fees and expenses for the Company, the Trustee and the Holders) incurred in connection therewith, including, but not limited to, costs and expenses of qualification of this Indenture and the Securities and the printing of this Indenture and the Securities.

Section 14.14 . *Table of Contents; Headings.* The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 14.15 . *Severability Clause.* In case any provision in this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

Section 14.16 . *Calculations.* Except as otherwise provided herein, the Company will be responsible for making all calculations called for under this Indenture and the Securities. The Company will make all such calculations in good faith and, absent manifest error, its calculations will be final and binding on

Holders. The Company upon request will provide a schedule of its calculations to each of the Trustee and the Exchange Agent, and each of the Trustee and Exchange Agent is entitled to rely conclusively upon the accuracy of the Company's calculations without independent verification. The Trustee will deliver a copy of such schedule to any Holder upon the request of such Holder.

[Remainder of the page intentionally left blank]

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

SESI, L.L.C.

By: Superior Energy Services, Inc.,
its Sole Member

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Officer

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Officer

SUBSIDIARY GUARANTORS:

1105 PETERS ROAD, L.L.C.
BLOWOUT TOOLS, INC.
CONCENTRIC PIPE AND TOOL RENTALS, L.L.C.
CONNECTION TECHNOLOGY, L.L.C.
CSI TECHNOLOGIES, LLC
DRILLING LOGISTICS, L.L.C.
F. & F. WIRELINE SERVICE, L.L.C.
FASTORQ, L.L.C.
H.B. RENTALS, L.C.
INTERNATIONAL SNUBBING SERVICES, L.L.C.
J.R.B. CONSULTANTS, INC.
NON-MAGNETIC RENTAL TOOLS, L.L.C.
PROACTIVE COMPLIANCE, L.L.C.
PRODUCTION MANAGEMENT INDUSTRIES, L.L.C.
SEGEN LLC
SELIM LLC
SEMO, L.L.C.
SEMSE, L.L.C.
SPN RESOURCES, LLC
STABIL DRILL SPECIALTIES, L.L.C.
SUB-SURFACE TOOLS, L.L.C.
SUPERIOR CANADA HOLDING, INC.
SUPERIOR ENERGY SERVICES, L.L.C.
SUPERIOR INSPECTION SERVICES, INC.
UNIVERSAL FISHING AND RENTAL TOOLS, INC.
WILD WELL CONTROL, INC.
WORKSTRINGS, L.L.C.

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

SE FINANCE LP.

By: SEGEN, LLC,
its general partner

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: /s/ Christie Leppert
Name: Christie Leppert
Title: Assistant Vice President

SCHEDULE A

The following table sets forth the number of Additional Shares to be received per $1,000 principal amount of Securities pursuant to Section 12.03 of this Indenture:

Stock Price

Effective Date	$ 33.76	$ 40.00	$ 45.00	$ 50.00	$ 55.00	$ 60.00	$ 70.00	$ 80.00	$ 90.00	$100.00	$110.00	$120.00	$130.00	$140.00
December 12, 2006	7.6795	5.3908	4.1618	3.2711	2.6104	2.1102	1.4238	0.9938	0.7117	0.5199	0.3867	0.2877	0.2161	0.1615
December 15, 2007	7.6795	5.3194	4.0237	3.0976	2.4214	1.9179	1.2443	0.8375	0.5803	0.4114	0.2984	0.2159	0.1582	0.1149
December 15, 2008	7.6795	5.1070	3.7477	2.7945	2.1135	1.6188	0.9825	0.6210	0.4067	0.2748	0.1924	0.1336	0.0947	0.0662
December 15, 2009	7.6795	4.7750	3.3425	2.3690	1.6959	1.2221	0.6321	0.2676	0.1915	0.1302	0.0921	0.0635	0.0444	0.0300
December 15, 2010	7.6795	4.1931	2.6460	1.6720	1.0619	0.6793	0.2811	0.0898	0.0576	0.0359	0.0242	0.0163	0.0108	0.0064
December 15, 2011	7.6795	3.0586	0.2808	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

EXHIBIT A

[FORM OF FACE OF SECURITY]

[Restricted Securities Legend, if applicable]
[Global Security Legend, if applicable]

No. [___] Principal Amount $[_____], as revised by the Schedule of Increases and Decreases in Global Security attached hereto.

CUSIP NO.: [ ]
ISIN: [ ]

1.50% Senior Exchangeable Notes due 2026

SESI, L.L.C., a Delaware limited liability company, promises to pay to [_____], or registered assigns, the principal sum of [_____] Dollars, as revised by the Schedule of Increases and Decreases in Global Security attached hereto, on December 15, 2026.

Interest Payment Dates: June 15 and December 15, commencing June 15, 2007
Regular Record Dates: June 1 and December 1

Additional provisions of this Security are set forth on the attached "Terms of Securities."

Dated: [_____]

SESI, L.L.C.

By: Superior Energy Services, Inc.,
its Sole Member

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK TRUST COMPANY, N.A.
as Trustee, certifies that this is one of the Securities referred to in the Indenture.

By: _____
Authorized Signatory

TERMS OF SECURITIES

1.50% Senior Exchangeable Notes due 2026

The Company issued this Security under an Indenture dated as of December 12, 2006 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "**Indenture**"), among the Company, the guarantors party thereto and the Trustee, to which reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders. Additional Securities may be issued under the Indenture in an unlimited aggregate principal amount subject to certain conditions specified in the Indenture.

1. Interest

SESI, L.L.C., a Delaware limited liability company (together with its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Security at the rate of 1.5% per annum until (but excluding) December 15, 2011, reducing to a rate of 1.25% per annum beginning on such date and thereafter.

The Company will pay interest semiannually in arrears on June 15 and December 15 of each year (each, an "**Interest Payment Date**"), commencing June 15, 2007, to Holders of record as of the relevant Regular Record Date. Interest on the Securities will accrue from the most recent date to which interest has been paid on the Securities or, if no interest has been paid, from December 12, 2006. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

By no later than 11:00 a.m. (New York City time) on the date on which any principal of, or interest (including any Additional Interest) on, any Security is due and payable, the Company shall deposit with the Paying Agent money sufficient to pay such amount. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Securities represented by a Global Security (including principal and interest (including any Additional Interest)) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will pay principal of Definitive Securities at the office or agency designated by the Company for such purpose. Interest (including any Additional Interest), on Definitive Securities will be payable (i) to Holders having an aggregate principal amount of $5,000,000 or less, by check mailed to the Holders of these Securities

and (ii) to Holders having an aggregate principal amount of more than $5,000,000, either by check mailed to each Holder or, upon application by a Holder to the Registrar not later than the relevant record date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Registrar to the contrary.

3. Redemption

No sinking fund is provided for the Securities. Subject to certain conditions specified in the Indenture, the Securities will be redeemable, at the option of the Company, in whole or in part at any time and from time to time, on or after December 15, 2011, at a Redemption Price specified in the Indenture.

In the event that the Redemption Date occurs after a Regular Record Date for the payment of interest and on or prior to the related Interest Payment Date, the Redemption Price for any such Securities to be redeemed shall be 100% of the principal amount of such Securities, and accrued and unpaid interest (including any Additional Interest) shall be paid to the Holder on such Regular Record Date.

4. Purchase by the Company at the Option of the Holder; Purchase at the Option of the Holder Upon a Fundamental Change

(a) Subject to the terms and conditions of the Indenture, a Holder shall have the option to require the Company to purchase all or a portion of its Securities held by such Holder on each of December 15, 2011, December 15, 2016 and December 15, 2021 at a Purchase Price specified in the Indenture.

(b) If a Fundamental Change shall occur at any time, each Holder shall have the right, at such Holder's option and subject to the terms and conditions of the Indenture, to require the Company to purchase all or a portion of its Securities at a Fundamental Change Purchase Price specified in the Indenture.

5. Exchange

Subject to the conditions and procedures set forth in the Indenture, and during the periods specified in the Indenture, a Holder may exchange Securities, on or prior to the close of business on the second Business Day immediately preceding Stated Maturity.

The initial Exchange Rate is 21.9414 shares of Common Stock per $1,000 principal amount of Securities, subject to adjustment in certain events described in the Indenture. Upon exchange, the Company will either (i) deliver shares of Common Stock based on the Exchange Rate or (ii) pay cash and shares of Common Stock, if any, based on a Daily Exchange Value calculated on a

proportionate basis for each day of the 25-day Observation Period, as set forth in the Indenture. The Company shall deliver cash in lieu of any fractional share of Common Stock.

A Holder may exchange a portion of the Securities only if the principal amount of such portion is $1,000 or a multiple of $1,000. No payment or adjustment shall be made for dividends on the Common Stock except as provided in the Indenture.

6. Denominations; Transfer; Exchange

The Securities are in registered form without coupons in denominations of principal amount of $1,000 and multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of Securities (i) so selected for redemption or, if a portion of any Security is selected for redemption, the portion thereof selected for redemption; (ii) surrendered for exchange or, if a portion of any Security is surrendered for exchange, the portion thereof surrendered for exchange; or (iii) in certificated form for a period of 15 days prior to mailing a notice of redemption under Article 6 of the Indenture.

7. Persons Deemed Owners

The registered Holder of this Security may be treated as the owner of it for all purposes.

8. Unclaimed Money

If money for the payment of principal or interest (including any Additional Interest) remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company, subject to applicable abandoned property laws. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

9. Amendment, Waiver

Subject to certain exceptions, the Indenture contains provisions permitting an amendment of the Indenture, the Guarantees or the Securities with the written consent of the Holders of at least a majority in principal amount of the then outstanding Securities and the waiver of any Event of Default (other than with respect to nonpayment or in respect of a provision that cannot be amended without the written consent of each Holder affected) or noncompliance with any

provision with the written consent of the Holders of a majority in principal amount of the then outstanding Securities.

In addition, the Indenture permits an amendment of the Indenture, the Guarantees or the Securities without the consent of any Holder under certain circumstances specified in the Indenture.

10. Defaults and Remedies

Subject to the following paragraph, if an Event of Default specified in the Indenture occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Securities may declare all the Securities by notice to the Company to be due and payable immediately. In addition, certain specified Events of Default will cause the Securities to become immediately due and payable without further action by the Holders.

The sole remedy for an Event of Default relating to the Parent's failure to comply with the reporting obligations under Article 5 of the Indenture, and for any failure to comply with the requirements of Section 314(a)(1) of the TIA, will for the 365 days after the occurrence of such an Event of Default consist exclusively of the right to receive Additional Interest on the principal amount of the Securities at a rate equal to 0.50% per annum.

Holders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest (including any Additional Interest)) if it determines that withholding notice is in their interest.

11. Trustee Dealings with the Company

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

12. No Recourse Against Others

An incorporator, director, officer, manager, employee, member, partner, organizer or stockholder of the Company or a Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any

Guarantor under the Securities, the Indenture, the Guarantees or for any claim in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

13. Authentication

This Security shall not be valid until an authorized signatory of the Trustee manually authenticates this Security.

14. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

15. CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

16. Governing Law

This Security, the Indenture and the Guarantees shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Security. Requests may be made to:

SESI, L.L.C.
c/o Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana 77058
Attention: Chief Financial Officer
Fax: (504) 365-9624

ASSIGNMENT FORM

To assign this Security, fill in the form below:
I or we assign and transfer this Security to

_____
(Print or type assignee's name, address and zip code)

_____
(Insert assignee's soc. sec. or tax I.D. No.)
and irrevocably appoint _____ agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date:_____ Your Signature:_____

Signature Guarantee: _____
(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Security.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program, pursuant to S.E.C. Rule 17Ad-15.

In connection with any transfer or exchange of any of the Securities evidenced by this certificate occurring prior to the date that is two years after the later of the date of original issuance of such Securities and the last date, if any, on which such Securities were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Securities are being:

CHECK ONE BOX BELOW:

o 1 acquired for the undersigned's own account, without transfer; or

o 2 transferred to the Company; or

o 3 transferred pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); or

o 4 transferred pursuant to and in compliance with Rule 144A under the Securities Act; or

o 5 transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any Person other than the

registered Holder thereof; *provided, however,* that if box (5) is checked, the Trustee or the Company may require, prior to registering any such transfer of the Securities, in their sole discretion, such legal opinions, certifications and other information as the Trustee or the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature:

Signature Guarantee:

(Signature must be guaranteed)

Signature:

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program, pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Security have been made:

Date	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian

FORM OF EXCHANGE NOTICE

To: SESI, L.L.C.

The undersigned registered Holder of this Security hereby exercises the option to exchange this Security, or portion hereof (which is $1,000 principal amount or a multiple thereof) designated below in accordance with the terms of the Indenture referred to in this Security, and directs that cash, and the shares of Common Stock of Superior Energy Services, Inc., if any, issuable and deliverable upon such exchange, and any Securities representing any unexchanged principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. If cash, shares or any portion of this Security not exchanged are to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

This notice shall be deemed to be an irrevocable exercise of the option to exchange this Security.

Dated:

_____

_____

Signature(s)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program, pursuant to S.E.C. Rule 17Ad-15.

_____

Signature Guarantee

Fill in for registration of shares if to be delivered, and Securities if to be issued other than to and in the name of registered holder:

_____

(Name)

Principal amount to be exchanged (if less than all):
$_____,000

_____

(Street Address)

_____

(City state and zip code)
Please print name and address

_____

Social Security or Other Taxpayer Number

FORM OF FUNDAMENTAL CHANGE PURCHASE NOTICE

To: SESI, L.L.C.

The undersigned registered Holder of this Security hereby acknowledges receipt of a notice from SESI, L.L.C. (the "**Company**") as to the occurrence of a Fundamental Change and requests and instructs the Company to repurchase this Security, or the portion hereof (which is $1,000 principal amount or a multiple thereof) designated below, in accordance with the terms of the Indenture referred to in this Security and directs that the check in payment for this Security or the portion thereof and any Securities representing any unrepurchased principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. If any portion of this Security not repurchased is to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

Dated:

Signature(s)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program, pursuant to S.E.C. Rule 17Ad-15.

Signature Guarantee

Fill in if a check is to be issued, or Securities are to be issued, other than to and in the name of registered Holder:

(Name)

Principal amount to be purchased (if less than all): $_____,000

(Street Address)

(City state and zip code)
Please print name and address

Social Security or Other Taxpayer Number

FORM OF PURCHASE NOTICE

To: SESI, L.L.C.

The undersigned registered Holder of this Security hereby acknowledges receipt of a notice from SESI, L.L.C. (the "**Company**") as to the Holder's option to require the Company to repurchase this Security and requests and instructs the Company to repurchase this Security, or the portion hereof (which is $1,000 principal amount or a multiple thereof) designated below, in accordance with the terms of the Indenture referred to in this Security and directs that the check in payment for this Security or the portion thereof and any Securities representing any unrepurchased principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. If any portion of this Security not repurchased is to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

Dated:

Signature(s)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program, pursuant to S.E.C. Rule 17Ad-15.

Signature Guarantee

Fill in if a check is to be issued, or Securities are to be issued, other than to and in the name of registered Holder:

(Name)

Principal amount to be purchased
(if less than all): $_____,000

(Street Address)

(City state and zip code)
Please print name and address

Social Security or Other Taxpayer Number

EXHIBIT B

FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth and subject to the provisions in the Indenture (the "**Indenture**"), dated as of December 12, 2006, among SESI, L.L.C. (the "**Company**"), the guarantors party thereto and The Bank of New York Trust Company, N.A., as trustee (the "**Trustee**"), (a) the due and punctual payment of the principal of, and interest (including Additional Interest, if any) on, the Securities, whether at Stated Maturity, by acceleration, redemption or otherwise, and the due and punctual payment of interest on overdue principal of, and interest (including Additional Interest) on, the Securities, if any, if lawful, and (b) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, that the same will be promptly paid in full when due, whether at Stated Maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Securities and to the Trustee pursuant to the Guarantee and the Indenture are expressly set forth in Article 13 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee. Each Holder of a Security, by accepting the same, (a) agrees to and shall be bound by such provisions and (b) appoints the Trustee attorney-in-fact of such Holder for such purpose.

Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

[Signature Page Follows]

[NAME OF GUARANTOR(S)]

By: _____
Name:
Title:

EXHIBIT C

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**"), dated as of , 200 , among (the "**Guaranteeing Subsidiary**"), a subsidiary of SESI, L.L.C. (or its permitted successor), a Delaware limited liability company (the "**Company**"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and The Bank of New York Trust Company, N.A., as trustee under the Indenture referred to below (the "**Trustee**").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of December 12, 2006 (the "**Indenture**"), providing for the issuance of 1.50% Senior Exchangeable Notes due 2026 (the "**Securities**");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Securities and the Indenture on the terms and conditions set forth herein (the "**Guarantee**"); and

WHEREAS, pursuant to Section 3.09 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

1. *Capitalized Terms*. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. *Agreement to Guarantee*. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Guarantee and in the Indenture including but not limited to Article 13 thereof.

3. *No Recourse Against Others*. No past, present or future director, officer, manager, employee, incorporator, member, partner, organizer, stockholder

or agent of the Guaranteeing Subsidiary (other than the Company or a Guarantor in its capacity as a stockholder of a Subsidiary), as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Securities, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder of the Securities by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

4. *New York Law to Govern*. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

5. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. *Effect of Headings*. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. *The Trustee*. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: , 20

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

SESI, L.L.C.

By: Superior Energy Services Inc.,
its Sole Member

By: _____
Name:
Title:

[EXISTING GUARANTORS]

By: _____
Name:
Title:

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Signatory

EXHIBIT 10.1

EXECUTION COPY

$350,000,000

SESI, L.L.C.

1.5% Senior Exchangeable Notes due 2026

unconditionally guaranteed as to the payment of principal, premium, if any, and interest by

Superior Energy Services, Inc.
1105 Peters Road, L.L.C.
Blowout Tools, Inc.
Concentric Pipe and Tool Rentals, L.L.C.
Connection Technology, L.L.C.
CSI Technologies, LLC
Drilling Logistics, L.L.C.
F. & F. Wireline Service, L.L.C.
Fastorq, L.L.C.
H.B. Rentals, L.C.
International Snubbing Services, L.L.C.
J.R.B. Consultants, Inc.
Non-Magnetic Rental Tools, L.L.C.
ProActive Compliance, L.L.C.
Production Management Industries, L.L.C.
SE Finance LP
SEGEN LLC
SELIM LLC
SEMO, L.L.C.
SEMSE, L.L.C.
SPN Resources, LLC
Stabil Drill Specialties, L.L.C.
Sub-Surface Tools, L.L.C.
Superior Canada Holding, Inc.
Superior Energy Services, L.L.C.
Superior Inspection Services, Inc.
Universal Fishing and Rental Tools, Inc.
Wild Well Control, Inc.
Workstrings, L.L.C.

December 7, 2006

BEAR, STEARNS & CO. INC.
LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.
c/o Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179

Ladies and Gentlemen:

SESI, L.L.C., a Delaware limited liability company (the "**Company**"), proposes to issue and sell to the initial purchasers listed on Schedule I hereto (the "**Initial Purchasers**") for whom you are acting as representatives, $350,000,000 principal amount of its 1.5% Senior Exchangeable Notes due 2026 (the "**Firm Securities**") to be issued pursuant to the provisions of an Indenture dated as of December 12, 2006 (the "**Indenture**") between the Company, Superior Energy Services, Inc. a Delaware corporation and the parent of the Company ("**Superior Energy**"), each of the subsidiaries of SESI that are parties to the Indenture (collectively, the "**Guarantors**") and The Bank of New York Trust Company, N.A., as Trustee (the "**Trustee**"). The Company also proposes to issue and sell to the Initial Purchasers not more than an additional $50,000,000 principal amount of its 1.5% Senior Exchangeable Notes due 2026 (the "**Additional Securities**", and together with the Firm Securities and the Guarantees (defined below), the "**Securities**") if and to the extent that the Initial Purchasers shall have determined to exercise the right to purchase such Additional Securities granted to the Initial Purchasers in Section 1 hereof. The Securities will be fully and unconditionally guaranteed (the "**Guarantees**") as to payment of principal, premium, if any, and interest, if any, on an unsecured senior basis, jointly and severally, by Superior Energy and the Guarantors. The Securities will be in certain circumstances exchangeable for shares (the "**Underlying Securities**") of common stock of Superior Energy, par value $0.001 per share (the "**Common Stock**"). In connection with the offering of the Securities, (i) the Company is entering into Common Stock call option transactions with Bear, Stearns International Limited and Lehman Brothers OTC Derivatives Inc. pursuant to the confirmation letters dated December 7, 2006 (the "**Hedge Transaction**") and (ii) Superior Energy is entering into warrant transactions with Bear, Stearns International Limited and Lehman Brothers OTC Derivatives Inc. pursuant to the confirmation letters dated December 7, 2006 (the "**Warrant Transaction**" and together with the Hedge Transaction, the "**Hedge and Warrant Transaction Documentation**").

The Securities and the Underlying Securities will be offered without being registered under the Securities Act of 1933, as amended (together with the rules and regulations promulgated there under, the "**Securities Act**"), only to "qualified institutional buyers" (as defined in the Securities Act) in compliance with the exemption from registration provided by Rule 144A under the Securities Act.

Each Initial Purchaser and its direct and indirect transferees will be entitled to the benefits of a Registration Rights Agreement dated as of the Closing Date (as defined below) among the Company, Superior Energy, the Guarantors and the Initial Purchasers (the "**Registration Rights Agreement**").

In connection with the sale of the Securities, the Company and Superior Energy have prepared a preliminary offering memorandum (including the documents incorporated by reference therein, the "**Preliminary Memorandum**") and will prepare a final offering memorandum (including the documents incorporated by reference therein, the "**Final Memorandum**" and, together with the Preliminary Memorandum, the "**Offering Memorandum**") for the information of the Initial Purchasers and for delivery to prospective purchasers of the Securities. The time when sales of Securities are first made or confirmed by the Initial Purchasers to qualified institutional buyers is referred to as the "**Time of Sale**," and the Preliminary Memorandum, together with the other information referenced on Schedule II hereto, is referred to as the "**Time of Sale Information**."

The Company, Superior Energy, and each of the Guarantors, jointly and severally hereby agree with the Initial Purchasers as follows:

1. *Agreements to Sell and Purchase*. The Company agrees to issue and sell the Firm Securities to the several Initial Purchasers as hereinafter provided, and each Initial Purchaser, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to purchase severally and not jointly, from the Company the Firm Securities at a purchase price of 97.5% of the principal amount thereof (the "**Purchase Price**"), in the respective principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule I hereto plus accrued interest, if any, from December 12, 2006, to the date of payment and delivery.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Initial Purchasers the Additional Securities, and the Initial Purchasers shall have the right to purchase in whole, or from time to time in part, up to $50,000,000 principal amount of Additional Securities at the Purchase Price plus accrued interest, if any, from the Closing Date to the date of payment and delivery. If you on behalf of the Initial Purchasers exercise such option, you shall so notify the Company in writing not later than 30 days after the date of this Agreement, which notice shall specify the principal amount of Additional Securities to be purchased by the Initial Purchasers and the date on which such Additional Securities are to be purchased; *provided*, *however*, that the Initial Purchasers may not exercise their option to purchase Additional Securities in whole or in part such that the delivery of any Additional Securities occurs more than 12 calendar days after the delivery of the Firm Securities, unless: (i) neither the Firm Securities nor the Additional Securities are treated as having been issued with more than a de minimis amount of original issue discount for U.S. federal income tax purposes (as defined in Section 1273 of the Code and the Treasury regulations promulgated thereunder), or (ii) the Firm Securities are publicly traded (within the meaning of Treasury Regulation Section 1.1273-2(f)) and either (a) the Additional

Securities are treated as having been issued with no more than a de minimis amount of original issue discount for U.S. federal income tax purposes (determined without the application of Treasury Regulation Section 1.1275-2(k)) or (b) on the Pricing Date (as defined below), the yield of the Firm Securities (based on their then fair market value) is not more than 110% of the yield of such Firm Securities on their issue date as defined in Treasury Regulation Section 1.1273-2(a)(2) (or 110% of the coupon rate, if the Firm Securities are treated as having been issued with no more than a de minimis amount of original issue discount for U.S. federal income tax purposes). The "**Pricing Date**" shall mean the earlier of (i) the date on which the price of the Additional Securities is established and (ii) the later of (A) seven calendar days before the date on which the price of the Additional Securities is established and (B) the date on which the Company's intention to issue the Additional Securities is publicly announced through one or more media. Such date may be the same as the Closing Date but not earlier than the Closing Date nor later than ten business days after the date of such notice.

The Company, Superior Energy and the Guarantors acknowledge and agree that the Initial Purchasers are acting solely in the capacity of an arm's length contractual counterparty to the Company, Superior Energy and the Guarantors with respect to the offering of Securities and the Underlying Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company, Superior Energy and the Guarantors or any other person. Additionally, no Initial Purchaser is advising the Company, Superior Energy or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company, Superior Energy and the Guarantors shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and the Initial Purchasers shall have no responsibility or liability to the Company, Superior Energy or the Guarantors with respect thereto. Any review by the Initial Purchasers of the Company, Superior Energy, the Guarantors, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Initial Purchasers and shall not be on behalf of the Company, Superior Energy or the Guarantors. Each of the Company, Superior Energy and the Guarantors hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Initial Purchasers with respect to any breach or alleged breach of any fiduciary or similar duty in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

2. *Terms of the Offering*. The Company, Superior Energy and the Guarantors understand that the Initial Purchasers intend (i) to offer privately pursuant to Rule 144A under the Securities Act their respective portions of the Securities as soon after this Agreement has become effective as in the judgment of the Initial Purchasers is advisable and (ii) initially to offer the Securities upon the terms set forth in the Final Memorandum.

The Company, Superior Energy and the Guarantors confirm that they have authorized the Initial Purchasers, subject to the restrictions set forth below, to distribute copies of the Offering Memorandum in connection with the offering of the Securities. Each Initial Purchaser hereby severally makes to the Company, Superior Energy and the Guarantors the following representations and agreements:

(i) it is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act;

(ii) offers and sales of the Securities will be made only by it or its affiliates thereof qualified to do so in the jurisdictions in which such offers or sales are made; and

(iii) (A) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer to sell, the Securities by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act ("**Regulation D**")) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act and (B) it has solicited and will solicit offers for the Securities only from, and has offered or sold and will offer, sell or deliver the Securities only to persons who it reasonably believes to be "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act that in purchasing the Securities are deemed to have represented and agreed as provided in the Offering Memorandum.

With respect to offers and sales of the Securities to "qualified institutional buyers" within the meaning of Rule 144A, as described in clause (iii)(B) above, each Initial Purchaser hereby represents and agrees with the Company, Superior Energy and the Guarantors that prior to or contemporaneously with the purchase of the Securities, the Initial Purchaser will take reasonable steps to inform, and cause each of its affiliates to take responsible steps to inform, persons acquiring Securities from such Initial Purchaser or affiliate, as the case may be, that the Securities (A) are being sold to them in reliance on Rule 144A under the Securities Act, (B) have not been and, except as described in the Offering Memorandum, will not be registered under the Securities Act, and (C) may not be offered, sold or otherwise transferred except as described in the Offering Memorandum.

3. *Payment for Securities*. Payment for the Firm Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Securities for the account of the several Initial Purchasers at 10:00 a.m., New York City time, on December 12, 2006 or at such other time on the same or such other date, not later than December 12, 2006, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Securities for the account of the several Initial Purchasers at 10:00 a.m., New York City time, on the date specified in the notice described in Section 1 or at such other time on the same or on such other date, not later than December 12, 2006, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Option Closing Date**."

The Firm Securities and Additional Securities, as the case may be, to be purchased by each Initial Purchaser hereunder will be represented by one or more definitive global certificates in book-entry form which will be deposited by or on behalf of the Company with The Depository Trust Company ("**DTC**") or its designated custodian. The Company will deliver the Firm

Securities or the Additional Securities on the Closing Date or the Option Closing Date, as the case may be, to Bear, Stearns & Co. Inc., for the account of each Initial Purchaser, against payment by or on behalf of such Initial Purchaser of the purchase price therefor by wire transfer to the account of the Company of same day funds, by causing DTC to credit the Firm Securities or the Additional Securities, as the case may be, to the account of Bear, Stearns & Co. Inc. at DTC.

4. *Representations and Warranties*. The Company, Superior Energy and each of the Guarantors, jointly and severally, represent and warrant to the Initial Purchasers that:

(a) the Preliminary Memorandum did not, as of its date, the Time of Sale Information, did not, as of the Time of Sale and, will not, as of the Closing Date, and the Final Memorandum did not, as of its date, and will not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Company or Superior Energy in writing by such Initial Purchaser through you expressly for use therein;

(b) the documents incorporated by reference in the Time of Sale Information and the Final Memorandum, when they were filed with the Securities and Exchange Commission (the "**Commission**"), conformed in all material respects to the requirements of the Securities Exchange Act of 1934, as amended and the applicable rules and regulations of the Commission thereunder (collectively the "**Exchange Act**"), and none of such documents contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Final Memorandum, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act, and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) the financial statements, and the related notes thereto, of Superior Energy and its consolidated subsidiaries and of Warrior Energy Services, Inc. ("**Warrior**") and included or incorporated by reference in the Time of Sale Information and the Final Memorandum present fairly, in all material respects, the consolidated financial position of Superior Energy and its consolidated subsidiaries and Warrior as of the dates indicated and the results of their operations and the changes in their consolidated cash flows for the periods specified; and said financial statements have been prepared in conformity with United States generally accepted accounting principles and practices applied on a consistent basis, except as described in the notes to such financial statements; and the other financial and statistical information and any other financial data set forth in the Time of Sale Information and the Final Memorandum present fairly, in all material respects, the information purported to be shown thereby at the respective dates or for the respective periods to which they apply and, to the extent that such information is set forth

in or has been derived from the financial statements and accounting books and records of Superior Energy and its consolidated subsidiaries and Warrior, have been prepared on a basis consistent with such financial statements and the books and records of Superior Energy and its consolidated subsidiaries and Warrior;

(d) none of Superior Energy or any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Time of Sale Information any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Time of Sale Information; and, since the respective dates as of which information is given in the Time of Sale Information, there has not been any material change in the capital stock, material increase in long-term debt or any material decreases in consolidated net current assets or stockholders' equity of Superior Energy and its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, current or future consolidated financial position, stockholders' equity or results of operations of Superior Energy and its subsidiaries taken as a whole (a "**Material Adverse Effect**");

(e) Superior Energy and each of its subsidiaries has been duly organized and is validly existing as a corporation, limited liability company or partnership in good standing under the laws of its jurisdiction of organization with all the requisite power and authority to own its properties and conduct its business as described in the Time of Sale Information and the Final Memorandum, and has been duly qualified as a foreign corporation, limited liability company or partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified or in good standing in any such jurisdiction would not have a material adverse effect on the ability of Superior Energy and its subsidiaries taken as a whole to own or lease their properties or conduct their businesses as described in the Time of Sale Information and the Final Memorandum;

(f) this Agreement has been duly authorized, executed and delivered by the Company, Superior Energy and the Guarantors;

(g) Superior Energy had, at the date indicated in the Time of Sale Information and the Final Memorandum, a duly authorized, issued and outstanding capitalization as set forth in the Time of Sale Information and the Final Memorandum; all of the issued shares of capital stock of Superior Energy have been duly and validly authorized and issued and are fully paid and non-assessable; such authorized capital stock of Superior Energy conforms as to legal matters in all material respects to the description thereof contained in the Time of Sale Information and the Final Memorandum; there are no outstanding options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell, any shares of Common Stock, any shares of capital stock of any subsidiary, or any such warrants, convertible securities or obligations, except as set forth in the Time of Sale Information and the Final Memorandum and except for options, restricted stock and

restricted stock units granted or issued under, or contracts or commitments pursuant to, Superior Energy's previous or currently existing stock incentive and other similar officer, director or employee benefit plans;

(h) none of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Securities) will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated thereunder, including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System;

(i) prior to the date hereof, neither Superior Energy nor any of its affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of Superior Energy in connection with the offering of the Securities;

(j) the Securities have been duly authorized by the Company and the Guarantors, and, when issued and delivered as provided in this Agreement and duly authenticated pursuant to the Indenture will be duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company and the Guarantors entitled to the benefits provided by the Indenture; and the Securities will conform, in all material respects, to the descriptions thereof in the Time of Sale Information and the Final Memorandum;

(k) the Indenture has been duly authorized and, when executed and delivered by the Company, Superior Energy and the Guarantors, and (assuming the authorization, execution and delivery by the Trustee), shall constitute a valid and legally binding instrument of the Company, Superior Energy and the Guarantors, enforceable against the Company, Superior Energy and the Guarantors in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, moratorium, reorganization and laws of general applicability relating to or affecting creditors' rights and general equity principles (regardless of whether enforceability is considered in a proceeding in equity or at law); and the Indenture conforms, in all material respects, to the description thereof in the Time of Sale Information and the Final Memorandum;

(l) upon issuance and delivery of the Securities in accordance with this Agreement and the Indenture, the Securities (except the Guarantees) will be exchangeable at the option of the holder thereof into shares of the Underlying Securities in accordance with the terms of the Securities (except the Guarantees); the Underlying Securities reserved for issuance upon exchange of the Securities (except the Guarantees) have been duly authorized and reserved and, when issued upon exchange of the Securities (except the Guarantees) in accordance with the terms of the Securities (except the Guarantees), will be validly issued, fully paid and non assessable, and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights;

(m) the Registration Rights Agreement has been duly authorized by the Company, Superior Energy and the Guarantors and, when duly executed and delivered by the Company, Superior Energy and the Guarantors, shall constitute the valid and legally binding obligation of the Company, Superior Energy and the Guarantors, enforceable against the Company, Superior Energy and the Guarantors in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, moratorium, reorganization and laws of general applicability relating to or affecting creditors' rights and general equity principles (regardless of whether enforceability is considered in a proceeding in equity or at law); and except that rights to indemnification thereunder may be limited by federal or state securities laws or public policy relating thereto; and the Registration Rights Agreement will conform, in all material respects, to the description thereof in the Time of Sale Information and the Final Memorandum;

(n) the Hedge and Warrant Transaction Documentation has been duly authorized, executed and delivered by the Company and Superior Energy and constitute valid and legally binding instruments of the Company and Superior Energy, as applicable, enforceable against them in accordance with their terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, moratorium, reorganization and laws of general applicability relating to or affecting creditors' rights and general equity principles (regardless of whether enforceability is considered in a proceeding in equity or at law); and the Hedge and Warrant Transaction Documentation conforms, in all material respects, to the description thereof in the Time of Sale Information and the Final Memorandum;

(o) none of Superior Energy or any of its subsidiaries is in violation of its certificate or articles of incorporation or organization or certificate of formation, or its bylaws, limited liability company agreement or partnership agreement (or other organizational documents), or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, other than such defaults that individually or in the aggregate would not have a Material Adverse Effect

(p) the statements set forth in the Time of Sale Information and the Final Memorandum under the captions "Description of Notes," "Description of Our Capital Stock", "Registration Rights," and "Certain United States Federal Income Tax Considerations," insofar as they constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present, in all material respects, the information called for with respect to such legal matters, documents or proceedings;

(q) other than as set forth in the Time of Sale Information and the Final Memorandum, there are no legal or governmental proceedings pending to which Superior Energy or any of its subsidiaries is a party or of which any property of Superior Energy or any of its subsidiaries is the subject which, if determined adversely to Superior Energy or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best of Superior Energy's knowledge, no such proceedings have been threatened by governmental authorities or others;

(r) none of the Company, Superior Energy, the Guarantors, nor any affiliate (as defined in Rule 501(b) of Regulation D) of the Company, Superior Energy or any Guarantor has directly, or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Securities in a manner that would require the registration under the Securities Act of the offering contemplated by the Time of Sale Information and the Final Memorandum;

(s) none of the Company, Superior Energy, the Guarantors, any affiliate of the Company, Superior Energy or any Guarantor or any person acting on its or their behalf (other than the Initial Purchasers for whom the Company, Superior Energy and the Guarantors make no representation) has offered or sold the Securities by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act;

(t) the Securities satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;

(u) the issue and sale of the Securities, the issuance by Superior Energy of the Underlying Securities upon exchange of the Securities and the compliance by the Company, Superior Energy and the Guarantors with all of the provisions of the Securities, the Indenture, the Registration Rights Agreement, the Hedge and Warrant Transaction Documentation and this Agreement and the consummation of the transactions herein and therein contemplated (A) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Superior Energy or any of its subsidiaries is a party or by which Superior Energy or any of its subsidiaries is bound or to which any of the property or assets of Superior Energy or any of its subsidiaries is subject, except such conflict, breach or violation as would not have a Material Adverse Effect, (B) will not result in any violation of the provisions of the certificate of incorporation or articles, bylaws, articles of organization, limited liability company agreement, partnership agreement or other organizational documents of the Company, Superior Energy or any Guarantor, and (C) will not result in the violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Superior Energy or any of its subsidiaries or any of their properties, except such violations as would not have a Material Adverse Effect; and except as disclosed in the Time of Sale Information and the Final Memorandum, no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or Underlying Securities or the consummation by the Company, Superior Energy or any Guarantor of the transactions contemplated by this Agreement or the Indenture, except for the filing and effectiveness of a registration statement by the Company, Superior Energy and the Guarantors with the Commission pursuant to the Securities Act and the Registration Rights Agreement, the qualification of the Indenture under the Trust Indenture Act of 1939 ("**Trust Indenture Act**") in relation to the Securities and Underlying Securities and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection

with the purchase and distribution of the Securities by the Initial Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Final Memorandum and except for such consents the failure to obtain would not have a Material Adverse Effect;

(v) each of the Company and Superior Energy is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Time of Sale Information and the Final Memorandum, will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**");

(w) KPMG LLP ("**KPMG**"), who have certified the audited consolidated financial statements of Superior Energy and its subsidiaries, are independent public accountants as required under the Securities Act and the rules and regulations of the Commission thereunder;

(x) when the Securities are issued and delivered pursuant to this Agreement, no Securities will be of the same class (within the meaning of Rule 144A under the Securities Act) as securities which are listed on a national securities exchange registered under Section 6 of the Exchange Act, or quoted in a U.S. automated inter-dealer quotation system;

(y) Superior Energy is subject to Section 13 or 15(d) of the Exchange Act;

(z) Superior Energy and its subsidiaries own or possess adequate licenses or other rights to use all trademarks, service marks, trade names and know-how necessary to conduct the businesses now or proposed to be operated by them as described in the Time of Sale Information and the Final Memorandum, and neither Superior Energy nor any of its subsidiaries has received any notice of conflict with (or knows of any such conflict with) asserted rights of others with respect to any trademarks, service marks, trade names or know-how which, if such assertion of conflict were sustained, would individually or in the aggregate have a Material Adverse Effect;

(aa) Superior Energy and its subsidiaries possess all licenses, permits, certificates, consents, orders, approvals and other authorizations from, and have made all declarations and filings with, all federal, state, local and other governmental authorities and all courts and other tribunals, including without limitation under any applicable Environmental Laws (as defined below), currently required or necessary to own or lease, as the case may be, and to operate their properties and to carry on their business as now and proposed to be conducted as set forth in the Time of Sale Information and the Final Memorandum ("**Permits**"), except where the failure to obtain such Permits would not individually or in the aggregate have a Material Adverse Effect; Superior Energy and its subsidiaries have fulfilled and performed all of their obligations with respect to such Permits and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, except where the failure to perform such obligations or the occurrence of such event would not have a Material Adverse Effect;

and neither Superior Energy nor any of its subsidiaries has received any notice of any proceeding relating to revocation or modification of any such Permit, except as described in the Time of Sale Information and the Final Memorandum and except where such revocation or modification would not individually or in the aggregate have a Material Adverse Effect;

(bb) Superior Energy and its subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns or have timely requested extensions thereof and have paid all taxes shown as due thereon or made adequate reserve or provision therefor; and other than tax deficiencies which Superior Energy or any subsidiary is contesting in good faith and for which Superior Energy or such subsidiary has provided adequate reserves, there is no tax deficiency that has been asserted against Superior Energy or any subsidiary that would individually or in the aggregate have a Material Adverse Effect;

(cc) except as described in the Time of Sale Information and the Final Memorandum or as would not individually or in the aggregate have a Material Adverse Effect (A) Superior Energy and its subsidiaries are in compliance with and not subject to any known liability under applicable Environmental Laws (as defined below), (B) Superior Energy and its subsidiaries have made all filings and provided all notices required under any applicable Environmental Laws, and have, and are in compliance with, all Permits required under any applicable Environmental Laws and each of them is in full force and effect, (C) there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, proceeding, notice or demand letter or request for information pending or, to the best of Superior Energy's knowledge, threatened against Superior Energy or its subsidiaries under any Environmental Law, (D) no lien, charge, encumbrance or restriction has been recorded under any Environmental Law with respect to any assets, facility or property owned, operated, leased or controlled by Superior Energy or any of its subsidiaries, (E) neither Superior Energy nor any of its subsidiaries has received notice that it has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("**CERCLA**"), or any comparable state law, and (F) no property or facility of Superior Energy or any of its subsidiaries is (i) listed or, to the best of Superior Energy's knowledge, proposed for listing on the National Priorities List under CERCLA or (ii) listed in the Comprehensive Environmental Response, Compensation, Liability Information System List promulgated pursuant to CERCLA, or on any comparable list maintained by any state or local governmental authority;

For purposes of this Agreement, "**Environmental Laws**" means the common law, all federal treaties and all applicable federal, state and local laws or regulations, codes, orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder, relating to pollution or protection of public or employee health and safety or the environment, including, without limitation, laws relating to (i) emissions, discharges, releases or threatened releases of hazardous materials into the environment (including, without limitation, ambient air, surface water, ground water, sea water, land surface or subsurface strata), (ii) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of hazardous materials, and (iii) underground and above ground storage tanks and related piping, and emissions, discharges, releases or threatened releases therefrom;

(dd) there is no strike, labor dispute, slowdown or work stoppage with the employees of Superior Energy or any of its subsidiaries which is pending or, to the best of Superior Energy's knowledge, threatened; neither Superior Energy nor any of its subsidiaries is a party to or has any obligation under any collective bargaining agreement or other labor union contract, white paper or side agreement with any labor union or organization; except as described in the Time of Sale Information and the Final Memorandum, to the best of Superior Energy's knowledge, no collective bargaining organizing activities are taking place with respect to Superior Energy or any of its subsidiaries;

(ee) Superior Energy and its subsidiaries carry insurance in such amounts and covering such risks as in their determination is adequate for the conduct of their business or the value of their properties;

(ff) neither Superior Energy nor any of its subsidiaries has any liability for any prohibited transaction or funding deficiency or any complete or partial withdrawal liability with respect to any pension, profit sharing, 401(k) plan or other plan which is subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), to which Superior Energy or any of its subsidiaries makes or ever has made a contribution and in which any employee of Superior Energy or any of its subsidiaries is or has ever been a participant, except for such liabilities which would not individually or in the aggregate have a Material Adverse Effect; and with respect to such plans, the Company and each of its subsidiaries are in compliance in all material respects with all applicable provisions of ERISA;

(gg) Superior Energy and each of its subsidiaries owns or leases all such properties as are necessary to the conduct of its business as presently operated and as proposed to be operated as described in the Final Memorandum. Superior Energy and each of its subsidiaries have (i) good title to all real property and good title to all personal property owned by them, in each case free and clear of any and all liens, encumbrances and defects except such as are described in the Final Memorandum or such as do not (individually or in the aggregate) materially affect the value of such property or materially interfere with the use made or proposed to be made of such property by Superior Energy and each of its subsidiaries, and (ii) peaceful and undisturbed possession of any real property and buildings held under lease or sublease by Superior Energy and each of its subsidiaries and such leased or subleased real property and buildings are held by them under valid, subsisting and enforceable leases and no default exists thereunder, (including, to Superior Energy's knowledge, defaults by the landlord) with such exceptions as are not material to, and do not interfere with, the use made and proposed to be made of such property and buildings by Superior Energy and each of its subsidiaries except (in the case of clause (i) above) where the failure to have such title or possession could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(hh) Superior Energy maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by Superior Energy's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles; Superior Energy's internal control over financial reporting is effective, and Superior Energy is not aware of any material weaknesses in its internal control over financial reporting;

(ii) since the date of the latest audited financial statements included in the Time of Sale Information, there has been no change in Superior Energy's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, Superior Energy's internal control over financial reporting;

(jj) Superior Energy maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to Superior Energy and its subsidiaries is made known to Superior Energy's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(kk) the information provided by Superior Energy to DeGolyer and MacNaughton (***"D&M"***) in connection with D&M's creation of the "Appraisal Report as of December 31, 2005 on Certain Properties owned by SPN Resources, LLC" (the ***"Report"***) was prepared in good faith by or on behalf of Superior Energy and was complete and correct in all material respects on the date that such information was supplied; and nothing has come to the attention of the Company or Superior Energy that causes either to believe that the factual information provided by Superior Energy to D&M in connection with the Report was, as of the date of the Report, inaccurate in any material respect;

(ll) the statistical, industry-related and market-related data included in the Final Memorandum are based on or derived from sources which the Company and Superior Energy reasonably and in good faith believe are reliable and accurate;

(mm) the pro forma financial information included or incorporated by reference in the Time of Sale Information and the Final Memorandum has been prepared on a basis consistent with the financial statements from which it has been derived, includes all material adjustments to the financial information required by Rule 11-02 of Regulation S-X under the Exchange Act to reflect the transactions described in the Time of Sale Information and the Final Memorandum, gives effect to assumptions made on a reasonable basis and fairly presents the transactions described in Time of Sale Information and the Final Memorandum;

(nn) Superior Energy has made available to the Initial Purchasers the Agreement and Plan of Merger, dated as of September 22, 2006, by and among Superior Energy, SPN Acquisition Sub, Inc. ("**SPN Sub**") and Warrior (the "**Warrior Purchase Agreement**"). The Warrior Purchase Agreement is in full force and effect as of the date hereof in the form heretofore provided to the Initial Purchasers. With respect to the acquisition contemplated by the Warrior Purchase Agreement (the "**Acquisition**"), Superior Energy represents that:

(i) Superior Energy is not currently aware of any events, circumstances or facts that would cause the representations or warranties of Warrior in the Warrior Purchase Agreement to be inaccurate other than inaccuracies which would not result in a Material Adverse Effect; and

(ii) Other than consents and approvals referenced in the Warrior Purchase Agreement, Superior Energy is not currently aware of any events, circumstances or facts that would prevent Superior Energy from consummating the Acquisition.

5. *Covenants of the Company, Superior Energy and the Guarantors*. The Company, Superior Energy and the Guarantors covenant and agree with each of the several Initial Purchasers as follows:

(a) the Company, Superior Energy and the Guarantors will deliver to the Initial Purchasers as many copies of the Final Memorandum (including all amendments and supplements thereto) as the Initial Purchasers may reasonably request;

(b) before distributing any amendment or supplement to the Time of Sale Information or the Final Memorandum, the Company, Superior Energy and the Guarantors will furnish to the Initial Purchasers a copy of the proposed amendment or supplement for review and not to distribute any such proposed amendment or supplement to which the Initial Purchasers reasonably disapprove after reasonable notice thereof;

(c) if, at any time prior to the completion of the initial placement of the Securities by the Initial Purchasers, any event shall occur as a result of which it is necessary in the opinion of the Initial Purchasers to amend or supplement the Time of Sale Information or the Final Memorandum in order that the Time of Sale Information or the Final Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Time of Sale Information or the Final Memorandum is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Time of Sale Information or the Final Memorandum to comply with law, the Company, Superior Energy and the Guarantors will forthwith prepare and furnish, at the expense of the Company, Superior Energy and the Guarantors, to the Initial Purchasers and to the dealers (whose names and addresses the Initial Purchasers will furnish to the Company) to which Securities may have been sold by the Initial Purchasers on behalf of the Initial Purchasers and to any other dealers upon request, such amendments or supplements to the Time of Sale Information or the Final Memorandum as may be necessary to correct such untrue statement or omission or so that the statements in the Time of Sale Information or the Final Memorandum as so amended or supplemented will comply with applicable law;

(d) the Company, Superior Energy and the Guarantors will endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchasers shall reasonably request and to continue such qualification in effect so long as reasonably required for distribution of the Securities and to pay all fees and expenses (including fees and disbursements of counsel to the Initial Purchasers) reasonably incurred in connection with such qualification and in connection with the determination of the eligibility of the Securities for investment under the laws of such jurisdictions as the Initial Purchasers may designate; *provided* that neither the Company, Superior Energy nor any Guarantor shall be required to file a general consent to service of process in any jurisdiction or to qualify as a foreign corporation, limited liability company or partnership in any jurisdiction in which it is not so qualified;

(e) without the prior written consent of Bear, Stearns & Co. Inc. Superior Energy will not, during the period ending 60 days after the date of the Final Memorandum (the "**Lock-up Period**"), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock or (iii) file with the Commission a registration statement under the Securities Act relating to any additional shares of Common Stock or securities convertible into, or exchangeable for, any shares of Common Stock, or publicly disclose the intention to effect any transaction described in clause (i), (ii) or (iii), whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; *provided* that the foregoing shall not apply to (A) the sale of the Securities under this Agreement or the issuance of the Underlying Securities, (B) the issuance of shares of Common Stock in connection with the Acquisition, (C) the grant by Superior Energy of employee or director stock options, restricted stock awards or restricted stock unit awards in the ordinary course of business, the issuance by Superior Energy of any shares of Common Stock upon the exercise of an option or upon the sale by Superior Energy of shares of Common Stock pursuant to Superior Energy's or its subsidiaries' employee stock purchase plan, (D) any transfer of shares of Common Stock pursuant to any Superior Energy's or its subsidiaries' 401(k) plan, (E) the filing by Superior Energy of any registration statement with the Commission on Form S-8 relating to the offering of securities pursuant to the terms of Superior Energy's existing incentive plan or employee stock purchase plan, (F) the conversion or exchange of a security outstanding on the date hereof, (G) the Hedge and Warrant Transaction Documentation executed by the Company and Superior Energy concurrently with the pricing of the Securities and (H) filing of any registration statement in respect of the Securities and the Underlying Securities.

(f) the Company will use the net proceeds received by the Company from the sale of the Securities pursuant to this Agreement in the manner specified in the Time of Sale Information and the Final Memorandum under the caption "Use of Proceeds";

(g) the Company, Superior Energy and the Guarantors will use their reasonable best efforts to have the Underlying Securities listed on the New York Stock Exchange;

(h) during the period from the Closing Date until two years after the Closing Date, or the Option Closing Date, if applicable, without the prior written consent of the Initial Purchasers, the Company, Superior Energy and the Guarantors will not, and will not permit any of their "affiliates" (as defined in Rule 144 under the Securities Act) to, resell any of the Securities or Underlying Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them;

(i) whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company, Superior Energy and the Guarantors will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limiting the generality of the foregoing, all fees, costs and expenses (i) incident to the preparation, issuance, execution, authentication and delivery of the Securities, including any expenses of the Trustee, (ii) incident to the preparation, printing and distribution of the Preliminary Memorandum, Time of Sale Information and the Final Memorandum (including in each case all exhibits, amendments and supplements thereto), (iii) incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Initial Purchasers may designate (including fees of counsel for the Initial Purchasers and their disbursements), (iv) in connection with the admission for trading of the Securities on any securities exchange or inter-dealer quotation system (as well as in connection with the admission of the Securities for trading in the Private Offerings, Resales and Trading through Automatic Linkages ("**PORTAL**") system of the National Association of Securities Dealers, Inc. or any appropriate market system), (v) related to any filing with the National Association of Securities Dealers, Inc., (vi) in connection with the printing (including word processing and duplication costs) and delivery of this Agreement, the Indenture, the Preliminary and Supplemental Blue Sky Memoranda and any Legal Investment Survey and the furnishing to Initial Purchasers and dealers of copies of the Preliminary Memorandum and the Final Memorandum, including mailing and shipping, as herein provided, (vii) payable to rating agencies in connection with the rating of the Securities, (viii) in connection with the listing of the Underlying Securities on the New York Stock Exchange, and (ix) any expenses incurred by the Company in connection with a "road show" presentation to potential investors (it being understood that, except as expressly set forth in this Section 5(i) and elsewhere in this Agreement (including, but not limited to, Sections 7 and 10 hereof), the Company shall have no obligation to pay any costs and expenses of the Initial Purchasers, including legal fees incurred by the Initial Purchasers);

(j) the Company, Superior Energy and each Guarantor shall not be or become, at any time prior to the expiration of two years after the Closing Date, an open- end investment company, unit investment trust, closed-end investment company or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act;

(k) while the Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, Superior Energy will, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, make available to the purchasers and any holder of Securities in connection with any sale thereof and any prospective purchaser of Securities and securities analysts, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act (or any successor thereto);

(l) none of the Company, Superior Energy or any Guarantor will take any action prohibited by Regulation M under the Exchange Act, in connection with the distribution of the Securities contemplated hereby;

(m) none of the Company, Superior Energy any of their respective affiliates (as defined in Rule 501(b) under the Securities Act) or any person acting on behalf of the Company, Superior Energy or such affiliate will solicit any offer to buy or offer or sell the Securities or the Underlying Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

(n) none of the Company, Superior Energy or any of their respective affiliates (as defined in Rule 501(b) under the Securities Act) or any person acting on behalf of the Company, Superior Energy or such affiliate will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) which will be integrated with the sale of the Securities or the Underlying Securities in a manner which would require the registration under the Securities Act of the Securities or Underlying Securities, and the Company and Superior Energy will take all action that is appropriate or necessary to assure that its offerings of other securities will not be integrated for purposes of the Securities Act with the offering contemplated hereby;

(o) the Company, Superior Energy and the Guarantors will execute and deliver the Registration Rights Agreement in the form previously agreed upon and will comply with all provisions and obligations of the Registration Rights Agreement as required herein;

(p) prior to any registration of the Securities pursuant to the Registration Rights Agreement, or at such earlier time as may be so required, to qualify the Indenture under the Trust Indenture Act, and to enter into any necessary supplemental indentures in connection therewith;

(q) the Company and Superior Energy will each use its reasonable best efforts to cause the Securities to be eligible for trading on PORTAL;

(r) Superior Energy will reserve and keep available at all times, free of pre-emptive rights, shares of Common Stock for the purpose of enabling Superior Energy to satisfy all obligations to issue the Underlying Securities upon any exchange of the Securities;

(s) except for such documents that are publicly available on the Commission's Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**"), Superior Energy shall furnish to the holders of the Securities as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of Superior Energy and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the date of the Final Memorandum), to make available to its security holders consolidated summary financial information of Superior Energy and its subsidiaries for such quarter in reasonable detail;

(t) during a period of five years from the date of the Final Memorandum, except for such documents that are publicly available on EDGAR, Superior Energy shall furnish to you copies of all reports or other written communications (financial or other) furnished to stockholders of Superior Energy, and deliver to you as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any securities exchange on which the Securities, or any class of securities of the Company or Superior Energy is listed; and (ii) such additional information concerning the business and financial condition of the Company and Superior Energy as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of Superior Energy and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(u) the Company, Superior Energy and the Guarantors shall comply with all agreements set forth in the representation letter of the Company to DTC relating to the approval of the Securities by DTC for "book-entry" transfer; and

(v) the Company, Superior Energy and the Guarantors shall advise the Initial Purchasers promptly, and, if requested by the Initial Purchasers, confirm such advice in writing, of the issuance by any state securities commission of any stop order suspending the qualification or exemption of any of the Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for such purpose by any state securities commission or other regulatory authority, and shall use their reasonable best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of any of the Securities under any state securities or Blue Sky laws, and if, at any time, any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption of any of the Securities under any state securities or Blue Sky laws, the Company, Superior Energy and the Guarantors shall use their reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

6. *Conditions to the Initial Purchasers' Obligations*. The several obligations of the Initial Purchasers hereunder to purchase the Firm Securities on the Closing Date are subject to the performance by the Company, Superior Energy and the Guarantors of their obligations hereunder and to the following additional conditions:

(a) the representations and warranties of the Company, Superior Energy and the Guarantors contained herein are true and correct on and as of the Closing Date as if made on and as of the Closing Date and the Company, Superior Energy and the Guarantors shall have complied with all agreements and all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date (for the avoidance of doubt, the description of the proportional increase of the exchangeable note hedge and warrant transactions upon the exercise of the overallotment option by the initial purchasers outlined in the Preliminary Offering Memorandum shall not have changed in the Time of Sale Information or the Final Memorandum);

(b) on or after the date hereof no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act;

(c) (i) none of the Company, Superior Energy, the Guarantors, nor any of their subsidiaries shall have sustained since the date of the latest audited financial statements included in the Time of Sale Information any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Time of Sale Information, and (ii) since the respective dates as of which information is given in the Time of Sale Information (excluding any amendment or supplement thereto after the date hereof), there shall not have been (A) any change in the capital stock or long-term debt of the Company, Superior Energy, the Guarantors or any of their respective subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company, Superior Energy, the Guarantors and their respective subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Time of Sale Information, or (B) the suspension or material limitation of trading in the capital stock of Superior Energy on the New York Stock Exchange, the effect of which , in any case described in clause (i) or (ii), in the judgment of the Initial Purchasers makes it impracticable or inadvisable to proceed with the offering or the delivery of the Securities on the Closing Date on the terms and in the manner contemplated in the Time of Sale Information and the Final Memorandum;

(d) the Initial Purchasers shall have received on and as of the Closing Date a certificate of an executive officer of Superior Energy, with specific knowledge about Superior Energy's, the Company's and the Guarantors' financial matters, satisfactory to

the Initial Purchasers to the effect set forth in Sections 6(a), 6(b) and 6(c) and to the further effect that there has not occurred any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, financial position, stockholders' equity or results of operations of Superior Energy and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Information and the Final Memorandum;

(e) Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., outside counsel for the Company, Superior Energy and the Guarantors, shall have furnished to the Initial Purchasers its written opinion, dated the Closing Date, in form and substance satisfactory to the Initial Purchasers, to the effect that:

(i) each of the Company, Superior Energy and the Guarantors has been duly incorporated as a corporation or formed as a limited liability company or partnership and is validly existing as a corporation, limited liability company or partnership in good standing under the laws of the jurisdiction of its organization, with corporate, limited liability company or partnership power and authority to own its properties and conduct its business as described in the Time of Sale Information;

(ii) Superior Energy has an authorized capitalization as set forth in the Time of Sale Information, and all of the issued shares of capital stock of Superior Energy have been duly authorized and validly issued and are fully paid and non-assessable;

(iii) each of the Company, Superior Energy and the Guarantors has been duly qualified as a foreign corporation, limited liability company or partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified or in good standing in any such jurisdiction would not have a Material Adverse Effect on Superior Energy;

(iv) all of the issued and outstanding capital stock, membership interests or other equity interests of the Company and the Guarantors have been duly authorized and validly issued, are fully paid and non-assessable, and are owned directly or indirectly by Superior Energy, free and clear of all liens, encumbrances and defects, except to the extent as will not have a Material Adverse Effect on Superior Energy;

(v) to such counsel's knowledge and other than as set forth in the Time of Sale Information, there are no legal or governmental proceedings pending to which the Company, Superior Energy, the Guarantors, or any of their respective subsidiaries is a party or of which any property of the Company or Superior Energy or any of its subsidiaries is the subject which, if determined adversely to the Company or Superior Energy or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect on Superior Energy;'

(vi) this Agreement has been duly authorized, executed and delivered by each of the Company, Superior Energy and the Guarantors;

(vii) the Registration Rights Agreement has been duly authorized, executed and delivered by the Company, Superior Energy and the Guarantors and, assuming the due authorization, execution and delivery of the other parties thereto, constitutes a valid and legally binding obligation of the Company, Superior Energy and the Guarantors, enforceable against the Company, Superior Energy and the Guarantors, in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, moratorium, reorganization and other similar laws of general application affecting the rights and remedies of creditors and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law), an implied covenant of good faith and fair dealing and reasonableness, standards of materiality and, as to rights of indemnification, to principles of public policy or federal or state securities laws relating thereto;

(viii) the Securities have been duly authorized, executed, issued and delivered by each of the Company, Superior Energy and the Guarantors and constitute valid and legally binding obligations of the Company, Superior Energy and the Guarantors entitled to the benefits provided by the Indenture, enforceable against the Company, Superior Energy and the Guarantors in accordance with their terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, moratorium, reorganization and other similar laws of general application affecting the rights and remedies of creditors and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law), an implied covenant of good faith and fair dealing and reasonableness and standards of materiality;

(ix) the Underlying Securities reserved for issuance upon exchange of the Securities have been duly authorized and reserved and, when issued upon exchange of the Securities in accordance with the terms of the Securities, will be validly issued, fully paid and non-assessable and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights under Superior Energy's Certificate of Incorporation or Bylaws or under the Delaware General Corporation Law; and the Underlying Securities conform in all material respects to the descriptions thereof in the Time of Sale Information and the Final Memorandum;

(x) the Indenture has been duly authorized, executed and delivered by the Company, Superior Energy and the Guarantors, and constitutes a valid and legally binding instrument of the Company, Superior Energy and the Guarantors, enforceable against the Company, Superior Energy and the Guarantors in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, moratorium, reorganization and other similar laws of general application affecting the rights and remedies of creditors and by general principles of equity (regardless of whether enforceability is considered in

a proceeding in equity or at law), an implied covenant of good faith and fair dealing and reasonableness, standards of materiality and, as to rights of indemnification, to principles of public policy or federal or state securities laws relating thereto;

(xi) no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities, the issuance by Superior Energy of the Underlying Securities upon exchange of the Securities or the consummation by the Company, Superior Energy and the Guarantors of the transactions contemplated by this Agreement, the Indenture, the Hedge and Warrant Transaction Documentation or the Registration Rights Agreement, except (A) if applicable, the shelf registration statement required to become effective with the Commission be filed under the Registration Rights Agreement and (B) such as have been obtained and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Initial Purchasers and except where failure to obtain such consent, approval, authorization, order, registration or qualification would not have a Material Adverse Effect;

(xii) no registration of the Securities or the Underlying Securities under the Securities Act, and no qualification of an indenture under the Trust Indenture Act with respect thereto, is required for the offer, sale and initial resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement and the Time of Sale Information;

(xiii) none of the Company, Superior Energy, the Guarantors or any of their respective subsidiaries is and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Time of Sale Information, will be required to register as an "investment company" as defined in the Investment Company Act;

(xiv) when the Securities are issued and delivered pursuant to this Agreement, none of the Securities will be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company, Superior Energy or any Guarantor that are listed on a national securities exchange registered under Section 6 of the Exchange Act or that are quoted in a United States automated inter-dealer quotation system;

(xv) the statements set forth in the Time of Sale Information and the Final Memorandum under the captions "Description of Our Other Indebtedness", "Description of Our Capital Stock" and "Certain United States Federal Income Tax Considerations," insofar as they constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present, in all material respects, the information called for with respect to such legal matters, documents or proceedings;

(xvi) the issue and sale of the Securities, the issuance by Superior Energy of the Underlying Securities upon exchange of the Securities and the compliance by the Company, Superior Energy and the Guarantors with all of the provisions of the Securities, the Indenture, the Registration Rights Agreement and this Agreement with respect to the Securities and the consummation of the transactions contemplated herein and therein will not (a) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument which is attached or incorporated by reference as an exhibit to Superior Energy's annual report on Form 10-K for the year ended December 31, 2005 (the "**Annual Report**"), any subsequent quarterly report on Form 10-Q, or any Item 1.01 of any Form 8-K filed subsequent to the Annual Report, (b) result in any violation of the provisions of the Certificate of Incorporation or Bylaws of Superior Energy or the organizational documents of the Company or of any Guarantor, or (c) result in a violation of, to the knowledge of such counsel, any order of any court or governmental agency or body having jurisdiction over the Company, Superior Energy, the Guarantors or any of their respective subsidiaries or any of their respective properties (except that such counsel need express no opinion with respect to compliance with the anti-fraud or similar provisions of any law, rule or regulation), except in the case of clauses (a) and (c) for such breaches or violations that could not reasonably be expected to have a Material Adverse Effect or that could violate public policy relating thereto; and

(xvii) each document incorporated by reference in the Time of Sale Information and the Final Memorandum (other than the financial statements, including the notes thereto, and financial statement schedules and other financial and accounting information included therein, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, as the case may be, appear on their face to be appropriately responsive in all material respects to the requirements of the Exchange Act.

In addition, such counsel's opinion shall include a statement (but not an opinion) as to the following: no facts have come to such counsel's attention that have led such counsel to believe that (except for (i) the financial statements and related schedules and the financial data derived therefrom, including the notes and schedules thereto and the auditor's report thereon or any other financial or accounting data and (ii) any estimated proved oil and natural gas reserves, productive well summaries, acreage or drilling activity included in, or excluded from, the Time of Sale Information or the Final Memorandum as to which such counsel need express no belief) (x) the Time of Sale Information, as of the Time of Sale or as of the Closing Date, contained an untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (y) the Final Memorandum, as of its date or as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Time of Sale Information and Final Memorandum (except for the applicable descriptions referenced in

paragraph (xv)), and such counsel does not express any belief with respect to (a) the financial statements or other financial or accounting data and (b) the estimated proved oil and natural gas reserves, productive well summaries, acreage or drilling activity contained in the Time of Sale Information and Final Memorandum.

(f) Latham and Watkins LLP, outside counsel for the Company, Superior Energy and the Guarantors, shall have furnished to the Initial Purchasers their written opinion, dated the Closing Date, in form and substance satisfactory to the Initial Purchasers, to the effect that the statements set forth in the Time of Sale Information and the Final Memorandum under the captions "Description of Notes" and "Registration Rights Agreement," insofar as they constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present, in all material respects, the information called for with respect to such legal matters, documents or proceedings.

(g) on the date hereof and also on the Closing Date, KPMG and Grant Thornton LLP shall have furnished to the Initial Purchasers letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to the Initial Purchasers, containing statements and information of the type customarily included in accountants "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Offering Memorandum;

(h) Vinson & Elkins L.L.P., counsel to the Initial Purchasers, shall have furnished to the Initial Purchasers their written opinion, dated the Closing Date, in form and substance satisfactory to the Initial Purchasers;

(i) the "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and the officers and directors of Superior Energy identified on Exhibit A-1 relating to sales and certain other dispositions of shares of Common Stock or certain other securities of Superior Energy, shall have been delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date;

(j) the Securities shall have been approved for trading on PORTAL, subject only to notice of issuance at or prior to the time of purchase;

(k) the Initial Purchasers shall have received a counterpart of the Registration Rights Agreement that shall have been executed and delivered by a duly authorized officer of the Company, Superior Energy and each of the Guarantors;

(l) on or prior to the Closing Date the Company and Superior Energy shall have furnished to the Initial Purchasers such further certificates and documents as the Initial Purchasers or their counsel shall reasonably request;

(m) D&M shall have delivered to the Initial Purchasers a letter addressed to the Initial Purchasers, in form and substance satisfactory to the Initial Purchasers, certifying the accuracy of the estimates of the oil and gas reserves of Superior Energy or any of its subsidiaries set forth in the Report and contained or incorporated by reference in the Offering Memorandum; and

(n) on or after the date hereof there shall not have occurred any of the following: (i) trading generally shall have been suspended or materially limited on or by the New York Stock Exchange, (ii) trading of any securities of or guaranteed by Superior Energy shall have been suspended on any exchange or in any over the counter market, (iii) a general moratorium on commercial banking activities shall have been declared by either Federal or New York, Louisiana or Texas State authorities, (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Initial Purchasers makes it impracticable or inadvisable to proceed with the offering or the delivery of the Securities being issued at such Closing Date on the terms and in the manner contemplated in the Time of Sale Information or to enforce contracts for the sale of the Securities.

The obligations of the Initial Purchasers to purchase Additional Securities hereunder are subject to the delivery to you on the Option Closing Date of such documents as you may reasonably request, including the due authorization, execution, authentication and issuance of the Additional Securities and other matters related to the execution, authentication and issuance of the Additional Securities.

7. *Indemnification and Contribution*.

(a) The Company, Superior Energy and each of the Guarantors jointly and severally agree to indemnify and hold harmless the Initial Purchasers, and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Initial Purchaser within the meaning of Rule 405 under the Securities Act, against any losses, claims, damages or liabilities of any kind to which the Initial Purchasers or such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as any such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement of any material fact contained in the Time of Sale Information, or the Final Memorandum (in each case, including the documents incorporated by reference therein), or any amendment or supplement thereto or in any other materials or information provided to investors by, or with the written approval of, the Company or Superior Energy in connection with the Offering, including any road show or investor presentations made to investors by the Company or Superior Energy (whether in person or electronically) ("**Marketing Materials**"); or

(ii) the omission or alleged omission to state, in the Time of Sale Information or the Final Memorandum (in each case, including the documents incorporated by reference therein) or any amendment or supplement thereto, or in any Marketing Materials, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

and, subject to the provisions hereof, will reimburse, as incurred, the Initial Purchaser and each such affiliate and controlling person for any legal or other expenses reasonably incurred by the Initial Purchasers, affiliates or such controlling person in connection with investigating, defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action in respect thereof; *provided, however*, the Company, Superior Energy and the Guarantors will not be liable in any such case to the extent (but only to the extent) that any such loss, claim, damage or liability resulted solely from any untrue statement or alleged untrue statement or omission or alleged omission made in the Time of Sale Information or the Final Memorandum or any amendment or supplement thereto, or in any Marketing Materials, in reliance upon and in conformity with written information concerning any Initial Purchaser furnished to the Company or Superior Energy by or on behalf of such Initial Purchaser specifically for use therein. This indemnity agreement will be in addition to any liability that the Company, Superior Energy and the Guarantors may otherwise have to the indemnified parties. The Company, Superior Energy and the Guarantors shall not be liable under this Section 7 for any settlement of any claim or action effected without their prior written consent, which shall not be unreasonably withheld.

(b) Each Initial Purchaser agrees to indemnify and hold harmless each of the Company, Superior Energy, each of the Guarantors and their respective directors, officers and each person, if any, who controls Superior Energy within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities to which the Company, Superior Energy, any Guarantor or any such director, officer or controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) are finally judicially determined by a court of competent jurisdiction in a final, unappealable judgment, to have resulted solely from (i) any untrue statement or alleged untrue statement of any material fact contained in the Time of Sale Information or the Final Memorandum or any amendment or supplement thereto, or in any Marketing Materials, or (ii) the omission or the alleged omission to state, in the Time of Sale Information or the Final Memorandum or any amendment or supplement thereto, or in any Marketing Materials, a material fact or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent (but only to the extent) that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Initial Purchaser, furnished to the Company, Superior Energy or their agents by the Initial Purchaser specifically for use therein; and, subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, any legal or other expenses incurred by the Company, Superior Energy, each of the Guarantors or any such director, officer or controlling person in connection with any such loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability that each Initial Purchaser may otherwise have to the indemnified parties.

(c) As promptly as reasonably practicable after receipt by an indemnified party under this Section 7 of notice of the commencement of any action for which such indemnified party is entitled to indemnification under this Section 7, such indemnified

party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party of the commencement thereof in writing; but the omission to so notify the indemnifying party (i) will not relieve such indemnifying party from any liability under paragraph (a) or (b) above unless and only to the extent it is materially prejudiced as a result thereof and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraphs (a) and (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may determine, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have been advised by counsel in writing that there may be one or more legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after receipt by the indemnifying party of notice of the institution of such action, then, in each such case, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties at the expense of the indemnifying party. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, such approval not to be unreasonably withheld or delayed, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the immediately preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Initial Purchasers in the case of paragraph (a) of this Section 7 or the Company or Superior Energy in the case of paragraph (b) of this Section 7, representing the indemnified parties under such paragraph (a) or paragraph (b), as the case may be, who are parties to such action or actions) or (ii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld), unless such indemnified party waived in writing its rights under this Section 7, in which case the indemnified party may effect such a settlement without such consent.

(d) No indemnifying party shall be liable under this Section 7 for any settlement of any claim or action (or threatened claim or action) effected without its written consent, which shall not be unreasonably withheld, but if a claim or action settled with its written consent, or if there be a final judgment for the plaintiff with respect to any such claim or action, each indemnifying party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each indemnified party from and against any and all losses, claims, damages or liabilities (and legal and other expenses as set forth above) incurred by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement or compromise of any pending or threatened proceeding in respect of which the indemnified party is or could have been a party, or indemnity could have been sought hereunder by the indemnified party, unless such settlement (A) includes an unconditional written release of the indemnified party, in form and substance satisfactory to the indemnified party, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of the indemnified party.

(e) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section 7 is unavailable to, or insufficient to hold harmless, an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contributions, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties, on the one hand, and the indemnified party, on the other, from the offering or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties, on the one hand, and the indemnified party, on the other, in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof). The relative benefits received by the Company and Superior Energy, on the one hand, and the Initial Purchasers, on the other, shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Company and Superior Energy bears to the total discounts and commissions received by the Initial Purchasers. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Superior Energy, on the one hand, or the Initial Purchasers, on the other, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omissions, and any other equitable considerations appropriate in the circumstances.

(f) The Company, Superior Energy, the Guarantors and the Initial Purchasers agree that it would not be equitable if the amount of such contribution determined pursuant to the immediately preceding paragraph (e) were determined by pro rata or per capita allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the first sentence of the immediately preceding paragraph (e). Notwithstanding any other provision of this Section 7, the Initial Purchasers shall not be obligated to make contributions hereunder that in the aggregate exceed the total discounts, commissions and other compensation received by such Initial Purchasers under this Agreement, less the aggregate amount of any damages that such Initial Purchasers have otherwise been required to pay by reason of the untrue or alleged untrue statements or the omissions or alleged omissions to state a material fact. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of the immediately preceding paragraph (e), each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Initial Purchaser within the meaning of Rule 405 under the Securities Act shall have the same rights to contribution as the Initial Purchaser, and each director of the Company, Superior Energy and the Guarantors, each officer of the Company, Superior Energy and the Guarantors and each person, if any, who controls the Company, Superior Energy or the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company, Superior Energy and the Guarantors.

8. *Effectiveness; Defaulting Initial Purchasers*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date any one or more of the Initial Purchasers shall fail or refuse to purchase Securities which it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase is not more than one tenth of the aggregate principal amount of the Securities to be purchased on such date, the other Initial Purchasers shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in Schedule I (in the column titled “Total”) bears to the aggregate principal amount of Securities set forth opposite the names of all such non defaulting Initial Purchasers (in the column titled “Total”), or in such other proportions as the Initial Purchasers may specify, to purchase the Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase on such date; *provided* that in no event shall the principal amount of Securities that any Initial Purchaser has agreed to purchase pursuant to Section 1 be increased pursuant to this Section 8 by an amount in excess of one tenth of such principal amount of Securities without the written consent of such Initial Purchaser. If, on the Closing Date any Initial Purchaser or Initial Purchasers shall fail or refuse to purchase Securities which it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Securities with respect to which such default occurs is more than one tenth of the aggregate principal amount of Securities to be purchased on such date, and arrangements satisfactory to the Initial Purchasers, the Company and Superior Energy for the purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate

without liability on the part of any non defaulting Initial Purchaser or the Company, Superior Energy and any Guarantor. In any such case either the Initial Purchasers or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Final Memorandum or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Initial Purchaser from liability in respect of any default of such Initial Purchaser under this Agreement.

9. *Reimbursement*. If the transactions contemplated by this Agreement shall fail to close because of a condition not being met because of any failure or refusal on the part of the Company, Superior Energy or any Guarantor to comply with the terms or to fulfill any of the conditions of this Agreement or if for any reason the Company, Superior Energy or any Guarantor shall be unable to perform its obligations under this Agreement or any condition of the Initial Purchasers' obligations (other than those conditions set forth in Sections 6(o)(i) or (iii) through (v)) cannot be fulfilled, the Company and Superior Energy, jointly and severally, agree to reimburse the Initial Purchasers or such Initial Purchasers as have so terminated this Agreement with respect to themselves, severally, for all out of pocket expenses (including the reasonable fees and expenses of their counsel) incurred by such Initial Purchasers in connection with this Agreement or the offering contemplated hereunder.

10. *Parties*. This Agreement shall inure to the benefit of and be binding upon the Company, Superior Energy, the Guarantors, the Initial Purchasers, any controlling persons referred to herein and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No purchaser of Securities from an Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

11. *Notices*. Any action by the Initial Purchasers hereunder may be taken by the Representative on behalf of the Initial Purchasers, and any such action taken by the Representative shall be binding upon the Initial Purchasers. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Initial Purchasers c/o Bear, Stearns & Co. Inc. 383 Madison, New York, New York 10179. Notices to the Company or Superior Energy shall be given to them at Superior Energy Services, Inc., Attention Robert S. Taylor, 1105 Peters Road, Harvey, Louisiana, 77058 (Fax (504) 365-9624).

12. *Survival of Representations and Indemnities*. The representations and warranties, covenants, indemnities and contribution and expense reimbursement provisions and other agreements, representations and warranties of the Company, Superior Energy and the Guarantors set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchasers and (ii) acceptance of the Securities, and payment for them hereunder.

13. ***Governing Law*. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

14. *Counterparts*. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return seven counterparts hereof.

Very truly yours,

SESI, L.L.C.

By: SUPERIOR ENERGY SERVICES, INC.,
Its Sole Member

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Office

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Office

1105 PETERS ROAD, L.L.C.
BLOWOUT TOOLS, INC.
CONCENTRIC PIPE AND TOOL RENTALS, L.L.C.
CONNECTION TECHNOLOGY, L.L.C.
CSI TECHNOLOGIES, LLC
DRILLING LOGISTICS, L.L.C.
F. & F. WIRELINE SERVICE, L.L.C.
FASTORQ, L.L.C.
H.B. RENTALS, L.C.
INTERNATIONAL SNUBBING SERVICES, L.L.C.
J.R.B. CONSULTANTS, INC.
NON-MAGNETIC RENTAL TOOLS, L.L.C.
PROACTIVE COMPLIANCE, L.L.C.
PRODUCTION MANAGEMENT INDUSTRIES, L.L.C.
SEGEN LLC
SELIM LLC
SEMO, L.L.C.
SEMSE, L.L.C.
SPN RESOURCES, LLC
STABIL DRILL SPECIALTIES, L.L.C.
SUB-SURFACE TOOLS, L.L.C.
SUPERIOR CANADA HOLDING, INC.
SUPERIOR ENERGY SERVICES, L.L.C.
SUPERIOR INSPECTION SERVICES, INC.
UNIVERSAL FISHING AND RENTAL TOOLS, INC.
WILD WELL CONTROL, INC.
WORKSTRINGS, L.L.C.

By: /s/ Robert S. Talyor
Name: Robert S. Taylor
Title: Authorized Representative

SE FINANCE LP

By: SEGEN, LLC,
Its General Partner

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

The foregoing Purchase Agreement
is hereby confirmed and accepted
as of the date first above written.

BEAR, STEARNS & CO. INC.,
LEHMAN BROTHERS INC., and
J.P. MORGAN SECURITIES INC.

By: BEAR, STEARNS & CO. INC.

Acting on behalf of themselves
and as Representative
of the Initial Purchasers

By: /s/ Michael A. Lloyd

Name: Michael A. Lloyd

Title: Senior Managing Director

EXHIBIT 10.2

$400,000,000

SESI, L.L.C.

1.50% Senior Exchangeable Notes due 2026

Registration Rights Agreement

December 12, 2006

BEAR, STEARNS & CO. INC.
LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.
c/o Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179

Ladies and Gentlemen:

This Registration Rights Agreement (the "**Agreement**") is made and entered into as of December 12, 2006, by and among SESI, L.L.C., a Delaware limited liability company ("**SESI**"), and Superior Energy Services, Inc., a Delaware corporation ("**Superior Energy**" and along with SESI referred to as the "**Issuers**"), the guarantors named on the signature pages hereof (the "**Guarantors**"), and Bear, Stearns & Co. Inc. acting on behalf of the several parties (the "**Initial Purchasers**") named in Schedule I to that certain Purchase Agreement, dated as of December 7, 2006 (the "**Purchase Agreement**") among the Issuers, the Guarantors and you, as the Initial Purchasers.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, the Issuers and the Guarantors agree with the Initial Purchasers, for the benefit of the holders (including the Initial Purchasers) of the Notes and the Shares (as defined below) (collectively, the "**Holders**"), as follows:

1. *Certain Definitions.*

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**Additional Interest**" has the meaning assigned thereto in Section 2(d).

(b) "**Additional Interest Payment Date**" has the meaning assigned thereto in Section 2(d).

(c) "**Agreement**" means this Registration Rights Agreement, as the same may be amended from time to time pursuant to the terms hereof.

(d) "**Closing Date**" means the earliest date on which any Notes are initially issued.

(e) "**Commission**" means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

(f) "**Dealer**" shall have the meaning assigned thereto in Section 2(a).

(g) "**Deferral Notice**" has the meaning assigned thereto in Section 3(b).

(h) "**Deferral Period**" has the meaning assigned thereto in Section 3(b).

(i) "**Effective Period**" has the meaning assigned thereto in Section 2(a).

(j) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(k) "**Holder**" means each holder, from time to time, of Registrable Securities (including the Initial Purchasers).

(l) "**Indenture**" means the Indenture dated as of the date hereof among the Issuers , the Guarantors and The Bank of New York Trust Company, N.A., as Trustee, pursuant to which the Notes are being issued.

(m) "**Initial Purchasers**" has the meaning specified in the first paragraph of this Agreement.

(n) "**Issuers**" has the meaning specified in the first paragraph of this Agreement.

(o) "**Material Event**" has the meaning assigned thereto in Section 3(a)(iii).

(p) "**Majority Holders**" shall mean, on any date, holders of the majority of the Shares constituting Registrable Securities; for the purposes of this definition, Holders of Notes

constituting Registrable Securities shall be deemed to be the Holders of the number of Shares into which such Notes are or would be convertible as of such date.

(q) "**NASD**" shall mean the National Association of Securities Dealers, Inc.

(r) "**NASD Rules**" shall mean the Conduct Rules and the By-Laws of the NASD.

(s) "**Notes**" mean the 1.50% Senior Exchangeable Notes due 2026 of SESI, issued on the date hereof under the Indenture and sold by SESI to the Initial Purchasers.

(t) "**Notice and Questionnaire**" means a written notice delivered to the Issuers containing substantially the information called for by the Form of Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum.

(u) "**Notice Holder**" means, on any date, any Holder that has delivered a Notice and Questionnaire to the Issuers on or prior to such date.

(v) "**Offering Memorandum**" means the Offering Memorandum dated December 7, 2006 relating to the offer and sale of the Notes.

(w) "**Person**" means a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

(x) "**Prospectus**" means the prospectus included in any Shelf Registration Statement, as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

(y) "**Purchase Agreement**" has the meaning specified in the first paragraph of this Agreement.

(z) "**Registrable Securities**" means:

(i) the Notes, until the earliest of (i) with respect to any specific Note, their resale in accordance with the Shelf Registration Statement, (ii) the expiration of the holding period applicable to

such Notes under Rule 144(k) or any successor provision or similar provisions then in effect, (iii) the date on which all such Notes are freely transferable by persons who are not affiliates of the Issuers without registration under the Securities Act, or (iv) the date on which all such notes have been converted or otherwise cease to be outstanding; and

(ii) the Shares, if any, issuable upon conversion of the Notes, until the earliest of (i) with respect to any specific Share, their resale in accordance with the Shelf Registration Statement, (ii) the expiration of the holding period applicable to such Shares under Rule 144(k) or any successor provision or similar provisions then in effect, (iii) the date on which all such Shares are freely transferable by persons who are not affiliates of the Issuers without registration under the Securities Act, or (iv) the date on which all such shares of common stock cease to be outstanding.

(aa) "**Registration Default**" has the meaning assigned thereto in Section 2(d).

(bb) "**Registration Expenses**" has the meaning assigned thereto in Section 5.

(cc) "**Rule 144**," "**Rule 405**" and "**Rule 415**" mean, in each case, such rule as promulgated under the Securities Act.

(dd) "**Securities**" means, collectively, the Notes and the Shares.

(ee) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(ff) "**Shares**" means the shares of common stock of Superior Energy, par value $0.001 per share, into which the Notes are exchangeable or that have been issued upon any exchange of the Notes for common stock of Superior Energy.

(gg) "**Shelf Registration Statement**" means the shelf registration statement referred to in Section 2(a), as amended or supplemented by any amendment or supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Shelf Registration Statement.

(hh) "**Special Counsel**" shall have the meaning assigned thereto in Section 5.

(ii) "**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(jj) "**Trustee**" shall have the meaning assigned such term in the Indenture.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Agreement, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. *Registration Under the Securities Act.*

(a) Each Issuer agrees to use reasonable best efforts to cause the Shelf Registration Statement covering resales of the Registrable Securities pursuant to Rule 415 or any similar rule that may be adopted by the Commission to become effective under the Securities Act within 180 days after the Closing Date and to keep such Shelf Registration Statement continuously effective until each of the Registrable Securities covered by the Shelf Registration Statement ceases to be a Registrable Security (the "**Effective Period**"). Except with respect to certain registration rights granted to each of Bear, Stearns International Limited and Lehman Brothers OTC Derivatives, Inc. (each a "**Dealer**" and together, the "**Dealers**") under letter agreements dated as of December 7, 2006 between each of the Dealers and Superior Energy (the "**Letter Agreements**"), Superior Energy's securityholders (other than Holders of Registrable Securities) shall not have the right to include any of the securities of Superior Energy in the Shelf Registration Statement.

(b) Each Issuer further agrees that it shall cause the Shelf Registration Statement and the Prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement or such amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading, and

the Issuers agree to furnish to the Holders of the Registrable Securities copies of any supplement or amendment upon the request of any such Holder prior to its being used or promptly following its filing with the Commission; *provided*, *however*, that the Issuers shall have no obligation to deliver to Holders of Registrable Securities copies of any amendment consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on Superior Energy's website. If the Shelf Registration Statement ceases to be effective for any reason at any time during the Effective Period (other than because all Registrable Securities registered thereunder shall have been sold pursuant thereto or shall have otherwise ceased to be Registrable Securities), each Issuer shall use reasonable best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof.

(c) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to the Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(c) and Section 3(b). Not less than thirty (30) calendar days prior to the expected effective time of the Shelf Registration Statement, the Issuers shall give notice to each of the Holders of its intention to file the Shelf Registration Statement, together with a Notice and Questionnaire, in the same manner as it would give notice to the Holders under the Indenture. No Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement as of the effective time, and no Holder shall be entitled to use the Prospectus for resales of Registrable Securities at any time, unless such Holder has returned a completed and signed Notice and Questionnaire to the Issuers by the deadline for response set forth therein; *provided*, *however*, Holders shall have at least 28 calendar days from the date on which the Notice and Questionnaire is first given to such Holders to return a completed and signed Notice and Questionnaire to the Issuers. After the effective time, the Issuers shall, upon the request of any Holder that is not then a Notice Holder, promptly send a Notice and Questionnaire to such Holder. The Issuers shall not be required to take any action to name such Holder as a selling securityholder in the Shelf Registration Statement or to enable such Holder to use the Prospectus for resales of Registrable Securities (i) until such Holder has returned a completed and signed Notice and Questionnaire to the Issuers by the deadline for response set in compliance with this Section 2(c) or (ii) the use of the Prospectus has been suspended pursuant to Section 3(b). From and after the date the Shelf Registration Statement becomes effective, the Issuers shall, as promptly as is

practicable after the date a Notice and Questionnaire is delivered, and in any event within thirty (30) days after the date of receipt of such Notice and Questionnaire, or if the use of the Prospectus has been suspended by the Issuers under Section 3(b) hereof at the time of receipt of the Notice and Questionnaire, within thirty (30) days after the expiration of the period during which the use of the Prospectus is suspended:

(i) if required by applicable law, file with the Commission a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling securityholder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Issuers shall file a post-effective amendment to the Shelf Registration Statement, use reasonable best efforts to cause such post-effective amendment to become effective under the Securities Act as promptly as is practicable. Notwithstanding the foregoing, the Issuers shall not be required to file more than one post-effective amendment to the Shelf Registration Statement or supplement to the related Prospectus during any calendar quarter;

(ii) unless such copy is available on the Electronic Data Gathering Analysis and Retrieval System ("**EDGAR**"), upon request provide such Holder copies of any documents filed pursuant to Section 2(c)(i); and

(iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(c)(i).

(d) If any of the following events (any such event a "**Registration Default**") shall occur, then additional interest (the "**Additional Interest**") shall become payable by the Issuers and the Guarantors, jointly and severally, to Holders in respect of the Notes as follows:

(i) if the Shelf Registration Statement does not become effective with the Commission within 180 days following the Closing Date, then commencing on the 181st day after the Closing Date, Additional Interest shall accrue on the principal amount of the outstanding Notes at a rate of 0.25% per annum for the first 90 days following such 181st day and at a rate of 0.50% per annum thereafter; or

(ii) if the Shelf Registration Statement becomes effective but such Shelf Registration Statement ceases to be effective at any time during the Effective Period (other than pursuant to Section 3(b) hereof), then commencing on the day such Shelf Registration Statement ceases to be effective, Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such date on which the Shelf Registration Statement ceases to be effective and at a rate of 0.50% per annum thereafter; or

(iii) if the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(b) hereof, then commencing on the day the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period (and again on the first day of any subsequent Deferral Period during such period), Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and at a rate of 0.50% per annum thereafter;

provided, *however*, that the Additional Interest rate on the Notes shall not exceed in the aggregate 0.50% per annum and shall not be payable under more than one clause above for any given period of time, except that if Additional Interest would be payable under more than one clause above, but at a rate of 0.25% per annum under one clause and at a rate of 0.50% per annum under the other, then the Additional Interest rate shall be the higher rate of 0.50% per annum; *provided further*, *however*, that (1) upon the effectiveness of the Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective (in the case of clause (ii) above), (3) upon the termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(b) to be exceeded (in the case of clause (iii) above), (4) upon the termination of certain transfer restrictions on the Securities as a result of the application of Rule 144(k) or any successor provision or (5) for any period after the second anniversary from the Closing Date, Additional Interest on the Notes as a result of such clause, as the case may be, shall cease to accrue.

Additional Interest on the Notes, if any, will be payable in cash on December 15 and June 15 of each year (an "**Additional Interest Payment Date**") to holders of record of outstanding Notes at the close of business on December 1 or June 1, as the case may be, immediately preceding the relevant Additional Interest Payment Date, in the same manner and subject

to the same terms as other interest is payable on the Notes pursuant to the Indenture. Following the cure of all Registration Defaults requiring the payment of Additional Interest to the Holders of Securities pursuant to this Section, the accrual of such Additional Interest will cease (without in any way limiting the effect of any subsequent Registration Default requiring the payment of Additional Interest).

The Issuers shall notify the Trustee immediately upon the happening of each and every Registration Default. The Trustee shall be entitled, on behalf of Holders of Securities, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Additional Interest. Notwithstanding the foregoing, the parties agree that no Additional Interest or other additional amounts shall be payable in respect of any Shares that are Registrable Securities that bear the legend set forth in the section entitled "Transfer Restrictions" in the Offering Memorandum and, except as set forth in the following sentence, the sole remedy for a violation of the terms of this Agreement with respect to which additional monetary amounts are expressly provided shall be as set forth in this Section 2(d). Nothing shall preclude a Notice Holder or Holder of Registrable Securities from pursuing or obtaining specific performance or other equitable relief with respect to this Agreement.

3. *Registration Procedures.*

The following provisions shall apply to the Shelf Registration Statement to be made effective pursuant to Section 2:

(a) The Issuers shall:

(i) use reasonable best efforts to cause a registration statement with respect to the shelf registration on Form S-3 to become effective in accordance with Section 2(a) above;

(ii) use reasonable best efforts to prepare and file with the Commission such amendments and post-effective amendments to the Shelf Registration Statement and file with the Commission any other required document as may be necessary to keep such Shelf Registration Statement continuously effective until the expiration of the Effective Period; use reasonable best efforts to cause the related Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and use reasonable best efforts to comply with the provisions of the Securities Act applicable to it with respect to the disposition of all Securities covered by such Shelf Registration Statement during the Effective Period in accordance with the intended methods of disposition by the sellers thereof set

forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented;

(iii) promptly notify the Notice Holders of Registrable Securities that have requested or received copies of the Prospectus included in the Shelf Registration Statement (A) when such Shelf Registration Statement has become effective, (B) of any request, following the effectiveness of the Shelf Registration Statement, by the Commission or any other Federal or state governmental authority for amendments or supplements to the Shelf Registration Statement or related Prospectus, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or written threat of any proceedings for that purpose, (D) of the receipt by the Issuers of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (E) of the occurrence of (but not the nature of or details concerning) any event or the existence of any fact (a "**Material Event**") as a result of which the Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided, however, that no notice by the Issuers shall be required pursuant to this clause (E) in the event that the Issuers either promptly file a prospectus supplement to update the Prospectus or timely filed a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Shelf Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading), (F) of the determination by the Issuers that a post-effective amendment to the Shelf Registration Statement (other than for the purpose of naming a Notice Holder as a selling securityholder therein) will be filed with the Commission, which notice may, at the discretion of the Issuers (or as required pursuant to Section 3(b)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(b) shall apply or (G) at any time when a Prospectus is required to be delivered under the Securities Act, that the Shelf Registration Statement or Prospectus does not conform in all

material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder;

(iv) prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use reasonable best efforts to register or qualify, or cooperate with the Notice Holders of Securities included therein and their respective counsel in connection with the registration or qualification of, such Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Notice Holders reasonably requests in writing and do any and all other acts or things reasonably necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by the Shelf Registration Statement; prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use reasonable best efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effective Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the Shelf Registration Statement and the related Prospectus; *provided* that the Issuers will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject;

(v) use reasonable best efforts to prevent the issuance of, and if issued, to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any post-effective amendment thereto, and to lift any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in each case at the earliest practicable date;

(vi) upon reasonable notice, throughout the Effective Period, (i) during normal business hours, make reasonably available upon appropriate agreement by such parties to maintain confidentiality and appropriately use such information, for inspection by a representative of, and Special Counsel acting for, Majority Holders of the Securities being sold and any underwriter (and its counsel) participating in any disposition of Securities pursuant to such Shelf Registration Statement, all relevant

financial and other records, pertinent corporate documents and properties of the Issuers and their subsidiaries and (ii) use reasonable best efforts to have the officers, directors, employees, accountants and counsel of the Issuers supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter in connection with such Shelf Registration Statement;

(vii) if requested by Majority Holders of the Securities being sold in an underwriting, its Special Counsel or the managing underwriters (if any) in connection with such Shelf Registration Statement, use reasonable best efforts to cause (a) its counsel to deliver an opinion relating to the Shelf Registration Statement and the Securities in customary form, (b) the officers of each Issuer to execute and deliver all customary documents and certificates requested by the Majority Holders of the Securities being sold, their Special Counsel or the managing underwriters (if any) and (c) the independent public accountants of the Issuers to provide a comfort letter or letters in customary form, subject to receipt of appropriate documentation as contemplated and only if permitted by Statement of Auditing Standards No. 72, provided that the Registrable Securities shall not be sold in any underwritten offering without the prior written consent of the Issuers;

(viii) if reasonably requested by the Initial Purchasers or any Notice Holder, promptly incorporate in a prospectus supplement or post-effective amendment to the Shelf Registration Statement such information as the Initial Purchasers or such Notice Holder shall, on the basis of a written opinion of nationally-recognized counsel experienced in such matters, determine to be required to be included therein by applicable law and make any required filings of such prospectus supplement or such post-effective amendment; *provided*, that the Issuers shall not be required to take any actions under this Section 3(a)(viii) that are not, in the reasonable opinion of counsel for the Issuers, in compliance with applicable law;

(ix) promptly furnish to each Notice Holder and the Initial Purchasers, upon their request and without charge, at least one (1) conformed copy of the Shelf Registration Statement and any amendments thereto, including financial statements but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference and all exhibits; *provided*, *however*, that the Issuers shall have no obligation to deliver to Notice Holders or the Initial Purchasers a copy of any amendment

consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on EDGAR;

(x) during the Effective Period, deliver to each Notice Holder in connection with any sale of Registrable Securities pursuant to the Shelf Registration Statement, upon its request and without charge, as many copies of the Prospectus relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Issuers hereby consent (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or each amendment or supplement thereto by each Notice Holder in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein; and

(xi) cooperate with the Notice Holders of Securities to facilitate the timely preparation and delivery of global or definitive certificates representing Securities to be sold pursuant to the Shelf Registration Statement free of any restrictive legends and, in the case of definitive certificates, in such denominations and registered in such names as the Holders thereof may request in writing at least two business days prior to sales of Securities pursuant to such Shelf Registration Statement.

(b) Upon (A) the issuance by the Commission of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of any event or the existence of any Material Event as a result of which the Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (C) the occurrence or existence of any corporate development that, in the discretion of the Issuers, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Issuers will (i) in the case of clause (B) above, subject to the third sentence of this provision, as promptly as practicable prepare and file a post-effective amendment to the Shelf Registration Statement or a supplement to the related

Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to the Shelf Registration Statement, subject to the third sentence of this provision, use reasonable best efforts to cause it to become effective as promptly as is practicable, and (ii) give notice to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "**Deferral Notice**"). Upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in clause (i) above, or until it is advised in writing by the Issuers that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Each Issuer will use reasonable best efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as practicable, (y) in the case of clause (B) above, as soon as, in the sole judgment of the Issuers, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Issuers or, if necessary to avoid unreasonable burden or expense, as soon as practicable thereafter and (z) in the case of clause (C) above, as soon as, in the discretion of the Issuers, such suspension is no longer appropriate; *provided* that the period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the "**Deferral Period**"), without the Issuers incurring any obligation to pay Additional Interest pursuant to Section 2(d), shall not exceed one hundred and twenty (120) days in the aggregate in any twelve (12) month period.

(c) Each Holder of Registrable Securities agrees that upon receipt of any Deferral Notice from the Issuers, such Holder shall forthwith discontinue (and cause any placement or sales agent or underwriters acting on its behalf to discontinue) the disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder (i) shall have received copies of such

amended or supplemented Prospectus or (ii) shall have received notice from the Issuers that the disposition of Registrable Securities pursuant to the Shelf Registration may continue.

(d) The Issuers may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Issuers such information, in addition to that elicited by the Notice and Questionnaire, regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Issuers may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act or other applicable law. Each such Holder agrees to notify the Issuers as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Issuers or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading, and promptly to furnish to the Issuers any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Superior Energy shall comply with all applicable rules and regulations of the Commission and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than (i) 40 days after the end of any 12-month period (or 60 days after the end of any 12-month period if such period is a fiscal year) if Superior Energy is at such time an "accelerated filer" and (ii) 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) if Superior Energy is not an "accelerated filer" commencing on the first day of the first fiscal quarter of such Issuer commencing after the effective date of the Shelf Registration Statement, which statements shall cover said 12-month periods.

(f) The Issuers shall provide a CUSIP number for all Registrable Securities covered by the Shelf Registration Statement not later than the effective date of such Shelf Registration Statement and provide the Trustee and the transfer agent for the Shares with one or more certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(g) Until the expiration of the Effective Period, the Issuers will not, and will not permit any of its "affiliates" (as defined in Rule 144) to, resell any of the Securities that have been reacquired by any of them except pursuant to an effective registration statement under the Securities Act.

(h) The Issuers shall cause the Indenture to be qualified under the Trust Indenture Act in a timely manner.

(i) The Issuers shall enter into such customary agreements and take all such other necessary and lawful actions in connection therewith (including those requested by the Majority Holders of the Registrable Securities being sold) in order to expedite or facilitate disposition of such Registrable Securities.

4. *Holder's Obligations.*

Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to the Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Issuers with a Notice and Questionnaire pursuant to Section 2(c) hereof (including the information required to be included in such Notice and Questionnaire) and the additional information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Issuers all information required to be disclosed in order to make the information previously furnished to the Issuers by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Shelf Registration Statement under applicable law or pursuant to Commission comments. Each Holder further agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement without delivering, or causing to be delivered, a Prospectus to the purchaser thereof and, following termination of the Effective Period, to notify the Issuers, within 10 Business Days of a request by the Issuers, of the amount of Registrable Securities sold pursuant to the Shelf Registration Statement and, in the absence of a response, the Issuers may assume that all of the Holder's Registrable Securities were so sold.

5. *Registration Expenses.*

The Issuers and the Guarantors, jointly and severally, agree to bear and to pay or cause to be paid promptly upon request being made therefor all expenses incident to the Issuers' performance of or compliance with this Agreement, including, but not limited to, (a) all Commission and any NASD registration and filing fees and expenses, (b) all fees and expenses in connection with the qualification of the Registrable Securities for offering and sale under the state securities and Blue Sky laws referred to in Section 3(a)(iv) hereof, including reasonable fees and disbursements of one counsel for the placement agent or underwriters, if any, in connection with such qualifications, (c) all expenses relating to the preparation, printing, distribution and reproduction of the Shelf Registration Statement, the related Prospectus, each amendment or supplement to each of the foregoing, the certificates representing the Securities and all other documents relating hereto, (d) fees and expenses of the Trustee and of the registrar and transfer agent for the Shares, (e) fees, disbursements and expenses of counsel and independent certified public accountants of the Issuers (including the expenses of any reports required by the Securities Act or the rules and regulations thereunder to be included or incorporated by reference in the Shelf Registration Statement or "cold comfort" letters required by or incident to such performance and compliance) and (f) reasonable fees, disbursements and expenses of one counsel for the Holders of Registrable Securities retained in connection with the Shelf Registration Statement, as selected by the Issuers (unless reasonably objected to by the Majority Holders of the Registrable Securities being registered, in which case the Majority Holders shall select such counsel for the Holders) ("**Special Counsel**"), and fees, expenses and disbursements of any other Persons, including special experts, retained by the Issuers in connection with such registration (collectively, the "**Registration Expenses**"). To the extent that any Registration Expenses are incurred, assumed or paid by any Holder of Registrable Securities or any underwriter or placement agent therefor, the Issuers shall reimburse such Person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a documented request therefor. Notwithstanding the foregoing, the Holders of the Registrable Securities being registered shall pay all underwriting discounts and commissions and placement agent fees and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above.

6. *Indemnification.*

(a) The Issuers and the Guarantors, jointly and severally, agree to indemnify and hold harmless each Holder

(including, without limitation, the Initial Purchasers), each of the directors, officers, employees and affiliates of such Holder and each person who controls such Holder within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Shelf Registration Statement or the Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; *provided*, *however*, that the Issuers will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission from any such document, in reliance upon and in conformity with written information provided by a Holder. This indemnity agreement will be in addition to any liability that the Issuers may otherwise have.

(b) Each Holder agrees to indemnify and hold harmless the Issuers, each of its directors, each of its officers, and each person, if any, who controls the Issuers within the meaning of either the Securities Act or the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which the Issuers may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any such Shelf Registration Statement or the Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any information furnished to the Issuers by such Holder, in its most

recent Notice and Questionnaire or such other written instrument, and agrees to reimburse the Issuers, as incurred, for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; *provided*, *however*, that no such Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it has been materially prejudiced through the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b). If any action shall be brought against an indemnified party and it shall have notified the indemnifying party thereof, the indemnifying party shall be entitled to appoint counsel (including local counsel) of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel, other than local counsel if not appointed by the indemnifying party, retained by the indemnified party or parties except as set forth below); *provided*, *however*, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel (including local counsel) to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if: (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties

that are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include an admission of fault, culpability or a failure to act, by or on behalf of such indemnified party.

(d) The provisions of this Section 6 and Section 7 shall remain in full force and effect, regardless of any investigation made by or on behalf of any Holder, the Issuers, or any of the indemnified Persons referred to in this Section 6 and Section 7, and shall survive the sale by a Holder of Securities covered by the Shelf Registration Statement.

7. *Contribution.*

If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Issuers and the Guarantors from the offering and sale of the Notes, on the one hand, and a Holder with respect to the sale by such Holder of Securities, on the other, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuers and the Guarantors and such Holder on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors on the one hand and a Holder on the other with respect to such offering and such sale shall be deemed to be in the same proportion

as the total net proceeds from the offering of the Notes (excluding discounts and commissions, but before deducting expenses) received by or on behalf of the Issuers and the Guarantors, on the one hand, and the total net proceeds (excluding discounts and commissions, but before deducting expenses) received by such Holder upon a resale of the Securities, on the other, bear to the total gross proceeds from the sale all Securities pursuant to the Shelf Registration Statement in the offering of the Securities from which the contribution claim arises. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Issuers or the Guarantors or information supplied by the Issuers or the Guarantors on the one hand or to any information contained in the relevant Notice and Questionnaire or such other written instrument supplied by such Holder on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Securities shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. *Rule 144A and Rule 144.*

So long as any Registrable Securities remain outstanding, each Issuer shall use reasonable best efforts to file the reports required to be filed by it under Rule 144A(d)(4) under the Securities Act and the Exchange Act in a timely manner and, if at any time such Issuer is not required to file such reports, it will, upon the written request of any Holder of Restricted Securities, make publicly available other information so long as necessary to permit sales of such Holder’s securities pursuant to Rules 144 and 144A. Each Issuer covenants that it will take such further action

as any Holder of Restricted Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including, without limitation, the requirements of Rule 144A(d)(4)). Upon the written request of any Holder of Registrable Securities, each Issuer shall promptly deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Issuers to register any of its securities pursuant to the Exchange Act.

9. *Miscellaneous.*

(a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Issuers have obtained the written consent of the Majority Holders. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities are being sold pursuant to the Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate amount of the Securities being sold by such Holders pursuant to the Shelf Registration Statement.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first class mail, telecopier or air courier guaranteeing next-day delivery:

(i) If to the Issuers or the Guarantors, initially at the address set forth in the Purchase Agreement;

(ii) If to the Initial Purchasers, initially at the address of the representative set forth in the Purchase Agreement; and

(iii) If to a Holder, to the address of such Holder set forth in the security register, the Notice and Questionnaire or other records of the Issuers; *provided*, *however*, that so long as the Securities will be in global form, all notices hereunder may be delivered through The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business

day after being delivered to a next day air courier; five business days after being deposited in the mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors and Assigns. This Agreement shall be binding upon the Issuers, the Guarantors, and each of their successors and assigns.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Definition of Terms. For purposes of this Agreement, (a) the term "**business day**" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) except where otherwise expressly provided, the term "**affiliate**" has the meaning set forth in Rule 405 under the Securities Act.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(h) Remedies. In the event of a breach by the Issuers, the Guarantors or by any Holder of any of their respective obligations under this Agreement, each Holder or the Issuers, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Issuers and the Guarantors of its obligations for which Additional Interest have been paid pursuant to Section 2 hereof), will be entitled to specific performance of its rights under this Agreement. The Issuers and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(i) No Inconsistent Agreements. Each Issuer represents, warrants and agrees that (i) it has not entered into, shall

not, on or after the date of this Agreement, enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii) except with respect to certain registration rights granted to each of the Dealers under the Letter Agreements, there are no contracts, commitments, agreements, arrangements, understandings or undertakings of any kind to which such Issuer is a party, or by which it is bound, granting to any person the right to require either such Issuer to file a registration statement under the Securities Act with respect to any securities of such Issuer or requiring such Issuer to include such securities with the Securities registered pursuant to any registration statement and (iii) without limiting the generality of the foregoing, without the written consent of the Majority Holders, it shall not grant to any Person the right to request such Issuer to register any securities of such Issuer under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(j) No Piggyback on Registrations. Except with respect to certain registration rights granted to each of the Dealers under the Letter Agreements, neither the Issuers nor any of their security holders (other than the Holders of Restricted Securities in such capacity) shall have the right to include any securities of the Issuers in any Shelf Registration Statement other than Registrable Securities.

(k) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(l) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable

Securities, any director, officer or affiliate of such Holder, any agent or underwriter or any director, officer or affiliate thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(m) Securities Held by the Issuers, Etc. Whenever the consent or approval of Holders of a specified percentage of Securities is required hereunder, Securities held by the Issuers or their affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among the Issuers and the Initial Purchasers in accordance with its terms.

Very truly yours,

SESI, L.L.C.

By: SUPERIOR ENERGY SERVICES, INC.,
Its Sole Member

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Office

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Executive Vice President and
Chief Financial Office

GUARANTORS:
1105 PETERS ROAD, L.L.C.
BLOWOUT TOOLS, INC.
CONCENTRIC PIPE AND TOOL RENTALS, L.L.C.
CONNECTION TECHNOLOGY, L.L.C.
CSI TECHNOLOGIES, LLC
DRILLING LOGISTICS, L.L.C.
F. & F. WIRELINE SERVICE, L.L.C.
FASTORQ, L.L.C.
H.B. RENTALS, L.C.
INTERNATIONAL SNUBBING SERVICES, L.L.C.
J.R.B. CONSULTANTS, INC.
NON-MAGNETIC RENTAL TOOLS, L.L.C.
PROACTIVE COMPLIANCE, L.L.C.
PRODUCTION MANAGEMENT INDUSTRIES, L.L.C.
SEGEN LLC
SELIM LLC
SEMO, L.L.C.
SEMSE, L.L.C.
SPN RESOURCES, LLC
STABIL DRILL SPECIALTIES, L.L.C.
SUB-SURFACE TOOLS, L.L.C.
SUPERIOR CANADA HOLDING, INC.
SUPERIOR ENERGY SERVICES, L.L.C.
SUPERIOR INSPECTION SERVICES, INC.
UNIVERSAL FISHING AND RENTAL TOOLS, INC.
WILD WELL CONTROL, INC.
WORKSTRINGS, L.L.C.

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

SE FINANCE LP

By: SEGEN, LLC,
Its General Partner

By: /s/ Robert S. Taylor
Name: Robert S. Taylor
Title: Authorized Representative

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

BEAR, STEARNS & CO. INC.
LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.

By: BEAR, STEARNS & CO. INC.
Acting on behalf of themselves
and as Representative
of the Initial Purchasers

By: /s/ Paul S. Rosica
Name: Paul S. Rosica
Title: Senior Managing Director

EXHIBIT 10.3

Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179
Tel (212) 272-2000
www.bearstearns.com

December 7, 2006

To: SESI, LLC
1105 Peters Road
Harvey, Louisiana, 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

Re: **Call Option Transaction**

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Bear, Stearns International Limited ("**Dealer**") and SESI, LLC ("**Counterparty**") on the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "**Confirmation**" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. Certain defined terms used herein have the meanings assigned to them in the Offering Memorandum dated December 7, 2006 (the "**Offering Memorandum**") relating to the USD 400,000,000 principal amount of 1½% Senior Exchangeable Notes due 2026, (the "**Exchangeable Notes**" and each USD 1,000 principal amount of Exchangeable Notes, an "**Exchangeable Note**") giving effect to the exercise in full of the initial purchasers' option to purchase an additional $50,000,000 of Exchangeable Notes, issued by Counterparty pursuant to an Indenture to be dated December 12, 2006 between Counterparty and The Bank of New York Trust Company, as trustee (without giving effect to any subsequent amendment, modification or waiver, the "**Indenture**"). In the event of any inconsistency between the terms defined in the Offering Memorandum, the Indenture and this Confirmation, this Confirmation shall govern.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Dealer and Counterparty had executed an agreement in such form (but without any Schedule except for (i) the election of the laws of the State of New York as the governing law, and (ii) the election of US Dollars ("**USD**") as the Termination Currency) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will

prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	December 7, 2006
Option Style:	"Modified American", as described under "Procedures for Exercise" below.
Option Type:	Call
Buyer:	Counterparty
Seller:	Dealer
Shares:	The common stock of Superior Energy Services, Inc., par value USD 0.001 per Share (Exchange symbol "SPN"), subject to an adjustment as set forth under "Consequences of Merger Events" below.
Number of Options:	The product of (i) the Applicable Percentage and (ii) the number of Exchangeable Notes in denominations of USD 1,000 principal amount issued by Counterparty on the closing date for the initial issuance of the Exchangeable Notes. For the avoidance of doubt, the Number of Options outstanding shall be reduced by each exercise of Options hereunder. In no event will the Number of Options be less than zero.
Option Entitlement:	As of any date, a number of Shares per Option equal to the Exchange Rate as of such date (as defined in the Indenture, but without regard to any adjustments to the Exchange Rate pursuant to Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" below).
Applicable Percentage:	50%
Premium:	USD 48,000,000 (Premium per Option USD 240).
Premium Payment Date:	December 12, 2006
Exchange:	New York Stock Exchange

Related Exchange(s):	All Exchanges

Procedures for Exercise:

Exercise Period(s):	Notwithstanding the Equity Definitions, the Exercise Period shall be, in respect of the Exercisable Options (as defined below), each period commencing on and including an Exchange Date to and including 5:00 PM (New York City time) on the Scheduled Trading Day immediately preceding the first day of the related Observation Period (as defined in the Indenture); *provided* that if by the 30th Scheduled Trading Day prior to December 15, 2011, Counterparty has specified December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, there shall be a single Exercise Period for Exercisable Options with respect to any Exchangeable Notes surrendered for exchange following Counterparty's notice of such redemption and the final day of the Exercise Period shall be the Scheduled Trading Day immediately preceding the redemption date; *provided further* that if by the 30th Scheduled Trading Day prior to December 15, 2011, Counterparty has not specified December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, notices of exchange received by Counterparty from holders of Exchangeable Notes following such 30th Scheduled Trading Day prior to December 15, 2011 shall not result in the commencement of an Exercise Period and no Exercisable Options will be exercised or deemed exercised in respect of such notices of exchange of Exchangeable Notes.
Exchange Date:	Each "Exchange Date", as defined in the Indenture, occurring during the Exercise Period for Exchangeable Notes (such Exchangeable Notes, the "**Relevant Exchangeable Notes**" for such Exchange Date).
Exercisable Options:	In respect of each Exercise Period, a number of Options equal to the product of (i) the Applicable Percentage and (ii) the number of Relevant Exchangeable Notes surrendered to Counterparty for exchange with respect to such Exercise Period but no greater than the Number of Options.

Expiration Date:	The earlier of (i) the last day on which any Exchangeable Notes remain outstanding and (ii) December 15, 2011.
Minimum Number of Options:	Zero
Maximum Number of Options:	Number of Options
Multiple Exercise:	Applicable, as described under Exercisable Options above.
Automatic Exercise:	Applicable; and means that in respect of an Exercise Period, a number of Options not previously exercised hereunder equal to the Exercisable Options shall be deemed to be exercised on the Expiration Date for such Exercisable Options; *provided* that such Options shall be deemed exercised only to the extent that Counterparty has provided a Notice of Exercise to Dealer.
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Exercisable Options, Counterparty or trustee under the Indenture (the **"Trustee"**) on behalf of Counterparty must notify Dealer in writing prior to 5:00 P.M., New York City time, on the Scheduled Trading Day prior to the first day of the Observation Period for the Relevant Exchangeable Notes in respect of which the Exercisable Options are being exercised (the **"Notice Deadline"**) of (i) the number of such Exercisable Options, (ii) the first day of the Observation Period and the expected Settlement Date, and (iii) the method by which Counterparty is satisfying its obligation to exchange the Relevant Exchangeable Notes; *provided* that, notwithstanding the foregoing, such notice (and the related Automatic Exercise of Options) shall be effective if given after the Notice Deadline but prior to 5:00 PM (New York City time) on the fifth Exchange Business Day of such "Observation Period," in which event the Calculation Agent shall have the right to adjust the Delivery Obligation as appropriate to reflect the additional costs (including, but not limited to, hedging mismatches and market losses) and expenses incurred by Dealer or any of its affiliates in connection with its hedging activities (including the unwinding of any hedge position) as a result of its not having received such notice prior to the Notice Deadline, unless Counterparty's chief financial

	officer received a phone call from an officer of the Dealer inquiring about such notice between 9:00 AM and 5:00 PM (New York City time) on the second Exchange Business Day preceding the beginning of the Observation Period, in which case this proviso shall not apply; *provided further* that in respect of Exercisable Options relating to Exchangeable Notes tendered for exchange following the election by Counterparty of December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, such notice may be given on or prior to the second Scheduled Trading Day immediately preceding the Expiration Date and need only specify the number of such Exercisable Options.
Dealer's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice of Exercise:	To: Bear, Stearns & Co. Inc. Attn: Patrick Dempsey Telephone: (212)272-0550 Facsimile: (212) 272-4022
Valuation Time:	At the close of trading of the regular trading session on the Exchange; *provided* that if the principal trading session is extended, the Calculation Agent shall determine the Valuation Time in its reasonable discretion.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (x) deleting the phrase "during the one hour period that ends at the relevant Valuation Time" in Section 6.3(a)(ii) and replacing it with the phrase "at any time prior to 1:00 p.m. on such Scheduled Trading Day of an aggregate one half hour period" and (y) deleting the phrase "or (iii) an Early Closure".
Settlement Terms:	
Settlement Date:	In respect of an Exercise Date, the settlement date for the Shares and cash (in respect of fractional shares) to be delivered under the Relevant Exchangeable Notes under the terms of the Indenture; *provided* that if such a day is

not the third Currency Business Day following the last day of the related Observation Period, Dealer shall use its reasonable efforts to make deliveries on the Settlement Date for the Relevant Exchangeable Notes (subject to receipt of a prior notice from Issuer sufficiently in advance of such Settlement Date) and if, notwithstanding such reasonable efforts, the Dealer is unable to effect the delivery on such day, then it shall be the third Currency Business Day following the last day of the related Observation Period.

Delivery Obligation:	In lieu of the obligations set forth in Sections 8.1 and 9.1 of the Equity Definitions, and subject to "Notice of Exercise" above, in respect of an Exercise Date occurring on or with respect to an Exchange Date, Dealer will deliver to Counterparty, on the related Settlement Date, for each Option exercised or deemed exercised, an amount equal to the product of (x) the Applicable Percentage and (y) an aggregate number of Shares and an aggregate amount of cash (in respect of fractional Shares) in excess of (i) USD 1,000 (if Counterparty has elected to settle the Relevant Exchangeable Notes in cash and Shares) or (ii) the number of Shares equivalent to USD 1,000 (if Counterparty has elected to settle the Relevant Exchangeable Notes in Shares only), as determined by the Calculation Agent based on the sum, for all Trading Days in the Observation Period, of a respective number of Shares equal to USD 40 divided by the Daily VWAP (as defined in the Indenture) for each such Trading Day (if Counterparty has elected to settle the Relevant Exchangeable Notes in Shares only) that Counterparty is obligated to deliver to the holder(s) of the Relevant

	Exchangeable Notes exchanged on such Exchange Date pursuant to Section 12.01(d) of the Indenture (the **"Exchange Obligation"**); *provided* that, if the Relevant Exchangeable Notes are being exchanged in connection with any Fundamental Change (as defined in the Indenture), (a) the Calculation Agent shall determine an amount that would be payable by Dealer to Counterparty pursuant to Section 6(e)(ii)(1) of the Agreement (for purposes of such determination, the Calculation Agent shall not be taking into account the amount deliverable to the holder(s) of the Relevant Exchangeable Notes pursuant to Section 12.03 of the Indenture) if (x) the Number of Options were equal to the product of the Applicable Percentage and the number of the Relevant Exchangeable Notes and (y) the Fundamental Change were an Additional Termination Event occurring on the effective date for the Fundamental Change with Counterparty as the sole Affected Party (the **"Fair Value Amount"**), and (b) to the extent that a number of additional Shares that Counterparty is obligated to deliver to holder(s) of the Relevant Exchangeable Notes as a result of any adjustments to the Exchange Rate pursuant to Section 12.03 of the Indenture in respect of such Fundamental Change exceeds the number of Shares equal to the Fair Value Amount (such number of Shares to be determined by the Calculation Agent based on the daily VWAP of the Shares on the effective date of the Fundamental Change), then the "Delivery Obligation" shall be determined excluding any such excess Shares. For the avoidance of doubt, if the "Exchange Obligation", as defined in the Indenture, is less than or equal to USD 1,000 (or a number of Shares equivalent to USD 1,000 determined as set forth above), Dealer will have no delivery obligation hereunder.
Notice of Delivery Obligation:	No later than the Exchange Business Day immediately following the last day of the "Observation Period", as defined in the Indenture, Counterparty or the Trustee on behalf of Counterparty shall give Dealer notice of the final number of Shares and the amount of cash (in respect of fractional shares) comprising the Exchange Obligation (it being understood, for the avoidance of doubt, that the requirement of Counterparty to deliver such notice shall not limit Counterparty's obligations with respect to Notice of Exercise, as set forth above, in any way).
Other Applicable Provisions:	To the extent Dealer is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 of the Equity Definitions will be applicable, except that all references in such provisions to "Physical Settlement" shall be read as references to "Net Share Settlement"; and provided that the Representation and Agreement contained in Section 9.11 of the

Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Buyer is the Issuer of the Shares. "Net Share Settlement" in relation to any Option means that Dealer is obligated to deliver Shares hereunder.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Transaction:

Method of Adjustment:	Calculation Agent Adjustment, and means that, notwithstanding Section 11.2(c) of the Equity Definitions, upon any adjustment to the Exchange Rate of the Exchangeable Notes pursuant to the Indenture (other than Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above), the Calculation Agent will make a corresponding adjustment to any one or more of the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction. Immediately upon the occurrence of any adjustment contemplated in Section 12.03 of the Indenture (an "**Adjustment Event**"), Counterparty shall notify the Calculation Agent of such Adjustment Event; and once the adjustments to be made to the terms of the Indenture and the Exchangeable Notes in respect of such Adjustment Event have been determined, Counterparty shall immediately notify the Calculation Agent in writing of the details of such adjustments.
Potential Adjustment Events:	Notwithstanding Section 11.2(e) of the Equity Definitions, a "Potential Adjustment Event" means an occurrence of any event or condition, as set forth in Section 12.02 of the Indenture that would result in an adjustment to the Exchange Rate of the Exchangeable Notes; *provided* that in no event shall there be any adjustment hereunder as a result of an adjustment to the Exchange Rate pursuant to Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above.

Extraordinary Events applicable to the Transaction:

Merger Events:	Notwithstanding Section 12.1(b) of the Equity Definitions, a "Merger Event" means the occurrence of any event or condition set forth in Section 12.05 of the Indenture.
Tender Offers:	Notwithstanding Section 12.1(d) of the Equity Definitions, a "Tender Offer" means the occurrence of any event or condition set forth in Section 12.02(e) of the Indenture and, upon the occurrence of such an event, adjustments set forth under "Method of Adjustment" above shall apply.
Consequences of Merger Events:	Notwithstanding Section 12.2 of the Equity Definitions, upon the occurrence of a Merger Event, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; *provided however* that such adjustment shall be made without regard to any adjustment to the Exchange Rate for the issuance of additional shares as set forth in Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above. Notwithstanding the foregoing, upon the occurrence of a Merger Event that constitutes a "Public Acquirer Change in Control", as defined in the Indenture, with respect to which Counterparty elects to adjust the terms of the Exchangeable Notes in accordance with Section 12.04 of the Indenture (such a Public Acquirer Change in Control, a "**PACC Event**"), subject to compliance with the proviso to this sentence, the Calculation Agent will adjust any one or more of the nature of the Shares, the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction to the extent required to preserve the fair value of the Transaction to Dealer (such adjustments, the "**PACC Adjustments**"); *provided* that, as a condition precedent to the adjustments contemplated above, Counterparty and, if Counterparty is not the issuer of the "Public Acquirer Common Stock", as defined in the

	Indenture, the issuer of the Public Acquirer Common Stock, shall, prior to the effective date of such PACC Event, have entered into such documentation containing representations, warranties and agreements relating to securities laws and other issues as requested by Dealer that Dealer determined, in its reasonable discretion, to be reasonably necessary or appropriate to allow Dealer to continue as a party to the Transaction, as adjusted, and to preserve its hedge unwind, hedge leg in and other hedging activities in connection with the Transaction in a manner compliant with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Dealer.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that Counterparty may elect settlement of the related obligation in accordance with Section 9(k) below; *provided, further* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not re-listed, re-traded or re-quoted within 30 Exchange Business Days following such Delisting on a U.S. national or regional securities exchange or an established automated over-the-counter trading market in the U.S.; if the Shares are re-listed, re-traded or re-quoted within 30 Scheduled Trading Days following such Delisting on any U.S. national or regional securities exchange or an established automated over-the-counter trading market in the U.S., such exchange or quotation system shall thereafter be deemed to be the Exchange.
Additional Disruption Events:	
Change in Law:	Applicable
Failure to Deliver:	Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Not Applicable
Determining Party:	For all applicable Additional Disruption Events, Dealer.

Non-Reliance: Applicable

Agreements and Acknowledgements Regarding Hedging Activities: Applicable

Additional Acknowledgments: Applicable

4. Calculation Agent: Dealer

5. Account Details:

(a) Account for payments to Counterparty:

Whitney National Bank
228 St. Charles Avenue
New Orleans, LA 70130
ABA 065000171

For credit to:
SESI, LLC
1105 Peters Road
Harvey, LA 70058
Account 713121440

Account for delivery of Shares to Counterparty:

To be provided under separate cover by Counterparty.

(b) Account for payments to Dealer:

Citibank
111 Wall Street
New York, NY
ABA # 021000089
A/C Bear Stearns
A/C # 09253186
Sub A/C NZA5
Sub A/C # 351-29171-17

Account for delivery of Shares to Dealer: DTC # 352

6. Offices:

The Office of Counterparty for the Transaction is: Inapplicable, Counterparty is not a Multibranch Party.

The Office of Dealer for the Transaction is: Inapplicable, Dealer is not a Multibranch Party.

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Counterparty:

SESI, LLC
1005 Peters Road
Harvey, Louisiana 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

Address for notices or communications to Dealer:

Bear, Stearns International Limited
One Canada Square
London, England
Attention: Legal Department

With a copy to:

Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179
Attention: Michael O'Donovan
Telephone No: (212) 272-9895
Facsimile No: (917) 849-0251

8. Representations and Warranties of Counterparty

(A) The Counterparty hereby represents and warrants to Dealer that:

(a) It is an "**eligible contract participant**" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "**CEA**"));

(b) Each of it, Superior Energy Services, Inc. (the "**Issuer**") and their affiliates is not, on the date hereof, in possession of any material non-public information with respect to Counterparty;

(c) On the Trade Date, neither Counterparty nor any "affiliate" or "affiliated purchaser" (each as defined in Rule 10b-18 of the Exchange Act ("**Rule 10b-18**")) shall directly or indirectly (including, without limitation, by means of any cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable or exercisable for Shares, except through Bear Stearns & Co. Inc.;

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that Dealer is not making any representations or warranties with

respect to the treatment of the Transaction under FASB Statements 149 or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project;

(e) Without limiting the generality of Section 3(a)(iii) of the Agreement, the Transaction will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act;

(f) Prior to the Trade Date, Counterparty shall deliver to Dealer resolutions of Counterparty's and Issuer's boards of directors authorizing the Transaction and such other certificate or certificates as Dealer shall reasonably request;

(g) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(h) On the Trade Date (A) the assets of Counterparty at their fair valuation exceed the liabilities of Counterparty, including contingent liabilities, (B) the capital of Counterparty is adequate to conduct the business of Counterparty and (C) Counterparty has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature;

(i) Counterparty understands that no obligations of Dealer to it hereunder will be entitled to the benefit of deposit insurance or securities investor protection and that such obligations will not be guaranteed by any affiliate of Dealer (except as expressly set forth herein) or any governmental agency;

(j) The Exchangeable Notes have been duly authorized by the Counterparty, and, when issued and delivered as provided in the Purchase Agreement dated as of December 7, 2006 between Counterparty, the guarantors named therein and the Initial Purchasers party thereto (the "**Purchase Agreement**") and duly authenticated pursuant to the Indenture (assuming due authentication of the Exchangeable Notes by the trustee) will be duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Counterparty entitled to the benefits provided by the Indenture; and the Exchangeable Notes will conform, in all material respects, to the descriptions thereof in Offering Memorandum;

(k) The Indenture has been duly authorized, executed and delivered by the Counterparty and the guarantors named therein, and (assuming the authorization, execution and delivery by the trustee), constitutes a valid and legally binding instrument of the Counterparty, enforceable against the Counterparty in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, moratorium, reorganization and laws of general applicability relating to or affecting creditors' rights and general equity principles (regardless of whether enforceability is considered in a proceeding in equity or at law); and the Indenture conforms, in all material respects, to the description thereof in the Offering Memorandum;

(l) Upon issuance and delivery of the Exchangeable Notes in accordance with the Purchase Agreement and the Indenture, the Exchangeable Notes will be exchangeable at the option of the holder thereof into Shares or cash and Shares, if applicable, in accordance with the terms of the Exchangeable Notes; the Shares reserved for issuance upon exchange of the Exchangeable Notes have been duly authorized and reserved and, when issued upon exchange of the Exchangeable Notes in accordance with the terms of the Exchangeable Notes, will be validly issued, fully paid and non assessable, and the issuance of the Shares will not be subject to any preemptive or similar rights;

(m) Neither the Counterparty nor any affiliate (as defined in Rule 501(b) of Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**")) of the Counterparty has directly, or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Exchangeable Notes in a manner that would require the registration under the Exchangeable Notes Act of the offering contemplated by the Offering Memorandum;

(n) None of the Counterparty, any affiliate of the Counterparty or any person acting on its or their behalf (other than the Initial Purchasers for whom we make no representation) has offered or sold the Exchangeable Notes by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act;

(o) The Exchangeable Notes satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;

(p) The issue and sale of the Exchangeable Notes, the issuance by the Issuer of the Shares upon exchange of the Exchangeable Notes and the compliance by the Counterparty with all of the provisions of the Exchangeable Notes, the Indenture, the Registration Rights Agreement dated December 12, 2006 among the Counterparty, the Issuer, the guarantors named therein and the Initial Purchasers (the "**Registration Rights Agreement**"), the Purchase Agreement and this Confirmation and the consummation of the transactions herein and therein contemplated (A) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Counterparty or any of its subsidiaries is a party or by which the Counterparty or any of its subsidiaries is bound or to which any of the property or assets of the Counterparty or any of its subsidiaries is subject, except such conflict, breach or violation as would not have a Material Adverse Effect, (B) will not result in any violation of the provisions of the certificate of incorporation or bylaws of the Counterparty, and (C) will not result in the violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Counterparty or any of its subsidiaries or any of its properties, except such violations as would not have a Material Adverse Effect; and except as disclosed in the Offering Memorandum, no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Exchangeable Notes or the consummation by the Counterparty of the transactions contemplated by the Purchase Agreement or the Indenture, except for the filing and effectiveness of a registration statement by the Counterparty with the Commission pursuant to the Securities Act and the Registration Rights Agreement, the qualification of the Indenture under the Trust Indenture Act of 1939 ("**Trust Indenture Act**") in relation to the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state Securities or Blue Sky laws in connection with the purchase and distribution of the Exchangeable Notes by the Initial Purchasers in the manner contemplated by the Purchase Agreement and Offering Memorandum and except for such consents the failure to obtain would not have a Material Adverse Effect. "**Material Adverse Effect**" means any change in the capital stock, increase in long-term debt or any decreases in consolidated net current assets or stockholders' equity of the Issuer or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, current or future consolidated financial position, stockholders' equity or results of operations of the Issuer and its subsidiaries taken as a whole;

(q) Issuer is subject to Section 13 or 15(d) of the Securities Exchange Act, as amended (the "**Exchange Act**");

(r) All of the issued shares of capital stock of the Issuer have been duly and validly authorized and issued and are fully paid and non-assessable; such authorized capital stock of the Issuer conforms as to legal matters in all material respects to the description thereof contained in the Offering Memorandum; there are no outstanding options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell, any Shares, any shares of capital stock of any subsidiary, or any such warrants, convertible securities or obligations, except as set forth in the Offering Memorandum and except for options granted under, or contracts or commitments pursuant to, the Issuer's previous or currently existing stock option and other similar officer, director or employee benefit plans;

(s) Prior to the Trade Date, neither the Counterparty nor any of its affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Issuer in connection with the offering of the Exchangeable Notes;

(t) None of the Issuer or any of its subsidiaries is in violation of its certificate of incorporation or certificate of formation, or its bylaws or limited liability company agreement (or other organizational documents), or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, other than such defaults that individually or in the aggregate would not have a Material Adverse Effect; and

(u) Other than as set forth in the Offering Memorandum, there are no legal or governmental proceedings pending to which the Issuer or any of its subsidiaries is a party or of which any property of the Issuer or any of its subsidiaries is the subject which, if determined adversely to the Issuer or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best of the Counterparty's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(B) Each party makes to the other the representations and warranties set forth in Sections 3(a) through (f) of the Agreement with respect to the Agreement as supplemented by this Confirmation; *provided* that Dealer makes the representation and warranty set forth in Section 3(e) and Counterparty makes the representation and warranty set forth in Section 3(f). In addition, each of Dealer and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Counterparty represents and warrants to Dealer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws, and (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions:

(a) *Opinions*. Counterparty shall deliver to Dealer an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement and Section 8(A)(g) of this Confirmation.

(b) *Repurchase Notices*. Counterparty shall, on any day on which Issuer effects any repurchase of Shares, give Dealer a written notice of such repurchase (a "**Repurchase Notice**") on such day, and, if such notice relates to material non-public information at the time, simultaneously publicly announce (or cause to have announced) such information, if following such repurchase, the Notice Percentage as determined on such day is (i) greater than 4.5% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the product of the Number of Options and the Option Entitlement and the denominator of which is the number of Shares outstanding on such day.

(c) *Regulation M*. Counterparty and Issuer are not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of any securities of Issuer, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Counterparty and Issuer shall not, until the second Scheduled Trading Day immediately following the Trade Date, engage in any such distribution.

(d) *No Manipulation*. Counterparty is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares) or otherwise in violation of the Exchange Act.

(e) *Number of Repurchased Shares*. Counterparty represents that it could have purchased Shares, in an amount equal to the product of the Number of Options and the Option Entitlement, on the Exchange or otherwise, in compliance with applicable law, its organizational documents and any orders, decrees, contractual agreements binding upon Counterparty, on the Trade Date.

(f) *Early Unwind*. In the event the sale of Exchangeable Notes is not consummated with the initial purchasers for any reason by the close of business in New York on December 12, 2006 (or such later date as agreed upon by the parties) (December 12, 2006 or such later date as agreed upon being the "**Early Unwind Date**"), this Transaction shall automatically terminate (the "**Early Unwind**"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of Dealer and Counterparty under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; *provided* that, unless the sale of Exchangeable Notes is not consummated with the initial purchasers for any reason other than as a result of breach of the Purchase Agreement by the initial purchasers, Counterparty shall purchase from Dealer on the Early Unwind Date all Shares purchased by Dealer or one or more of its affiliates and reimburse Dealer for any costs or expenses (including market losses) relating to the unwinding of its Hedging Activities in connection with the Transaction (including any loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading

position). The amount of any such reimbursement shall be determined by Dealer in its sole good faith discretion. Dealer shall notify Counterparty of such amount and Counterparty shall pay such amount in immediately available funds on the Early Unwind Date. Dealer and Counterparty represent and acknowledge to the other that, subject to the proviso included in this paragraph, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(g) Transfer or Assignment. Neither party may transfer any of its rights or obligations under the Transaction without the prior written consent of the non-transferring party; provided that Dealer may transfer or assign without any consent of Counterparty its rights and obligations hereunder, in whole or in part, to any of its affiliates that are not less creditworthy than Dealer, or another affiliate not less creditworthy than Dealer); provided further that at any time at which a transaction proposed to be entered into by Dealer would cause the Articles Ownership Percentage to exceed 9.0%, Dealer will (i) have a right to, unless Counterparty provides an acknowledgment to Dealer to the effect that the Shares owned or controlled by Dealer or any of its affiliates will not be deemed as owned or controlled by a "Non-Citizen" (as defined in Article Twelve Section B.4 of Counterparty's Certificate of Incorporation), or (ii) if requested by Counterparty, transfer or assign to a third party such portion of the Transaction that would otherwise cause the Articles Ownership Percentage to exceed 9.0% (it being understood and agreed that Dealer would make such a transfer or assignment to (a) one of its U.S. affiliates, if, in Counterparty's view, such a transfer or assignment would result in the Shares owned or controlled by such U.S. affiliates not being owned or controlled by a "Non-Citizen" for purposes of Article Twelve of Counterparty's Certificate of Incorporation) or (b) unless otherwise consented by Counterparty, to a third party who is not a "Non-Citizen" for purposes of Article Twelve of Counterparty's Certificate of Incorporation, if the transfer or assignment would otherwise result in the Shares owned or controlled by a "Non-Citizen" for purposes of Article Twelve of Counterparty's Certificate of Incorporation); provided further that if Dealer is unable to effect a transfer or assignment to a third party after its commercially reasonable efforts on pricing terms reasonably acceptable to Dealer (or to one of its U.S. affiliates, if, in Counterparty's view, such a transfer or assignment would result in the Shares owned or controlled by such U.S. affiliates not being owned or controlled by a "Non-Citizen" for purposes of Article Twelve of Counterparty's Articles of Incorporation) such that the Articles Ownership Percentage does not exceed 9.0%, Dealer may designate any Scheduled Trading Day as an Early Termination Date with respect to a portion (the "**Articles Terminated Portion**") of the Transaction, such that the Articles Ownership Percentage following such partial termination will be equal to 9.0%.

Notwithstanding the foregoing, at any time at which the Option Equity Percentage exceeds 9.0%, if Dealer, in its discretion, is unable to effect a transfer or assignment to a third party after its commercially reasonable efforts on pricing terms reasonably acceptable to Dealer such that the Option Equity Percentage is reduced to 9.0% or less, Dealer may designate any Scheduled Trading Day as an Early Termination Date with respect to a portion (the "**Section 13 Terminated Portion**") of the Transaction, such that the Option Equity Percentage following such partial termination will be equal to or less than 9.0%.

In the event that Dealer so designates an Early Termination Date with respect to an Articles Terminated Portion or a Section 13 Terminated Portion, a payment shall be made pursuant to Section 6 of the Agreement as if (i) an Early Termination Date had been designated in respect of a Transaction having terms identical to this Transaction and a Number of Options equal to the Articles Terminated Portion or the Section 13 Terminated Portion, as the case may be, (ii) Counterparty shall be the sole Affected Party with respect to such partial termination and (iii) such Transaction shall be the only Terminated Transaction (and, for the avoidance of doubt, the

provisions of paragraph 9(k) shall apply to any amount that is payable by Dealer to Counterparty pursuant to this sentence).

The "**Articles Ownership Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the number of Shares that Dealer and its affiliates "beneficially own" (within the meaning of Article 12 Section B.1 of Counterparty's Certificate of Incorporation) on such day, and (B) the denominator of which is the number of Shares outstanding on such day.

The "**Option Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of (i) the number of Shares that Dealer "beneficially owns" (within the meaning of Section 13 of the Exchange Act) on such day, other than any Shares so owned as a hedge of the Transaction, and (ii) the product of the Number of Options and the Option Entitlement and (B) the denominator of which is the number of Shares outstanding on such day.

(h) *Staggered Settlement*. If upon advice of counsel with respect to applicable legal and regulatory requirements, including any requirements relating to Dealer's Hedging Activities hereunder, Dealer reasonably determines that it would not be practicable or advisable to deliver, or to acquire Shares to deliver, any or all of the Shares to be delivered by Dealer on the Settlement Date for the Transaction, Dealer may, by notice to Counterparty on or prior to any Settlement Date (a "**Nominal Settlement Date**"), elect to deliver the Shares on two or more dates (each, a "**Staggered Settlement Date**") as follows:

(i) in such notice, Dealer will specify to Counterparty the related Staggered Settlement Dates (*provided* that the last of such Staggered Settlement Dates shall occur not later than 20 Trading Days (as defined in the Indenture) following the Nominal Settlement Date) and the number of Shares that it will deliver on each Staggered Settlement Date;

(ii) the aggregate number of Shares that Dealer will deliver to Counterparty hereunder on all such Staggered Settlement Dates will equal the number of Shares that Dealer would otherwise be required to deliver on such Nominal Settlement Date;

(iii) if the Settlement terms set forth above were to apply on the Nominal Settlement Date, then the Settlement terms will apply on each Staggered Settlement Date, except that the Shares to be delivered will be allocated among such Staggered Settlement Dates as specified by Dealer in the notice referred to in clause (i) above; and

(iv) if Counterparty declares a dividend or other distribution with respect to Shares with an ex dividend date falling on or after a Nominal Settlement Date and prior to a Staggered Settlement Date, then in addition to any Shares it delivers on such a Staggered Settlement Date, Dealer shall deliver to Counterparty the amount of such dividend or other distribution in respect of such Shares on the Exchange Business Day next following its receipt of such dividend or distribution.

(i) *Role of Agent*. Each party agrees and acknowledges that (i) Bear, Stearns & Co., an affiliate of Dealer ("**Agent**"), has acted solely as agent and not as principal with respect to this Transaction and (ii) Agent has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(j) *No Collateral or Setoff*. Notwithstanding any provision of the Agreement or any other agreement between the parties, the obligations of Dealer hereunder are not secured by any collateral. In addition to and without limiting any rights of set-off that a party hereto may have as a matter of law, pursuant to contract or otherwise, upon the occurrence of an Early Termination Date, Dealer (and only Dealer) shall have the right to set off any obligation that it may have to Counterparty under this Confirmation, including without limitation any obligation to make any payment of cash or delivery of Shares to Counterparty, against any obligation Counterparty may have to Dealer under any other agreement between Dealer and Counterparty relating to Shares (other than any warrant purchased by Dealer from Counterparty during a three month period commencing on the Trade Date) (each such contract or agreement, a "**Separate Agreement**"), including without limitation any obligation to make a payment of cash or a delivery of Shares or any other property or securities if such Separate Agreement would not convey rights to Dealer senior to the claims of common stockholders of Counterparty in the event of Counterparty's bankruptcy; *provided* that Dealer may not exercise any such right to net or set off in the event of Counterparty's bankruptcy. For this purpose, Dealer shall be entitled to convert any obligation (or the relevant portion of such obligation) denominated in one currency into another currency at the rate of exchange at which it would be able to purchase the relevant amount of such currency, and to convert any obligation to deliver any non-cash property into an obligation to deliver cash in an amount calculated by reference to the market value of such property as of the Early Termination Date, as determined by the Calculation Agent in its sole discretion; *provided* that in the case of a set-off of any obligation to release or deliver assets against any right to receive fungible assets, such obligation and right shall be set off in kind and; *provided further* that in determining the value of any obligation to deliver Shares, the value at any time of such obligation shall be determined by reference to the market value of the Shares at such time, as determined in good faith by the Calculation Agent. If an obligation is unascertained at the time of any such set-off, the Calculation Agent may in good faith estimate the amount or value of such obligation, in which case set-off will be effected in respect of that estimate, and the relevant party shall account to the other party at the time such obligation or right is ascertained. Except as set forth herein, Dealer waives any further right of setoff with respect to this Transaction.

(k) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If in respect of this Transaction, subject to paragraph (j) above, an amount is payable by Dealer to Counterparty (i) pursuant to Section 12.7 or Section 12.9 of the Equity Definitions or (ii) pursuant to Section 6(d)(ii) of the Agreement (a "**Payment Obligation**"), Counterparty may request Dealer to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) (except that Counterparty shall not make such an election in the event of a Nationalization, Insolvency or a Merger Event, in each case, in which the consideration to be paid to holders of Shares consists solely of cash, or an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement in each case that resulted from an event or events outside Counterparty's control) and shall give irrevocable telephonic notice to Dealer, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York local time on the Merger Date, the Announcement Date (in the case of Nationalization or Insolvency), the Early Termination Date or date of cancellation, as applicable; *provided* that if Counterparty does not validly request Dealer to satisfy its Payment Obligation by the Share Termination Alternative, Dealer shall have the right, in its sole discretion, to satisfy its Payment Obligation by the Share Termination Alternative, notwithstanding Counterparty's election to the contrary. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (i)

this Transaction and (ii) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement.

Share Termination Alternative:	Applicable, if elected as per above, and means that Dealer shall deliver to Counterparty the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation in the manner reasonably requested by Counterparty free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to Dealer of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Dealer at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	One Share or, if a Merger Event has occurred and a corresponding adjustment to this Transaction has been made, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Merger Event, as determined by the Calculation Agent.
Failure to Deliver:	Applicable
Other applicable provisions:	If this Transaction is to be Share Termination Settled, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 (as modified above) of the Equity Definitions will be applicable,

except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that Share Termination Alternative is applicable to this Transaction.

(l) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(m) *Registration*. Counterparty hereby agrees that if, in the good faith reasonable judgment of Dealer, the Shares ("**Hedge Shares**") acquired by Dealer for the purpose of hedging its obligations pursuant to this Transaction cannot be sold in the public market by Dealer without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), Counterparty and Issuer shall, at Counterparty's election, either (i) in order to allow Dealer to sell the Hedge Shares in a registered offering, make available to Dealer an effective registration statement under the Securities Act and enter into an agreement, in form and substance reasonably satisfactory to Dealer, substantially in the form of an underwriting agreement for a registered secondary offering; *provided however*, that if Dealer, in its sole reasonable discretion, is not satisfied with access to due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section shall apply at the election of Counterparty, (ii) in order to allow Dealer to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to Dealer (in which case, the Calculation Agent shall make any adjustments to the terms of this Transaction that are necessary, in its reasonable judgment, to compensate Dealer for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement), or (iii) purchase the Hedge Shares from Dealer at the closing price on such Exchange Business Days, and in the amounts, requested by Dealer.

(n) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(o) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights with respect to the Transaction that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to

the Transaction; *provided*, *further*, that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions other than the Transaction.

(p) *Securities Contract; Swap Agreement*. The parties hereto intend for: (a) the Transaction to be a **"**securities contract" and a "swap agreement" as defined in the Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**"), and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 555 and 560 of the Bankruptcy Code; (b) a party's right to liquidate the Transaction and to exercise any other remedies upon the occurrence of any Event of Default under the Agreement with respect to the other party to constitute a "contractual right" as described in the Bankruptcy Code; (c) any cash, securities or other property provided as performance assurance, credit support or collateral with respect to the Transaction to constitute "margin payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code; and (d) all payments for, under or in connection with the Transaction, all payments for the Shares and the transfer of such Shares to constitute "settlement payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code.

(q) *Additional Provisions*. Counterparty covenants and agrees that, as promptly as practicable following the public announcement of any consolidation, merger and binding share exchange to which Counterparty is a party, or any sale of all or substantially all of Counterparty's assets, in each case pursuant to which the Shares will be converted into cash, securities or other property, Counterparty shall notify Dealer in writing of the types and amounts of consideration that holders of Shares have elected to receive upon consummation of such transaction or event (the date of such notification, the "**Consideration Notification Date**"); *provided* that in no event shall the Consideration Notification Date be later than the date on which such transaction or event is consummated.

(r) *Additional Termination Events*. The occurrence of (i) an event of default with respect to Counterparty under the terms of the Exchangeable Notes as set forth in Section 7.01 of the Indenture that results in an acceleration of the Exchangeable Notes pursuant to the terms of the Indenture, (ii) an Amendment Event or (iii) a PACC Termination Event (which shall be deem to occur on the effective date for the related PACC Event) shall be an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Counterparty is the sole Affected Party, and Dealer shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

"**Amendment Event**" means that Counterparty amends, modifies, supplements or obtains a waiver in respect of any term of the Indenture or the Exchangeable Notes governing the principal amount, coupon, maturity, repurchase obligation of Counterparty, redemption right of Counterparty, any term relating to exchange of the Exchangeable Notes (including changes to the exchange price, exchange settlement dates or exchange conditions) that may adversely affect the rights or obligations of Dealer hereunder, or any term that would require consent of the holders of not less than 100% of the principal amount of the Exchangeable Notes to amend, in each case without the prior consent of Dealer, such consent not to be unreasonably withheld.

(s) "PACC Termination Event" means a PACC Event with respect to which (i) the Calculation Agent reasonably determines that no PACC Adjustments would produce a commercially reasonable result, (ii) the PACC Adjustments have not been made because any of the documentation requirements set forth under "Consequences of Merger Events" above have not been satisfied by the effective date for such PACC Event or (iii) Dealer has determined, in its reasonable discretion, that it will be unable to effect its hedge unwind, hedge leg in or other hedging activities in a manner compliant with applicable legal, regulatory or self-regulatory

requirements, or with policies and procedures applicable to Dealer related to such applicable legal, regulatory or self-regulatory requirements.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to Michael O'Donovan, 383 Madison Avenue, New York, NY 10179, or by fax on (917) 849-0251.

Very truly yours,

Bear, Stearns & Co. Inc., as agent for Bear, Stearns International Limited

By: /s/ James D. Kern
Authorized Signatory
Name: James D. Kern

Accepted and confirmed
as of the Trade Date:

SESI, LLC

By: /s/ Robert S. Taylor
Authorized Signatory
Name: Robert S. Taylor

EXHIBIT 10.4

December 7, 2006

To: SESI, LLC
1105 Peters Road
Harvey, Louisiana, 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

From: Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
Attention: Transaction Management Group
Telephone No.: (212) 526-9986
Facsimile No.: (646) 885-9546

Re: **Call Option Transaction**

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Lehman Brothers OTC Derivatives Inc. ("**Dealer**") and SESI, LLC ("**Counterparty**") on the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "**Confirmation**" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction. Lehman Brothers OTC Derivatives Inc. is not a member of the Securities Investor Protection Corporation.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. Certain defined terms used herein have the meanings assigned to them in the Offering Memorandum dated December 7, 2006 (the "**Offering Memorandum**") relating to the USD 400,000,000 principal amount of 1½% Senior Exchangeable Notes due 2026, (the "**Exchangeable Notes**" and each USD 1,000 principal amount of Exchangeable Notes, an "**Exchangeable Note**") giving effect to the exercise in full of the initial purchasers' option to purchase an additional $50,000,000 of Exchangeable Notes, issued by Counterparty pursuant to an Indenture to be dated December 12, 2006 between Counterparty and The Bank of New York Trust Company, as trustee (without giving effect to any subsequent amendment, modification or waiver, the "**Indenture**"). In the event of any inconsistency between the terms defined in the Offering Memorandum, the Indenture and this Confirmation, this Confirmation shall govern.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Dealer and Counterparty had executed an agreement in such form (but

without any Schedule except for (i) the election of the laws of the State of New York as the governing law, and (ii) the election of US Dollars ("**USD**") as the Termination Currency) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	December 7, 2006
Option Style:	"Modified American", as described under "Procedures for Exercise" below.
Option Type:	Call
Buyer:	Counterparty
Seller:	Dealer
Shares:	The common stock of Superior Energy Services, Inc., par value USD 0.001 per Share (Exchange symbol "SPN"), subject to an adjustment as set forth under "Consequences of Merger Events" below.
Number of Options:	The product of (i) the Applicable Percentage and (ii) the number of Exchangeable Notes in denominations of USD 1,000 principal amount issued by Counterparty on the closing date for the initial issuance of the Exchangeable Notes. For the avoidance of doubt, the Number of Options outstanding shall be reduced by each exercise of Options hereunder. In no event will the Number of Options be less than zero.
Option Entitlement:	As of any date, a number of Shares per Option equal to the Exchange Rate as of such date (as defined in the Indenture, but without regard to any adjustments to the Exchange Rate pursuant to Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" below).
Applicable Percentage:	50%
Premium:	USD 48,000,000 (Premium per Option USD 240).

Premium Payment Date:	December 12, 2006
Exchange:	New York Stock Exchange
Related Exchange(s):	All Exchanges

Procedures for Exercise:

Exercise Period(s):	Notwithstanding the Equity Definitions, the Exercise Period shall be, in respect of the Exercisable Options (as defined below), each period commencing on and including an Exchange Date to and including 5:00 PM (New York City time) on the Scheduled Trading Day immediately preceding the first day of the related Observation Period (as defined in the Indenture); *provided* that if by the 30th Scheduled Trading Day prior to December 15, 2011, Counterparty has specified December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, there shall be a single Exercise Period for Exercisable Options with respect to any Exchangeable Notes surrendered for exchange following Counterparty's notice of such redemption and the final day of the Exercise Period shall be the Scheduled Trading Day immediately preceding the redemption date; *provided further* that if by the 30th Scheduled Trading Day prior to December 15, 2011, Counterparty has not specified December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, notices of exchange received by Counterparty from holders of Exchangeable Notes following such 30th Scheduled Trading Day prior to December 15, 2011 shall not result in the commencement of an Exercise Period and no Exercisable Options will be exercised or deemed exercised in respect of such notices of exchange of Exchangeable Notes.
Exchange Date:	Each "Exchange Date", as defined in the Indenture, occurring during the Exercise Period for Exchangeable Notes (such Exchangeable Notes, the "**Relevant Exchangeable Notes**" for such Exchange Date).
Exercisable Options:	In respect of each Exercise Period, a number of Options equal to the product of (i) the Applicable Percentage and (ii) the number of Relevant Exchangeable Notes surrendered to

	Counterparty for exchange with respect to such Exercise Period but no greater than the Number of Options.
Expiration Date:	The earlier of (i) the last day on which any Exchangeable Notes remain outstanding and (ii) December 15, 2011.
Minimum Number of Options:	Zero
Maximum Number of Options:	Number of Options
Multiple Exercise:	Applicable, as described under Exercisable Options above.
Automatic Exercise:	Applicable; and means that in respect of an Exercise Period, a number of Options not previously exercised hereunder equal to the Exercisable Options shall be deemed to be exercised on the Expiration Date for such Exercisable Options; *provided* that such Options shall be deemed exercised only to the extent that Counterparty has provided a Notice of Exercise to Dealer.
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Exercisable Options, Counterparty or trustee under the Indenture (the **"Trustee"**) on behalf of Counterparty must notify Dealer in writing prior to 5:00 P.M., New York City time, on the Scheduled Trading Day prior to the first day of the Observation Period for the Relevant Exchangeable Notes in respect of which the Exercisable Options are being exercised (the **"Notice Deadline"**) of (i) the number of such Exercisable Options, (ii) the first day of the Observation Period and the expected Settlement Date, and (iii) the method by which Counterparty is satisfying its obligation to exchange the Relevant Exchangeable Notes; *provided* that, notwithstanding the foregoing, such notice (and the related Automatic Exercise of Options) shall be effective if given after the Notice Deadline but prior to 5:00 PM (New York City time) on the fifth Exchange Business Day of such "Observation Period," in which event the Calculation Agent shall have the right to adjust the Delivery Obligation as appropriate to reflect the additional costs (including, but not limited to, hedging mismatches and market losses) and expenses incurred by Dealer or any of its affiliates in connection with its hedging

activities (including the unwinding of any hedge position) as a result of its not having received such notice prior to the Notice Deadline, unless Counterparty's chief financial officer received a phone call from an officer of the Dealer inquiring about such notice between 9:00 AM and 5:00 PM (New York City time) on the second Exchange Business Day preceding the beginning of the Observation Period, in which case this proviso shall not apply; *provided further* that in respect of Exercisable Options relating to Exchangeable Notes tendered for exchange following the election by Counterparty of December 15, 2011 as a redemption date for the Exchangeable Notes pursuant to the terms of the Indenture, such notice may be given on or prior to the second Scheduled Trading Day immediately preceding the Expiration Date and need only specify the number of such Exercisable Options.

Dealer's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice of Exercise:	To be provided by Dealer.
Valuation Time:	At the close of trading of the regular trading session on the Exchange; *provided* that if the principal trading session is extended, the Calculation Agent shall determine the Valuation Time in its reasonable discretion.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (x) deleting the phrase "during the one hour period that ends at the relevant Valuation Time" in Section 6.3(a)(ii) and replacing it with the phrase "at any time prior to 1:00 p.m. on such Scheduled Trading Day of an aggregate one half hour period" and (y) deleting the phrase "or (iii) an Early Closure".

Settlement Terms:

Settlement Date:	In respect of an Exercise Date, the settlement date for the Shares and cash (in respect of fractional shares) to be delivered under the Relevant Exchangeable Notes under the terms of the Indenture; *provided* that if such a day is not the third Currency Business Day following

	the last day of the related Observation Period, Dealer shall use its reasonable efforts to make deliveries on the Settlement Date for the Relevant Exchangeable Notes (subject to receipt of a prior notice from Issuer sufficiently in advance of such Settlement Date) and if, notwithstanding such reasonable efforts, the Dealer is unable to effect the delivery on such day, then it shall be the third Currency Business Day following the last day of the related Observation Period.
Delivery Obligation:	In lieu of the obligations set forth in Sections 8.1 and 9.1 of the Equity Definitions, and subject to "Notice of Exercise" above, in respect of an Exercise Date occurring on or with respect to an Exchange Date, Dealer will deliver to Counterparty, on the related Settlement Date, for each Option exercised or deemed exercised, an amount equal to the product of (x) the Applicable Percentage and (y) an aggregate number of Shares and an aggregate amount of cash (in respect of fractional Shares) in excess of (i) USD 1,000 (if Counterparty has elected to settle the Relevant Exchangeable Notes in cash and Shares) or (ii) the number of Shares equivalent to USD 1,000 (if Counterparty has elected to settle the Relevant Exchangeable Notes in Shares only), as determined by the Calculation Agent based on the sum, for all Trading Days in the Observation Period, of a respective number of Shares equal to USD 40 divided by the Daily VWAP (as defined in the Indenture) for each such Trading Day (if Counterparty has elected to settle the Relevant Exchangeable Notes in Shares only) that Counterparty is obligated to deliver to the holder(s) of the Relevant Exchangeable Notes exchanged on such Exchange Date pursuant to Section 12.01(d) of the Indenture (the **"Exchange Obligation"**); *provided* that, if the Relevant Exchangeable Notes are being exchanged in connection with any Fundamental Change (as defined in the Indenture), (a) the Calculation Agent shall determine an amount that would be payable by Dealer to Counterparty pursuant to Section 6(e)(ii)(1) of the Agreement (for purposes of such determination, the Calculation Agent shall not be taking into account the amount deliverable to the holder(s) of the Relevant Exchangeable Notes pursuant to Section 12.03

	of the Indenture) if (x) the Number of Options were equal to the product of the Applicable Percentage and the number of the Relevant Exchangeable Notes and (y) the Fundamental Change were an Additional Termination Event occurring on the effective date for the Fundamental Change with Counterparty as the sole Affected Party (the **"Fair Value Amount"**), and (b) to the extent that a number of additional Shares that Counterparty is obligated to deliver to holder(s) of the Relevant Exchangeable Notes as a result of any adjustments to the Exchange Rate pursuant to Section 12.03 of the Indenture in respect of such Fundamental Change exceeds the number of Shares equal to the Fair Value Amount (such number of Shares to be determined by the Calculation Agent based on the daily VWAP of the Shares on the effective date of the Fundamental Change), then the "Delivery Obligation" shall be determined excluding any such excess Shares. For the avoidance of doubt, if the "Exchange Obligation", as defined in the Indenture, is less than or equal to USD 1,000 (or a number of Shares equivalent to USD 1,000 determined as set forth above), Dealer will have no delivery obligation hereunder.
Notice of Delivery Obligation:	No later than the Exchange Business Day immediately following the last day of the "Observation Period", as defined in the Indenture, Counterparty or the Trustee on behalf of Counterparty shall give Dealer notice of the final number of Shares and the amount of cash (in respect of fractional shares) comprising the Exchange Obligation (it being understood, for the avoidance of doubt, that the requirement of Counterparty to deliver such notice shall not limit Counterparty's obligations with respect to Notice of Exercise, as set forth above, in any way).
Other Applicable Provisions:	To the extent Dealer is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 of the Equity Definitions will be applicable, except that all references in such provisions to "Physical Settlement" shall be read as references to "Net Share Settlement"; and provided that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by

excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Buyer is the Issuer of the Shares. "Net Share Settlement" in relation to any Option means that Dealer is obligated to deliver Shares hereunder.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Transaction:

Method of Adjustment:	Calculation Agent Adjustment, and means that, notwithstanding Section 11.2(c) of the Equity Definitions, upon any adjustment to the Exchange Rate of the Exchangeable Notes pursuant to the Indenture (other than Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above), the Calculation Agent will make a corresponding adjustment to any one or more of the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction. Immediately upon the occurrence of any adjustment contemplated in Section 12.03 of the Indenture (an "**Adjustment Event**"), Counterparty shall notify the Calculation Agent of such Adjustment Event; and once the adjustments to be made to the terms of the Indenture and the Exchangeable Notes in respect of such Adjustment Event have been determined, Counterparty shall immediately notify the Calculation Agent in writing of the details of such adjustments.
Potential Adjustment Events:	Notwithstanding Section 11.2(e) of the Equity Definitions, a "Potential Adjustment Event" means an occurrence of any event or condition, as set forth in Section 12.02 of the Indenture that would result in an adjustment to the Exchange Rate of the Exchangeable Notes; *provided* that in no event shall there be any adjustment hereunder as a result of an adjustment to the Exchange Rate pursuant to Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above.

Extraordinary Events applicable to the Transaction:

Merger Events:	Notwithstanding Section 12.1(b) of the Equity Definitions, a "Merger Event" means the occurrence of any event or condition set forth in Section 12.05 of the Indenture.
Tender Offers:	Notwithstanding Section 12.1(d) of the Equity Definitions, a "Tender Offer" means the occurrence of any event or condition set forth in Section 12.02(e) of the Indenture and, upon the occurrence of such an event, adjustments set forth under "Method of Adjustment" above shall apply.
Consequences of Merger Events:	Notwithstanding Section 12.2 of the Equity Definitions, upon the occurrence of a Merger Event, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; *provided however* that such adjustment shall be made without regard to any adjustment to the Exchange Rate for the issuance of additional shares as set forth in Section 12.03 of the Indenture, except to the extent provided under "Delivery Obligation" above. Notwithstanding the foregoing, upon the occurrence of a Merger Event that constitutes a "Public Acquirer Change in Control", as defined in the Indenture, with respect to which Counterparty elects to adjust the terms of the Exchangeable Notes in accordance with Section 12.04 of the Indenture (such a Public Acquirer Change in Control, a "**PACC Event**"), subject to compliance with the proviso to this sentence, the Calculation Agent will adjust any one or more of the nature of the Shares, the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction to the extent required to preserve the fair value of the Transaction to Dealer (such adjustments, the "**PACC Adjustments**"); *provided* that, as a condition precedent to the adjustments contemplated above, Counterparty and, if Counterparty is not the issuer of the "Public Acquirer Common Stock", as defined in the

	Indenture, the issuer of the Public Acquirer Common Stock, shall, prior to the effective date of such PACC Event, have entered into such documentation containing representations, warranties and agreements relating to securities laws and other issues as requested by Dealer that Dealer determined, in its reasonable discretion, to be reasonably necessary or appropriate to allow Dealer to continue as a party to the Transaction, as adjusted, and to preserve its hedge unwind, hedge leg in and other hedging activities in connection with the Transaction in a manner compliant with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Dealer.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that Counterparty may elect settlement of the related obligation in accordance with Section 9(k) below; *provided, further* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not re-listed, re-traded or re-quoted within 30 Exchange Business Days following such Delisting on a U.S. national or regional securities exchange or an established automated over-the-counter trading market in the U.S.; if the Shares are re-listed, re-traded or re-quoted within 30 Scheduled Trading Days following such Delisting on any U.S. national or regional securities exchange or an established automated over-the-counter trading market in the U.S., such exchange or quotation system shall thereafter be deemed to be the Exchange.
Additional Disruption Events:	
Change in Law:	Applicable
Failure to Deliver:	Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Not Applicable
Determining Party:	For all applicable Additional Disruption Events, Dealer.

Non-Reliance:	Applicable
Agreements and Acknowledgements Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable

4. Calculation Agent: Dealer

5. Account Details:

(a) Account for payments to Counterparty:

Whitney National Bank
228 St. Charles Avenue
New Orleans, LA 70130
ABA 065000171

For credit to:
SESI, LLC
1105 Peters Road
Harvey, LA 70058
Account 713121440

Account for delivery of Shares to Counterparty:

To be provided under separate cover by Counterparty.

(b) Account for payments to Dealer:

To be provided by Dealer.

Account for delivery of Shares to Dealer: To be provided by Dealer.

6. Offices:

The Office of Counterparty for the Transaction is: Inapplicable, Counterparty is not a Multibranch Party.

The Office of Dealer for the Transaction is: Inapplicable, Dealer is not a Multibranch Party.

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Counterparty:

SESI, LLC
1005 Peters Road
Harvey, Louisiana 70058

Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

Address for notices or communications to Dealer:

Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
745 Seventh Avenue
New York, NY 10019
Attention: Transaction Management Group
Telephone No.: (212) 526-9986
Facsimile No.: (646) 885-9546

With a copy to:

Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
745 Seventh Avenue
New York, NY 10019
Attention: Steve Roti-US Equity Linked
Telephone No: (212) 526-0055
Facsimile No: (917) 552-0561

8. Representations and Warranties of Counterparty

(A) The Counterparty hereby represents and warrants to Dealer that:

(a) It is an "**eligible contract participant**" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "**CEA**"));

(b) Each of it, Superior Energy Services, Inc. (the "**Issuer**") and their affiliates is not, on the date hereof, in possession of any material non-public information with respect to Counterparty;

(c) On the Trade Date, neither Counterparty nor any "affiliate" or "affiliated purchaser" (each as defined in Rule 10b-18 of the Exchange Act ("**Rule 10b-18**")) shall directly or indirectly (including, without limitation, by means of any cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable or exercisable for Shares, except through Bear Stearns & Co. Inc.;

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that Dealer is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 149 or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project;

(e) Without limiting the generality of Section 3(a)(iii) of the Agreement, the Transaction will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act;

(f) Prior to the Trade Date, Counterparty shall deliver to Dealer resolutions of Counterparty's and Issuer's boards of directors authorizing the Transaction and such other certificate or certificates as Dealer shall reasonably request;

(g) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(h) On the Trade Date (A) the assets of Counterparty at their fair valuation exceed the liabilities of Counterparty, including contingent liabilities, (B) the capital of Counterparty is adequate to conduct the business of Counterparty and (C) Counterparty has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature;

(i) Counterparty understands that no obligations of Dealer to it hereunder will be entitled to the benefit of deposit insurance or securities investor protection and that such obligations will not be guaranteed by any affiliate of Dealer (except as expressly set forth herein) or any governmental agency;

(j) The Exchangeable Notes have been duly authorized by the Counterparty, and, when issued and delivered as provided in the Purchase Agreement dated as of December 7, 2006 between Counterparty, the guarantors named therein and the representatives of the Initial Purchasers party thereto (the "**Purchase Agreement**") and duly authenticated pursuant to the Indenture (assuming due authentication of the Exchangeable Notes by the trustee) will be duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Counterparty entitled to the benefits provided by the Indenture; and the Exchangeable Notes will conform, in all material respects, to the descriptions thereof in Offering Memorandum;

(k) The Indenture has been duly authorized, executed and delivered by the Counterparty and the guarantors named therein, and (assuming the authorization, execution and delivery by the trustee), constitutes a valid and legally binding instrument of the Counterparty, enforceable against the Counterparty in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, moratorium, reorganization and laws of general applicability relating to or affecting creditors' rights and general equity principles (regardless of whether enforceability is considered in a proceeding in equity or at law); and the Indenture conforms, in all material respects, to the description thereof in the Offering Memorandum;

(l) Upon issuance and delivery of the Exchangeable Notes in accordance with the Purchase Agreement and the Indenture, the Exchangeable Notes will be exchangeable at the option of the holder thereof into Shares or cash and Shares, if applicable, in accordance with the terms of the Exchangeable Notes; the Shares reserved for issuance upon exchange of the Exchangeable Notes have been duly authorized and reserved and, when issued upon exchange of the Exchangeable Notes in accordance with the terms of the Exchangeable Notes, will be validly issued, fully paid and non assessable, and the issuance of the Shares will not be subject to any preemptive or similar rights;

(m) Neither the Counterparty nor any affiliate (as defined in Rule 501(b) of Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**")) of the Counterparty has directly, or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will

be integrated with the sale of the Exchangeable Notes in a manner that would require the registration under the Exchangeable Notes Act of the offering contemplated by the Offering Memorandum;

(n) None of the Counterparty, any affiliate of the Counterparty or any person acting on its or their behalf (other than the Initial Purchasers for whom we make no representation) has offered or sold the Exchangeable Notes by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act;

(o) The Exchangeable Notes satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;

(p) The issue and sale of the Exchangeable Notes, the issuance by the Issuer of the Shares upon exchange of the Exchangeable Notes and the compliance by the Counterparty with all of the provisions of the Exchangeable Notes, the Indenture, the Registration Rights Agreement dated December 12, 2006 among the Counterparty, the Issuer, the guarantors named therein and the Initial Purchasers (the "**Registration Rights Agreement**"), the Purchase Agreement and this Confirmation and the consummation of the transactions herein and therein contemplated (A) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Counterparty or any of its subsidiaries is a party or by which the Counterparty or any of its subsidiaries is bound or to which any of the property or assets of the Counterparty or any of its subsidiaries is subject, except such conflict, breach or violation as would not have a Material Adverse Effect, (B) will not result in any violation of the provisions of the certificate of incorporation or bylaws of the Counterparty, and (C) will not result in the violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Counterparty or any of its subsidiaries or any of its properties, except such violations as would not have a Material Adverse Effect; and except as disclosed in the Offering Memorandum, no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Exchangeable Notes or the consummation by the Counterparty of the transactions contemplated by the Purchase Agreement or the Indenture, except for the filing and effectiveness of a registration statement by the Counterparty with the Commission pursuant to the Securities Act and the Registration Rights Agreement, the qualification of the Indenture under the Trust Indenture Act of 1939 ("**Trust Indenture Act**") in relation to the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state Securities or Blue Sky laws in connection with the purchase and distribution of the Exchangeable Notes by the Initial Purchasers in the manner contemplated by the Purchase Agreement and Offering Memorandum and except for such consents the failure to obtain would not have a Material Adverse Effect. "**Material Adverse Effect**" means any change in the capital stock, increase in long-term debt or any decreases in consolidated net current assets or stockholders' equity of the Issuer or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, current or future consolidated financial position, stockholders' equity or results of operations of the Issuer and its subsidiaries taken as a whole;

(q) Issuer is subject to Section 13 or 15(d) of the Securities Exchange Act, as amended (the "**Exchange Act**");

(r) All of the issued shares of capital stock of the Issuer have been duly and validly authorized and issued and are fully paid and non-assessable; such authorized capital stock of the Issuer conforms as to legal matters in all material respects to the description thereof contained in

the Offering Memorandum; there are no outstanding options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell, any Shares, any shares of capital stock of any subsidiary, or any such warrants, convertible securities or obligations, except as set forth in the Offering Memorandum and except for options granted under, or contracts or commitments pursuant to, the Issuer's previous or currently existing stock option and other similar officer, director or employee benefit plans;

(s) Prior to the Trade Date, neither the Counterparty nor any of its affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Issuer in connection with the offering of the Exchangeable Notes;

(t) None of the Issuer or any of its subsidiaries is in violation of its certificate of incorporation or certificate of formation, or its bylaws or limited liability company agreement (or other organizational documents), or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, other than such defaults that individually or in the aggregate would not have a Material Adverse Effect; and

(u) Other than as set forth in the Offering Memorandum, there are no legal or governmental proceedings pending to which the Issuer or any of its subsidiaries is a party or of which any property of the Issuer or any of its subsidiaries is the subject which, if determined adversely to the Issuer or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best of the Counterparty's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(B) Each party makes to the other the representations and warranties set forth in Sections 3(a) through (f) of the Agreement with respect to the Agreement as supplemented by this Confirmation; *provided* that Dealer makes the representation and warranty set forth in Section 3(e) and Counterparty makes the representation and warranty set forth in Section 3(f). In addition, each of Dealer and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Counterparty represents and warrants to Dealer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws, and (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions:

(a) *Opinions*. Counterparty shall deliver to Dealer an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement and Section 8(A)(g) of this Confirmation.

(b) *Repurchase Notices*. Counterparty shall, on any day on which Issuer effects any repurchase of Shares, give Dealer a written notice of such repurchase (a "**Repurchase Notice**") on such day, and, if such notice relates to material non-public information at the time, simultaneously publicly announce (or cause to have announced) such information, if following such repurchase, the Notice Percentage as determined on such day is (i) greater than 4.5% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the product of the Number of Options and the Option Entitlement and the denominator of which is the number of Shares outstanding on such day.

(c) *Regulation M*. Counterparty and Issuer are not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of any securities of Issuer, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Counterparty and Issuer shall not, until the second Scheduled Trading Day immediately following the Trade Date, engage in any such distribution.

(d) *No Manipulation*. Counterparty is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares) or otherwise in violation of the Exchange Act.

(e) *Number of Repurchased Shares*. Counterparty represents that it could have purchased Shares, in an amount equal to the product of the Number of Options and the Option Entitlement, on the Exchange or otherwise, in compliance with applicable law, its organizational documents and any orders, decrees, contractual agreements binding upon Counterparty, on the Trade Date.

(f) *Early Unwind*. In the event the sale of Exchangeable Notes is not consummated with the initial purchasers for any reason by the close of business in New York on December 12, 2006 (or such later date as agreed upon by the parties) (December 12, 2006 or such later date as agreed upon being the "**Early Unwind Date**"), this Transaction shall automatically terminate (the "**Early Unwind**"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of Dealer and Counterparty under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; *provided* that, unless the sale of Exchangeable Notes is not consummated with the initial purchasers for any reason other than as a result of breach of the Purchase Agreement by the initial purchasers, Counterparty shall purchase from Dealer on the Early Unwind Date all Shares purchased by Dealer or one or more of its affiliates and reimburse Dealer for any costs or expenses (including market losses) relating to the unwinding of its Hedging Activities in connection with the Transaction (including any loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading

position). The amount of any such reimbursement shall be determined by Dealer in its sole good faith discretion. Dealer shall notify Counterparty of such amount and Counterparty shall pay such amount in immediately available funds on the Early Unwind Date. Dealer and Counterparty represent and acknowledge to the other that, subject to the proviso included in this paragraph, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(g) *Transfer or Assignment*. Neither party may transfer any of its rights or obligations under the Transaction without the prior written consent of the non-transferring party; provided that Dealer may transfer or assign without any consent of Counterparty its rights and obligations hereunder, in whole or in part, to any of its affiliates that are not less creditworthy than Dealer, or another affiliate not less creditworthy than Dealer); provided further that at any time at which the Option Equity Percentage exceeds 9.0%, Dealer will (i) have a right to, or (ii) if requested by Counterparty, transfer or assign to a third party such portion of the Transaction that would otherwise cause the Option Equity Percentage to exceed 9.0% (it being understood and agreed that Dealer, unless otherwise consented to by Counterparty, would make such a transfer or assignment to a third party who is not a "Non-Citizen" for purposes of Article Twelve of Counterparty's Certificate of Incorporation, if the transfer or assignment would otherwise result in the Shares owned or controlled by a "Non-Citizen" for purposes of Article Twelve of Counterparty's Certificate of Incorporation); provided further that if Dealer is unable to effect a transfer or assignment to a third party after its commercially reasonable efforts on pricing terms reasonably acceptable to Dealer such that the Option Equity Percentage does not exceed 9.0%, Dealer may designate any Scheduled Trading Day as an Early Termination Date with respect to a portion (the "**Section 13 Terminated Portion**") of the Transaction, such that the Option Equity Percentage following such partial termination will be equal to or less than 9.0%.

In the event that Dealer so designates an Early Termination Date with respect to a Section 13 Terminated Portion, a payment shall be made pursuant to Section 6 of the Agreement as if (i) an Early Termination Date had been designated in respect of a Transaction having terms identical to this Transaction and a Number of Options equal to the Section 13 Terminated Portion, (ii) Counterparty shall be the sole Affected Party with respect to such partial termination and (iii) such Transaction shall be the only Terminated Transaction (and, for the avoidance of doubt, the provisions of paragraph 9(k) shall apply to any amount that is payable by Dealer to Counterparty pursuant to this sentence).

The "**Option Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of (i) the number of Shares that Dealer "beneficially owns" (within the meaning of Section 13 of the Exchange Act) on such day, other than any Shares so owned as a hedge of the Transaction, and (ii) the product of the Number of Options and the Option Entitlement and (B) the denominator of which is the number of Shares outstanding on such day.

(h) *Staggered Settlement*. If upon advice of counsel with respect to applicable legal and regulatory requirements, including any requirements relating to Dealer's Hedging Activities hereunder, Dealer reasonably determines that it would not be practicable or advisable to deliver, or to acquire Shares to deliver, any or all of the Shares to be delivered by Dealer on the Settlement Date for the Transaction, Dealer may, by notice to Counterparty on or prior to any Settlement Date (a "**Nominal Settlement Date**"), elect to deliver the Shares on two or more dates (each, a "**Staggered Settlement Date**") as follows:

(i) in such notice, Dealer will specify to Counterparty the related Staggered Settlement Dates (*provided* that the last of such Staggered Settlement Dates

shall occur not later than 20 Trading Days (as defined in the Indenture) following the Nominal Settlement Date) and the number of Shares that it will deliver on each Staggered Settlement Date;

(ii) the aggregate number of Shares that Dealer will deliver to Counterparty hereunder on all such Staggered Settlement Dates will equal the number of Shares that Dealer would otherwise be required to deliver on such Nominal Settlement Date;

(iii) if the Settlement terms set forth above were to apply on the Nominal Settlement Date, then the Settlement terms will apply on each Staggered Settlement Date, except that the Shares to be delivered will be allocated among such Staggered Settlement Dates as specified by Dealer in the notice referred to in clause (i) above; and

(iv) if Counterparty declares a dividend or other distribution with respect to Shares with an ex dividend date falling on or after a Nominal Settlement Date and prior to a Staggered Settlement Date, then in addition to any Shares it delivers on such a Staggered Settlement Date, Dealer shall deliver to Counterparty the amount of such dividend or other distribution in respect of such Shares on the Exchange Business Day next following its receipt of such dividend or distribution.

(i) Role of Agent. Each party agrees and acknowledges that (i) Lehman Brothers Inc., an affiliate of Dealer ("**Agent**"), has acted solely as agent and not as principal with respect to this Transaction and (ii) Agent has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(j) No Collateral or Setoff. Notwithstanding any provision of the Agreement or any other agreement between the parties, the obligations of Dealer hereunder are not secured by any collateral. In addition to and without limiting any rights of set-off that a party hereto may have as a matter of law, pursuant to contract or otherwise, upon the occurrence of an Early Termination Date, Dealer (and only Dealer) shall have the right to set off any obligation that it may have to Counterparty under this Confirmation, including without limitation any obligation to make any payment of cash or delivery of Shares to Counterparty, against any obligation Counterparty may have to Dealer under any other agreement between Dealer and Counterparty relating to Shares (other than any warrant purchased by Dealer from Counterparty during a three month period commencing on the Trade Date) (each such contract or agreement, a "**Separate Agreement**"), including without limitation any obligation to make a payment of cash or a delivery of Shares or any other property or securities if such Separate Agreement would not convey rights to Dealer senior to the claims of common stockholders of Counterparty in the event of Counterparty's bankruptcy; *provided* that Dealer may not exercise any such right to net or set off in the event of Counterparty's bankruptcy. For this purpose, Dealer shall be entitled to convert any obligation (or the relevant portion of such obligation) denominated in one currency into another currency at the rate of exchange at which it would be able to purchase the relevant amount of such currency, and to convert any obligation to deliver any non-cash property into an obligation to deliver cash in an amount calculated by reference to the market value of such property as of the Early Termination Date, as determined by the Calculation Agent in its sole discretion; *provided* that in the case of a set-off of any obligation to release or deliver assets against any right to receive fungible assets, such obligation and right shall be set off in kind and; *provided further* that in determining the value of any obligation to deliver Shares, the value at any time of such obligation shall be determined by reference to the market value of the Shares at such time, as determined in good

faith by the Calculation Agent. If an obligation is unascertained at the time of any such set-off, the Calculation Agent may in good faith estimate the amount or value of such obligation, in which case set-off will be effected in respect of that estimate, and the relevant party shall account to the other party at the time such obligation or right is ascertained. Except as set forth herein, Dealer waives any further right of setoff with respect to this Transaction.

(k) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If in respect of this Transaction, subject to paragraph (j) above, an amount is payable by Dealer to Counterparty (i) pursuant to Section 12.7 or Section 12.9 of the Equity Definitions or (ii) pursuant to Section 6(d)(ii) of the Agreement (a "**Payment Obligation**"), Counterparty may request Dealer to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) (except that Counterparty shall not make such an election in the event of a Nationalization, Insolvency or a Merger Event, in each case, in which the consideration to be paid to holders of Shares consists solely of cash, or an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement in each case that resulted from an event or events outside Counterparty's control) and shall give irrevocable telephonic notice to Dealer, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York local time on the Merger Date, the Announcement Date (in the case of Nationalization or Insolvency), the Early Termination Date or date of cancellation, as applicable; *provided* that if Counterparty does not validly request Dealer to satisfy its Payment Obligation by the Share Termination Alternative, Dealer shall have the right, in its sole discretion, to satisfy its Payment Obligation by the Share Termination Alternative, notwithstanding Counterparty's election to the contrary. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (i) this Transaction and (ii) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement.

Share Termination Alternative:	Applicable, if elected as per above, and means that Dealer shall deliver to Counterparty the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation in the manner reasonably requested by Counterparty free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share

	Termination Unit Price.
Share Termination Unit Price:	The value to Dealer of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Dealer at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	One Share or, if a Merger Event has occurred and a corresponding adjustment to this Transaction has been made, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Merger Event, as determined by the Calculation Agent.
Failure to Deliver:	Applicable
Other applicable provisions:	If this Transaction is to be Share Termination Settled, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that Share Termination Alternative is applicable to this Transaction.

(l) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(m) *Registration*. Counterparty hereby agrees that if, in the good faith reasonable judgment of Dealer, the Shares ("**Hedge Shares**") acquired by Dealer for the purpose of hedging its obligations pursuant to this Transaction cannot be sold in the public market by Dealer without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), Counterparty

and Issuer shall, at Counterparty's election, either (i) in order to allow Dealer to sell the Hedge Shares in a registered offering, make available to Dealer an effective registration statement under the Securities Act and enter into an agreement, in form and substance reasonably satisfactory to Dealer, substantially in the form of an underwriting agreement for a registered secondary offering; *provided however*, that if Dealer, in its sole reasonable discretion, is not satisfied with access to due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section shall apply at the election of Counterparty, (ii) in order to allow Dealer to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to Dealer (in which case, the Calculation Agent shall make any adjustments to the terms of this Transaction that are necessary, in its reasonable judgment, to compensate Dealer for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement), or (iii) purchase the Hedge Shares from Dealer at the closing price on such Exchange Business Days, and in the amounts, requested by Dealer.

(n) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(o) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights with respect to the Transaction that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to the Transaction; *provided*, *further*, that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions other than the Transaction.

(p) *Securities Contract; Swap Agreement*. The parties hereto intend for: (a) the Transaction to be a **"**securities contract" and a "swap agreement" as defined in the Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**"), and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 555 and 560 of the Bankruptcy Code; (b) a party's right to liquidate the Transaction and to exercise any other remedies upon the occurrence of any Event of Default under the Agreement with respect to the other party to constitute a "contractual right" as described in the Bankruptcy Code; (c) any cash, securities or other property provided as performance assurance, credit support or collateral with respect to the Transaction to constitute "margin payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code; and (d) all payments for, under or in connection with the Transaction, all payments for the Shares and the transfer of such Shares to constitute "settlement payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code.

(q) *Additional Provisions*. Counterparty covenants and agrees that, as promptly as practicable following the public announcement of any consolidation, merger and binding share exchange to which Counterparty is a party, or any sale of all or substantially all of Counterparty's assets, in each case pursuant to which the Shares will be converted into cash, securities or other property, Counterparty shall notify Dealer in writing of the types and amounts of consideration that holders of Shares have elected to receive upon consummation of such transaction or event (the date of such notification, the "**Consideration Notification Date**"); *provided* that in no event shall

the Consideration Notification Date be later than the date on which such transaction or event is consummated.

(r) *Additional Termination Events*. The occurrence of (i) an event of default with respect to Counterparty under the terms of the Exchangeable Notes as set forth in Section 7.01 of the Indenture that results in an acceleration of the Exchangeable Notes pursuant to the terms of the Indenture, (ii) an Amendment Event or (iii) a PACC Termination Event (which shall be deem to occur on the effective date for the related PACC Event) shall be an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Counterparty is the sole Affected Party, and Dealer shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

"**Amendment Event**" means that Counterparty amends, modifies, supplements or obtains a waiver in respect of any term of the Indenture or the Exchangeable Notes governing the principal amount, coupon, maturity, repurchase obligation of Counterparty, redemption right of Counterparty, any term relating to exchange of the Exchangeable Notes (including changes to the exchange price, exchange settlement dates or exchange conditions) that may adversely affect the rights or obligations of Dealer hereunder, or any term that would require consent of the holders of not less than 100% of the principal amount of the Exchangeable Notes to amend, in each case without the prior consent of Dealer, such consent not to be unreasonably withheld.

(s) "PACC Termination Event" means a PACC Event with respect to which (i) the Calculation Agent reasonably determines that no PACC Adjustments would produce a commercially reasonable result, (ii) the PACC Adjustments have not been made because any of the documentation requirements set forth under "Consequences of Merger Events" above have not been satisfied by the effective date for such PACC Event or (iii) Dealer has determined, in its reasonable discretion, that it will be unable to effect its hedge unwind, hedge leg in or other hedging activities in a manner compliant with applicable legal, regulatory or self-regulatory requirements, or with policies and procedures applicable to Dealer related to such applicable legal, regulatory or self-regulatory requirements.

(t) *Regulatory Provisions*. (i) Counterparty represents and warrants that it has received and read and understands the Notice of Regulatory Treatment and the OTC Option Risk Disclosure Statement. (ii) The Agent will furnish Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it by fax on (646) 885-9546.

Very truly yours,

Lehman Brothers OTC Derivatives Inc.

By: /s/ Anatoly Kozlov
Authorized Signatory
Name: Anatoly Kozlov

Accepted and confirmed
as of the Trade Date:

SESI, LLC

By: /s/ Robert S. Taylor
Authorized Signatory
Name: Robert S. Taylor

EXHIBIT 10.5
Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179
Tel (212) 272-2000
www.bearstearns.com

December 7, 2006

To: Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana, 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

Re: Warrants

The purpose of this letter agreement is to confirm the terms and conditions of the Warrants issued by Superior Energy Services, Inc. ("**Company**") to Bear, Stearns International Limited ("**Dealer**") on the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. This Transaction shall be deemed to be a Share Option Transaction within the meaning set forth in the Equity Definitions.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Company as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Dealer and Company had executed an agreement in such form (but without any Schedule except for (i) the election of the laws of the State of New York as the governing law, and (ii) the election of US Dollars ("**USD**") as the Termination Currency) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	December 7, 2006
Effective Date:	December 12, 2006; *provided* that either Buyer or Seller may cancel all (but not less than all) the Warrants by notice to the other party prior to payment of the Premium on the Effective Date, in which case

	these Warrants shall never become effective and neither party shall have any obligation to the other party in respect of the Transaction.
Warrants:	Equity call warrants, each giving the holder the right to purchase one Share at the Strike Price, subject to the Settlement Terms set forth below. For the purposes of the Equity Definitions, each reference to a Warrant herein shall be deemed to be a reference to a Call Option.
Warrant Style:	European
Seller:	Company
Buyer:	Dealer
Shares:	The common stock of Company, par value USD 0.001 per Share (Exchange symbol "SPN")
Number of Warrants:	For each Expiration Date, a number of Warrants set forth next to such an Expiration Date on Annex A hereto (the **"Daily Number of Warrants"**), subject to adjustment as provided herein; *provided* that if Bear, Stearns & Co. Inc., Lehman Brothers Inc. and JP Morgan Securities, Inc., as the initial purchasers party to that certain purchase agreement (the **"Purchase Agreement"**) relating to the exchangeable notes to be issued by SESI, LLC exercise their right to purchase additional exchangeable notes as set forth therein, then, the Number of Warrants shall be automatically increased by an aggregate number equal to the product of (i) the Applicable Percentage, (ii) the Warrant Entitlement and (iii) the initial exchange rate of the exchangeable notes.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD 59.4176
Applicable Percentage:	50%
Premium:	USD 30,200,000 (Premium per Warrant USD 6.8820).
Premium Payment Date:	The Effective Date.
Exchange:	New York Stock Exchange
Related Exchange(s):	All Exchanges
Procedures for Exercise:	
Expiration Time:	The Valuation Time
Expiration Date(s):	Each Scheduled Trading Day during the period from and including the First Expiration Date and to and

	including the 30th Scheduled Trading Day following the First Expiration Date shall be an "Expiration Date" for a number of Warrants equal to the Daily Number of Warrants on such date; *provided* that, notwithstanding anything to the contrary in the Equity Definitions, if any such date is a Disrupted Day, the Calculation Agent shall make adjustments, if applicable, to the Daily Number of Warrants or shall reduce such Daily Number of Warrants to zero for such date and shall designate a Scheduled Trading Day or a number of Scheduled Trading Days as the Expiration Date(s) for the remaining Daily Number of Warrants or a portion thereof for the originally scheduled Expiration Date; and *provided further* that if such Expiration Date has not occurred pursuant to this clause as of the eighth Scheduled Trading Day following the last scheduled Expiration Date under this Transaction, the Calculation Agent shall have the right to declare such Scheduled Trading Day to be the final Expiration Date and the Calculation Agent shall determine its good faith estimate of the fair market value for the Shares as of the Valuation Time on that eighth Scheduled Trading Day or on any subsequent Scheduled Trading Day, as the Calculation Agent shall determine using commercially reasonable means.
First Expiration Date:	March 15, 2012 (or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to Market Disruption Event below.
Multiple Exercise:	Applicable
Minimum Number of Warrants:	1
Maximum Number of Warrants:	All Warrants remaining unexercised as of the remaining Exercise Date(s).
Automatic Exercise:	Applicable; and means that a number of Warrants for each Expiration Date equal to the Daily Number of Warrants (as adjusted pursuant to the terms hereof) for such Expiration Date will be deemed to be automatically exercised; *provided* that "In-the-Money" means that the Relevant Price for such Expiration Date exceeds the Strike Price for such Expiration Date; and *provided further* that all references in Section 3.4(b) of the Equity Definitions to "Physical Settlement" shall be read as references to "Net Share Settlement".
Market Disruption Event:	Section 6.3(a)(ii) of the Equity Definitions is hereby amended by replacing clause (ii) in its entirety with "(ii) an Exchange Disruption, or" and inserting immediately following clause (iii) the phrase "; in each case that the Calculation Agent determines is material."

Valuation:

Valuation Time:	Scheduled Closing Time; provided that if the principal trading session is extended, the Calculation Agent shall determine the Valuation Time in its reasonable discretion.
Valuation Date:	Each Exercise Date.

Settlement Terms:

Settlement Method:	Net Share Settlement.
Net Share Settlement:	On the relevant Settlement Date, Company shall deliver to Dealer the Share Delivery Quantity of Shares for such Settlement Date to the account specified herein free of payment through the Clearance System.
Share Delivery Quantity:	For any Settlement Date, a number of Shares, as calculated by the Calculation Agent, equal to the Net Share Settlement Amount for such Settlement Date divided by the Settlement Price on the Valuation Date in respect of such Settlement Date, rounded down to the nearest whole number plus any Fractional Share Amount.
Net Share Settlement Amount:	For any Settlement Date, an amount equal to the product of (i) the Number of Warrants exercised or deemed exercised on the relevant Exercise Date, (ii) the Strike Price Differential for such Settlement Date and (iii) the Warrant Entitlement.

Settlement Price:	For any Valuation Date, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "SPN UN <EQUITY> VAP <GO>" (or any successor thereto) in respect of the period from the scheduled opening time of the Exchange to the Scheduled Closing Time on such Valuation Date (or if such volume-weighted average price is unavailable, the market value of one Share on such Valuation Date, as determined by the Calculation Agent). Notwithstanding the foregoing, if (i) any Expiration Date is a Disrupted Day and (ii) the Calculation Agent determines that such Expiration Date shall be an Expiration Date for fewer than the Daily Number of Warrants, as described above, then the Settlement Price for the relevant Valuation Date shall be the volume-weighted average price per Share on such Valuation Date on the Exchange, as determined by the Calculation Agent based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Valuation Date for which the Calculation Agent determines there is no Market Disruption Event.
Settlement Date(s):	As determined in reference to Section 9.4 of the Equity Definitions, subject to Section 9(j)(i) hereof.
Other Applicable Provisions:	The provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 of the Equity Definitions will be applicable (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Seller is the Issuer of the Shares and except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled"). "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to that Warrant.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Warrants:

Method of Adjustment:	Calculation Agent Adjustment. For the avoidance of doubt, in making any adjustments under the Equity Definitions, the Calculation Agent may make adjustments, if any, to any one or more of the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement. Notwithstanding the foregoing, any cash dividends or distributions on the Shares, whether or not

	extraordinary, shall be governed by Section 9(f) of this Confirmation in lieu of Article 10 or Section 11.2(c) of the Equity Definitions.
Extraordinary Events applicable to the Transaction:	
New Shares:	Section 12.1(i) of the Equity Definitions is hereby amended by deleting the text in clause (i) in its entirety and replacing it with the phrase "publicly quoted, traded or listed on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors)".
Consequence of Merger Events:	
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination); *provided* that Dealer may elect, in its commercially reasonable judgment, Component Adjustment (Calculation Agent Determination).
Consequence of Tender Offers:	
Tender Offer:	Applicable; *provided however* that if an event occurs that constitutes both a Tender Offer under Section 12.1(d) of the Equity Definitions and Additional Termination Event under Section 9(g)(ii)(C) of this Confirmation, Dealer may elect, in its commercially reasonable judgment, whether the provisions of Section 12.3 of the Equity Definitions or Section 9(g)(ii)(C) will apply.
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the

	NASDAQ Global Market, such exchange or quotation system shall thereafter be deemed to be the Exchange.
Additional Disruption Events:	
Change in Law:	Applicable
Failure to Deliver:	Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Applicable
Increased Cost of Hedging:	Applicable
Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	300 basis points
Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	35 basis points
Hedging Party:	Dealer for all applicable Additional Disruption Events
Determining Party:	Dealer for all applicable Additional Disruption Events
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable
4. Calculation Agent:	Dealer
5. Account Details:	
(a) Account for payments to Company:	Whitney National Bank 228 St. Charles Avenue New Orleans, LA 70130 ABA 065000171 For credit to: SESI, LLC 1105 Peters Road Harvey, LA 70058 Account 713121440
Account for delivery of Shares to Company:	To be provided under separate cover by Company.

(b) Account for payments to Dealer: Citibank
111 Wall Street
New York, NY
ABA # 021000089
A/C Bear Stearns
A/C # 09253186
Sub A/C NZA5
Sub A/C # 351-29171-17

Account for delivery of Shares to Dealer: DTC # 352

6. Offices:

The Office of Company for the Transaction is: Inapplicable, Company is not a Multibranch Party.

The Office of Dealer for the Transaction is: Inapplicable, Dealer is not a Multibranch Party.

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Company:

Superior Energy Services, Inc.
1105 Peters Road
Harvey, LA 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9624

(b) Address for notices or communications to Dealer:

Bear, Stearns International Limited
One Canada Square
London, England
Attention: Legal Department

With a copy to:

Bear, Stearns & Co. Inc.
383 Madison Avenue
New York, NY 10179
Attention: Michael O'Donovan
Telephone No: (212) 272-9895
Facsimile No: (917) 849-0251

8. Representations and Warranties:

(a) The Company hereby represents and warrants to Dealer that:

(i) The Shares initially issuable upon exercise of the Warrant by the net share settlement method (the "**Warrant Shares**") have been reserved for issuance by all required corporate action of Company.

The Warrant Shares have been duly authorized and, when delivered against payment therefor (which may include Net Share Settlement in lieu of cash) and otherwise as contemplated by the terms of the Warrant following the exercise of the Warrant in accordance with the terms and conditions of the Warrant, will be validly issued, fully-paid and non-assessable, and the issuance of the Warrant Shares will not be subject to any preemptive or similar rights;

(ii) Company is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "**CEA**"));

(iii) Company and each of its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Company;

(iv) Without limiting the generality of Section 13.1 of the Equity Definitions, Company acknowledges that Dealer is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 149 or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project;

(v) Prior to the Trade Date, Company shall deliver to Dealer a resolution of Company's board of directors authorizing the Transaction and such other certificate or certificates as Dealer shall reasonably request;

(vi) Company is not, and after giving effect to the transactions contemplated hereby will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(vii) On the Trade Date (A) the assets of Company at their fair valuation exceed the liabilities of Company, including contingent liabilities, (B) the capital of Company is adequate to conduct the business of Company and (C) Company has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature;

(viii) Company understands that no obligations of Dealer to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Dealer or any governmental agency;

(ix) During the period starting on the first Expiration Date and ending on the last Expiration Date (the "**Settlement Period**"), the Shares or securities that are convertible into, or exchangeable or exercisable for Shares, are not, and shall not be, subject to a "restricted period," as such term is defined in Regulation M under the Exchange Act ("**Regulation M**") and (B) Issuer shall not engage in any "distribution," as such term is defined in Regulation M, other than a distribution meeting the requirements of the exceptions set forth in sections 101(b)(10) and 102(b)(7) of Regulation M, until the second Exchange Business Day immediately following the Settlement Period;

(x) Prior to the Trade Date, neither the Company nor any of its affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Company in connection with the offering of the exchangeable notes; and

(xi) None of the Company or any of its subsidiaries is in violation of its certificate of incorporation or certificate of formation, or its bylaws or limited liability company agreement (or other organizational documents), or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, other than such defaults that individually or in the aggregate would

not have a Material Adverse Effect. "**Material Adverse Effect**" means any change in the capital stock, increase in long-term debt or any decreases in consolidated net current assets or stockholders' equity of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole.

(b) Each party makes to the other the representations and warranties set forth in Sections 3(a) through (f) of the Agreement with respect to the Agreement as supplemented by this Confirmation; *provided* that Dealer makes the representation and warranty set forth in Section 3(f) and Company makes the representation and warranty set forth in Section 3(e). In addition, each of Dealer and Company acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Dealer represents and warrants to Company that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under the Securities Act and state securities laws, (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions:

(a) *Opinions*. Company shall deliver an opinion of counsel, dated as of the Trade Date, to Dealer with respect to the matters set forth in Section 3(a) of the Agreement and Section 8(a)(vi) of this Confirmation.

(b) *Repurchase Notices*. Company shall, on any day on which Company effects any repurchase of Shares, promptly give Dealer a written notice of such repurchase (a "**Repurchase Notice**") on such day, and if such notice relates to material non-public information at the time, simultaneously publicly announce such information, if following such repurchase, the Notice Percentage as determined on such day is (i) greater than 4.5% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the product of the Number of Warrants and the Warrant Entitlement and the denominator of which is the number of Shares outstanding on such day.

(c) *Regulation M*. Company is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of any securities of Company, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Company shall not, until the second Scheduled Trading Day immediately following the Trade Date, engage in any such distribution.

(d) *No Manipulation*. Company is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares) or otherwise in violation of the Exchange Act.

(e) *Transfer and Assignment*. Buyer may transfer and assign its rights and obligations hereunder and under the Agreement, in whole or in part, at any time to any person or entity whatsoever without the consent of Company.

(f) *Dividends*. If at any time during the period from and including the Trade Date, to but excluding the final Expiration Date, an ex-dividend date for a cash dividend occurs with respect to the Shares (an "**Ex-Dividend Date**"), then the Calculation Agent will adjust the Strike Price to preserve the fair value of the Warrant to Dealer after taking into account such dividend.

(g) *Additional Provisions*.

(i) Amendments to the Equity Definitions:

(A) Section 11.2(a) of the Equity Definitions is hereby amended by deleting the words "diluting or concentrative" and replacing them with the words "material".

(B) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by deleting the words "diluting or concentrative" and replacing them with the word "material"; and adding the phrase "or Warrants" at the end of the sentence.

(C) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Dealer's option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer."

(D) Section 12.9(b)(iv) of the Equity Definitions is hereby amended by:

(x) deleting (1) subsection (A) in its entirety, (2) the phrase "or (B)" following subsection (A) and (3) the phrase "in each case" in subsection (B); and

(y) deleting the phrase "neither the Non-Hedging Party nor the Lending Party lends Shares in the amount of the Hedging Shares or" in the penultimate sentence.

(E) Section 12.9(b)(v) of the Equity Definitions is hereby amended by:

(x) adding the word "or" immediately before subsection "(B)" and deleting the comma at the end of subsection (A); and

(y) (1) deleting subsection (C) in its entirety, (2) deleting the word "or" immediately preceding subsection (C) and (3) deleting the penultimate and final sentences in their entirety and replacing them with the sentence "The Hedging Party will determine the Cancellation Amount payable by one party to the other."

(ii) Notwithstanding anything to the contrary in this Confirmation, upon the occurrence of one of the following events, with respect to this Transaction, (1) Dealer shall have the right to designate such event an Additional Termination Event and designate an Early Termination Date pursuant to Section 6(b) of the Agreement, and (2) Company shall be deemed the sole Affected Party and the Transaction shall be deemed the sole Affected Transaction:

(A) Company sells, leases or otherwise transfers in one transaction or a series of transactions all or substantially all of the assets of Company and its subsidiaries, taken as a whole, to any person other than Company or any of its subsidiaries;

(B) There is a default by Company under any of its Public Indebtedness under which there may be outstanding in excess of $310 million, whether such Public Indebtedness now exists or

shall hereafter be created, resulting in such Public Indebtedness becoming or being declared due and payable; **"Public Indebtedness"** shall mean any indebtedness of the Company for money borrowed under notes, bonds or similar instruments offered and sold by the Company in an offering registered with the Securities and Exchange Commission or pursuant to Rule 144A under the Securities Act;

(C) Any "person" or "group" within the meaning of Section 13(d) of the Exchange Act other than Company, any of its subsidiaries or its employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner", as defined in Rule 13d-3 under the Exchange Act, of the common equity of Company representing more than 50% of the ordinary voting power of such common equity; or

(D) Dealer, despite using commercially reasonable efforts, is unable or reasonably determines that it is impractical or illegal, to hedge its obligations pursuant to this Transaction in the public market without registration under the Securities Act of 1933, as amended (the "**Securities Act**") or as a result of any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer).

(h) *No Collateral or Setoff*. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not secured by any collateral. Obligations under this Transaction shall not be set off by Company against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise. Any provision in the Agreement with respect to the satisfaction of Company's payment obligations to the extent of Dealer's payment obligations to Company in the same currency and in the same Transaction (including, without limitation Section 2(c) thereof) shall not apply to Company and, for the avoidance of doubt, Company shall fully satisfy such payment obligations notwithstanding any payment obligation to Company by Dealer in the same currency and in the same Transaction. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in such Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement.

(i) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, in respect of this Transaction, subject to paragraph (h) above, an amount is payable by Company to Dealer, (i) pursuant to Section 12.7 or Section 12.9 of the Equity Definitions (except in the event of an Insolvency, Nationalization, Tender Offer or Merger Event in which the consideration or proceeds to be paid to holders of shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Company is the Defaulting Party or a Termination Event in which Company is the Affected Party, other than an Event of Default of the type described in (x) Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or (y) a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement, in the case of both (x) and (y), resulting from an event or events outside Company's control) (a "**Payment Obligation**"), Company shall have the right, in its sole discretion, to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Dealer, confirmed in writing within one Scheduled Trading Day, no later than 12:00 p.m. New York local time on the Merger Date, Tender Offer Date, Announcement Date (in the case of a Nationalization, Insolvency or Delisting), Early Termination Date or date of cancellation, as applicable; provided that if Company does not validly elect to satisfy its Payment Obligation by the Share Termination Alternative, Dealer shall have the right to require Company to satisfy its Payment Obligation by the Share Termination Alternative. Notwithstanding the foregoing, Company's or Dealer's right to elect satisfaction of a Payment Obligation in the Share Termination Alternative as set forth in this clause

shall only apply to this Transaction and, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated with respect to (a) the Transaction and (b) all other Transactions under the Agreement, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (a), Company's Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, Company shall deliver to Dealer the Share Termination Delivery Property on the date (the "**Share Termination Payment Date**") on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or Section 12.9 of the Equity Definitions or pursuant to Section 6(d)(ii) of the Agreement, subject to paragraph (j)(i) below, in satisfaction, subject to paragraph (j)(ii) below, of the Payment Obligation in the manner reasonably requested by Dealer free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the amount of Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to Dealer of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means. The Calculation Agent shall notify Company of such Share Termination Unit Price at the time of notification of the Payment Obligation. In the case of a Private Placement of Share Termination Delivery Units that are Restricted Shares (as defined below), as set forth in paragraph (j)(i) below, the Share Termination Unit Price shall be determined by the discounted price applicable to such Share Termination Delivery Units. In the case of a Registration Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (j)(ii) below, the Share Termination Unit Price shall be the Settlement Price on the Merger Date, the Announcement Date (in the case of a Nationalization, Insolvency or Delisting) or the Early Termination Date, as applicable.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of Nationalization, Insolvency, Tender Offer or Merger Event, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization, Insolvency,

	Tender Offer or Merger Event. If such Nationalization, Insolvency, Tender Offer or Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Inapplicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that Share Termination Alternative is applicable to this Transaction.

(j) *Registration/Private Placement Procedures*. If, in the reasonable opinion of Dealer, following any delivery of Shares or Share Termination Delivery Property to Dealer hereunder, such Shares or Share Termination Delivery Property would be in the hands of Dealer subject to any applicable restrictions with respect to any registration or qualification requirement or prospectus delivery requirement for such Shares or Share Termination Delivery Property pursuant to any applicable federal or any applicable material restrictions pursuant to any applicable state securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such Shares or Share Termination Delivery Property being "restricted securities", as such term is defined in Rule 144 under the Securities Act, or as a result of the sale of such Shares or Share Termination Delivery Property being subject to paragraph (c) of Rule 145 under the Securities Act) (such Shares or Share Termination Delivery Property, "**Restricted Shares**"), then delivery of such Restricted Shares shall be effected pursuant to either clause (i) or (ii) below at the election of Company, unless Dealer waives the need for registration/private placement procedures set forth in (i) and (ii) below. Notwithstanding the foregoing, solely in respect of any Daily Number of Warrants exercised or deemed exercised on any Expiration Date, Company shall elect, prior to the first Settlement Date for the first Expiration Date, a Private Placement Settlement or Registration Settlement for all deliveries of Restricted Shares for all such Expiration Dates which election shall be applicable to all Settlement Dates for such Warrants and the procedures in clause (i) or clause (ii) below shall apply for all such delivered Restricted Shares on an aggregate basis commencing after the final Settlement Date for such Warrants. The Calculation Agent shall make reasonable adjustments to settlement terms and provisions under this Confirmation to reflect a single Private Placement or Registration Settlement for such aggregate Restricted Shares delivered hereunder.

(i) If Company elects to settle the Transaction pursuant to this clause (i) (a "**Private Placement Settlement**"), then delivery of Restricted Shares by Company shall be effected in customary private placement procedures with respect to such Restricted Shares reasonably acceptable to Dealer; provided that Company may not elect a Private Placement Settlement if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the sale by Company to Dealer (or any affiliate designated by Dealer) of the Restricted Shares or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Restricted Shares by Dealer (or any such affiliate of Dealer). The Private Placement Settlement of such Restricted Shares shall include customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Dealer, due diligence rights (for Dealer or any designated buyer of the Restricted Shares by Dealer), opinions and certificates, and such other documentation as is customary for private placement agreements, all reasonably acceptable to Dealer. In the case of a

Private Placement Settlement, Dealer shall determine the appropriate discount to the Share Termination Unit Price (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (m) above) or any Settlement Price (in the case of settlement of Shares pursuant to Section 2 above) applicable to such Restricted Shares in a commercially reasonable manner and appropriately adjust the number of such Restricted Shares to be delivered to Dealer hereunder; provided that in no event shall such number be greater than 2 times the Number of Warrants multiplied by the Warrant Entitlement (the **"Maximum Amount"**). Notwithstanding the Agreement or this Confirmation, the date of delivery of such Restricted Shares shall be the Exchange Business Day following notice by Dealer to Company, of such applicable discount and the number of Restricted Shares to be delivered pursuant to this clause (i). For the avoidance of doubt, delivery of Restricted Shares shall be due as set forth in the previous sentence and not be due on the Share Termination Payment Date (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (m) above) or on the Settlement Date for such Restricted Shares (in the case of settlement in Shares pursuant to Section 2 above).

In the event Company shall not have delivered the full number of Restricted Shares otherwise applicable as a result of the proviso above relating to the Maximum Amount (such deficit, the "**Deficit Restricted Shares**"), Company shall be continually obligated to deliver, from time to time until the full number of Deficit Restricted Shares have been delivered pursuant to this paragraph, Restricted Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by Company or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) Company authorized any unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) Company additionally authorizes any unissued Shares that are not reserved for other transactions. Company shall immediately notify Dealer of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Restricted Shares to be delivered) and promptly deliver such Restricted Shares thereafter.

(ii) If Company elects to settle the Transaction pursuant to this clause (ii) (a "**Registration Settlement**"), then Company shall file and use its reasonable best efforts to make effective under the Securities Act a registration statement or supplement or amend an outstanding registration statement in form and substance reasonably satisfactory to Dealer, to cover the resale of such Restricted Shares in accordance with customary resale registration procedures, including covenants, conditions, representations, underwriting discounts (if applicable), commissions (if applicable), indemnities due diligence rights, opinions and certificates, and such other documentation as is customary for equity resale underwriting agreements, all reasonably acceptable to Dealer. If Dealer, in its sole reasonable discretion, is not satisfied with such procedures and documentation Private Placement Settlement shall apply. If Dealer is satisfied with such procedures and documentation, it shall sell the Restricted Shares pursuant to such registration statement during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Restricted Shares (which, for the avoidance of doubt, shall be (x) any Settlement Date in the case of an exercise of Warrants prior to the first Expiration Date pursuant to Section 2 above, (y) the Share Termination Payment Date in case of settlement in Share Termination Delivery Units pursuant to paragraph (m) above or (z) the Settlement Date in respect of the final Expiration Date for all Daily Number of Warrants) and ending on the earliest of (i) the Exchange Business Day on which Dealer completes the sale of all Restricted Shares or, in the case of settlement of Share Termination Delivery Units, a sufficient number of Restricted Shares so that the realized net proceeds of such sales exceed the Payment Obligation (as defined above), (ii) the date upon which all Restricted Shares have been sold or transferred pursuant to Rule 144 (or similar provisions then in force) or Rule 145(d)(1) or (2) (or any similar provision then in force) under the Securities Act and (iii) the date upon which all Restricted Shares may be sold or transferred by a non-affiliate pursuant to Rule 144(k) (or any similar provision then in force) or Rule 145(d)(3) (or any similar provision then in force) under the Securities Act. If the

Payment Obligation exceeds the realized net proceeds from such resale, Company shall transfer to Dealer by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "**Additional Amount**") in cash or in a number of Shares ("**Make-whole Shares**") in an amount that, based on the Settlement Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Settlement Price), has a dollar value equal to the Additional Amount. The Resale Period shall continue to enable the sale of the Make-whole Shares. If Company elects to pay the Additional Amount in Shares, the requirements and provisions for Registration Settlement shall apply. This provision shall be applied successively until the Additional Amount is equal to zero. In no event shall Company deliver a number of Restricted Shares greater than the Maximum Amount.

(iii) Without limiting the generality of the foregoing, Company agrees that any Restricted Shares delivered to Dealer, as purchaser of such Restricted Shares, (i) may be transferred by and among Dealer and its affiliates and Company shall effect such transfer without any further action by Dealer and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed after any Settlement Date for such Restricted Shares, Company shall promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares upon delivery by Dealer (or such affiliate of Dealer) to Company or such transfer agent of seller's and broker's representation letters customarily delivered by Dealer in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer).

If the Private Placement Settlement or the Registration Settlement shall not be effected as set forth in clauses (i) or (ii), as applicable, then failure to effect such Private Placement Settlement or such Registration Settlement shall constitute an Event of Default with respect to which Company shall be the Defaulting Party.

(k) *Limit on Beneficial Ownership*. Notwithstanding any other provisions hereof, Dealer may not exercise any Warrant hereunder, and Automatic Exercise shall not apply with respect thereto, to the extent (but only to the extent) that, after such receipt, Dealer would directly or indirectly beneficially own (as such term is defined for purposes of Section 13(d) of the Exchange Act) or "own or control" (within the meaning of Article 12 Section 2 of the Company's Certificate of Incorporation) in excess of 9.0% of the outstanding Shares. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that, after such delivery, Dealer would directly or indirectly so beneficially own, or so own or control, in excess of 9.0% of the outstanding Shares. If any delivery owed to Dealer hereunder is not made, in whole or in part, as a result of this provision, Company's obligation to make such delivery shall not be extinguished and Company shall make such delivery as promptly as practicable after, but in no event later than one Business Day after, Dealer gives notice to Company that, after such delivery, Dealer would not directly or indirectly so beneficially own, or so own or control, in excess of 9.0% of the outstanding Shares.

(l) *Share Deliveries*. Company acknowledges and agrees that, to the extent the holder of this Warrant is not then an affiliate and has not been an affiliate for 90 days (it being understood that Dealer will not be considered an affiliate under this paragraph solely by reason of its receipt of Shares pursuant to this Transaction), and otherwise satisfies all holding period and other requirements of Rule 144 of the Securities Act applicable to it, any delivery of Shares or Share Termination Property hereunder at any time after 2 years from the Trade Date shall be eligible for resale under Rule 144(k) of the Securities Act and Company agrees to promptly remove, or cause the transfer agent for such Shares or Share Termination Property, to remove, any legends referring to any restrictions on resale under the Securities Act from the Shares or Share Termination Property. Company further agrees, for any

delivery of Shares or Share Termination Property hereunder at any time after 1 year from the Trade Date but within 2 years of the Trade Date, to the extent the holder of this Warrant then satisfies the holding period and other requirements of Rule 144 of the Securities Act, to promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares. Such Restricted Shares will be de-legended upon delivery by Dealer (or such affiliate of Dealer) to Company or such transfer agent of customary seller's and broker's representation letters in connection with resales of restricted securities pursuant to Rule 144 of the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer). Company further agrees that any delivery of Shares or Share Termination Delivery Property prior to the date that is 1 year from the Trade Date, may be transferred by and among Dealer and its affiliates and Company shall effect such transfer without any further action by Dealer. Notwithstanding anything to the contrary herein, Company agrees that any delivery of Shares or Share Termination Delivery Property shall be effected by book-entry transfer through the facilities of DTC, or any successor depositary, if at the time of delivery, such class of Shares or class of Share Termination Delivery Property is in book-entry form at DTC or such successor depositary. Notwithstanding anything to the contrary herein, to the extent the provisions of Rule 144 of the Securities Act or any successor rule are amended, or the applicable interpretation thereof by the Securities and Exchange Commission or any court change after the Trade Date, the agreements of Company herein shall be deemed modified to the extent necessary, in the opinion of outside counsel of Company, to comply with Rule 144 of the Securities Act, including Rule 144(k) as in effect at the time of delivery of the relevant Shares or Share Termination Property.

(m) *Additional Termination Event*. If within the period commencing on the Trade Date and ending on the second anniversary of the Premium Payment Date, Buyer reasonably determines that it is advisable to terminate a portion of the Transaction so that Buyer's related hedging activities will comply with applicable securities laws, rules or regulations, an Additional Termination Event shall occur in respect of which (i) Company shall be the sole Affected Party and (ii) the Transaction shall be the sole Affected Transaction.

(n) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(o) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Company and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Company relating to such tax treatment and tax structure.

(p) *Maximum Share Delivery*. Notwithstanding any other provision of this Confirmation or the Agreement, in no event will Company be required to deliver more than the Maximum Amount of Shares in the aggregate to Dealer in connection with this Transaction, subject to the provisions regarding Deficit Restricted Shares

(q) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights with respect to the Transaction that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Company; provided that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Company of its obligations and agreements with respect to the Transaction; provided, further, that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions

other than the Transaction.

(r) *Securities Contract; Swap Agreement*. Each of Dealer and Company agrees and acknowledges (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of Title 11 of the United States Code (the "**Bankruptcy Code**"), with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Dealer is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(s) *Right to Extend*. Dealer may postpone any Exercise Date, Settlement Date or any other date or valuation or delivery with respect to some or all of the relevant Warrants (in which case the Calculation Agent may make appropriate adjustments to the relevant number of Warrants being exercised), if Dealer determines, in its reasonable discretion, that such action is necessary or advisable to preserve Dealer's Hedging Activity hereunder in light of existing liquidity conditions or to enable Dealer to effect purchases of Shares in connection with its Hedging Activity hereunder in a manner that would, if Dealer were the Company or an affiliated purchaser of the Company, be in compliance with applicable legal and regulatory requirements.

(t) *Role of Agent*. Each party agrees and acknowledges that (i) Bear, Stearns & Co., an affiliate of Dealer ("**Agent**"), has acted solely as agent and not as principal with respect to this Transaction and (ii) Agent has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to Michael O'Donovan, 383 Madison Avenue, New York, NY 10179, or by fax on (917) 849-0251.

Very truly yours,

Bear, Stearns & Co. Inc., as agent for Bear, Stearns International Limited

By: /s/ James D. Kern
Authorized Signatory
Name: James D. Kern

Accepted and confirmed as of the Trade Date:

Superior Energy Services, Inc.

By: /s/ Robert S. Taylor
Authorized Signatory
Name: Robert S. Taylor

ANNEX A: Daily Number of Warrants

Expiration Date	Number of Warrants
3/15/2012	146,276
3/16/2012	146,276
3/19/2012	146,276
3/20/2012	146,276
3/21/2012	146,276
3/22/2012	146,276
3/23/2012	146,276
3/26/2012	146,276
3/27/2012	146,276
3/28/2012	146,276
3/29/2012	146,276
3/30/2012	146,276
4/2/2012	146,276
4/3/2012	146,276
4/4/2012	146,276
4/5/2012	146,276
4/9/2012	146,276
4/10/2012	146,276
4/11/2012	146,276
4/12/2012	146,276
4/13/2012	146,276
4/16/2012	146,276
4/17/2012	146,276
4/18/2012	146,276
4/19/2012	146,276
4/20/2012	146,276
4/23/2012	146,276
4/24/2012	146,276
4/25/2012	146,276
4/26/2012	146,276

EXHIBIT 10.6

December 7, 2006

To: Superior Energy Services, Inc.
1105 Peters Road
Harvey, Louisiana, 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9642

From: Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
Attention: Transaction Management Group
Telephone No.: (212) 526-9986
Facsimile No.: (646) 885-9546

Re: Warrants

The purpose of this letter agreement is to confirm the terms and conditions of the Warrants issued by Superior Energy Services, Inc. ("**Company**") to Lehman Brothers OTC Derivatives Inc. ("**Dealer**") on the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction. Lehman Brothers OTC Derivatives Inc. is not a member of the Securities Investor Protection Corporation.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. This Transaction shall be deemed to be a Share Option Transaction within the meaning set forth in the Equity Definitions.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Company as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Dealer and Company had executed an agreement in such form (but without any Schedule except for (i) the election of the laws of the State of New York as the governing law, and (ii) the election of US Dollars ("**USD**") as the Termination Currency) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	December 7, 2006
Effective Date:	December 12, 2006; *provided* that either Buyer or Seller may cancel all (but not less than all) the Warrants by notice to the other party prior to payment

	of the Premium on the Effective Date, in which case these Warrants shall never become effective and neither party shall have any obligation to the other party in respect of the Transaction.
Warrants:	Equity call warrants, each giving the holder the right to purchase one Share at the Strike Price, subject to the Settlement Terms set forth below. For the purposes of the Equity Definitions, each reference to a Warrant herein shall be deemed to be a reference to a Call Option.
Warrant Style:	European
Seller:	Company
Buyer:	Dealer
Shares:	The common stock of Company, par value USD 0.001 per Share (Exchange symbol "SPN")
Number of Warrants:	For each Expiration Date, a number of Warrants set forth next to such an Expiration Date on Annex A hereto (the **"Daily Number of Warrants"**), subject to adjustment as provided herein; *provided* that if Bear, Stearns & Co. Inc., Lehman Brothers Inc. and JP Morgan Securities, Inc., as the initial purchasers party to that certain purchase agreement (the **"Purchase Agreement"**) relating to the exchangeable notes to be issued by SESI, LLC exercise their right to purchase additional exchangeable notes as set forth therein, then, the Number of Warrants shall be automatically increased by an aggregate number equal to the product of (i) the Applicable Percentage, (ii) the Warrant Entitlement and (iii) the initial exchange rate of the exchangeable notes.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD 59.4176
Applicable Percentage:	50%
Premium:	USD 30,200,000 (Premium per Warrant USD 6.8820).
Premium Payment Date:	The Effective Date.
Exchange:	New York Stock Exchange
Related Exchange(s):	All Exchanges
Procedures for Exercise:	
Expiration Time:	The Valuation Time
Expiration Date(s):	Each Scheduled Trading Day during the period from and including the First Expiration Date and to and

	including the 30th Scheduled Trading Day following the First Expiration Date shall be an "Expiration Date" for a number of Warrants equal to the Daily Number of Warrants on such date; *provided* that, notwithstanding anything to the contrary in the Equity Definitions, if any such date is a Disrupted Day, the Calculation Agent shall make adjustments, if applicable, to the Daily Number of Warrants or shall reduce such Daily Number of Warrants to zero for such date and shall designate a Scheduled Trading Day or a number of Scheduled Trading Days as the Expiration Date(s) for the remaining Daily Number of Warrants or a portion thereof for the originally scheduled Expiration Date; and *provided further* that if such Expiration Date has not occurred pursuant to this clause as of the eighth Scheduled Trading Day following the last scheduled Expiration Date under this Transaction, the Calculation Agent shall have the right to declare such Scheduled Trading Day to be the final Expiration Date and the Calculation Agent shall determine its good faith estimate of the fair market value for the Shares as of the Valuation Time on that eighth Scheduled Trading Day or on any subsequent Scheduled Trading Day, as the Calculation Agent shall determine using commercially reasonable means.
First Expiration Date:	March 15, 2012 (or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to Market Disruption Event below.
Multiple Exercise:	Applicable
Minimum Number of Warrants:	1
Maximum Number of Warrants:	All Warrants remaining unexercised as of the remaining Exercise Date(s).
Automatic Exercise:	Applicable; and means that a number of Warrants for each Expiration Date equal to the Daily Number of Warrants (as adjusted pursuant to the terms hereof) for such Expiration Date will be deemed to be automatically exercised; *provided* that "In-the-Money" means that the Relevant Price for such Expiration Date exceeds the Strike Price for such Expiration Date; and *provided further* that all references in Section 3.4(b) of the Equity Definitions to "Physical Settlement" shall be read as references to "Net Share Settlement".
Market Disruption Event:	Section 6.3(a)(ii) of the Equity Definitions is hereby amended by replacing clause (ii) in its entirety with "(ii) an Exchange Disruption, or" and inserting immediately following clause (iii) the phrase "; in each case that the Calculation Agent determines is material."

Valuation:

Valuation Time:	Scheduled Closing Time; provided that if the principal trading session is extended, the Calculation Agent shall determine the Valuation Time in its reasonable discretion.
Valuation Date:	Each Exercise Date.

Settlement Terms:

Settlement Method:	Net Share Settlement.
Net Share Settlement:	On the relevant Settlement Date, Company shall deliver to Dealer the Share Delivery Quantity of Shares for such Settlement Date to the account specified herein free of payment through the Clearance System.
Share Delivery Quantity:	For any Settlement Date, a number of Shares, as calculated by the Calculation Agent, equal to the Net Share Settlement Amount for such Settlement Date divided by the Settlement Price on the Valuation Date in respect of such Settlement Date, rounded down to the nearest whole number plus any Fractional Share Amount.
Net Share Settlement Amount:	For any Settlement Date, an amount equal to the product of (i) the Number of Warrants exercised or deemed exercised on the relevant Exercise Date, (ii) the Strike Price Differential for such Settlement Date and (iii) the Warrant Entitlement.
Settlement Price:	For any Valuation Date, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "SPN UN <EQUITY> VAP <GO>" (or any successor thereto) in respect of the period from the scheduled opening time of the Exchange to the Scheduled Closing Time on such Valuation Date (or if such volume-weighted average price is unavailable, the market value of one Share on such Valuation Date, as determined by the Calculation Agent). Notwithstanding the foregoing, if (i) any Expiration Date is a Disrupted Day and (ii) the Calculation Agent determines that such Expiration Date shall be an Expiration Date for fewer than the Daily Number of Warrants, as described above, then the Settlement Price for the relevant Valuation Date shall be the volume-weighted average price per Share on such Valuation Date on the Exchange, as determined by the Calculation Agent based on such sources as it deems appropriate using a volume-weighted methodology, for the portion of such Valuation Date for which the Calculation Agent determines there is no Market Disruption Event.

Settlement Date(s):	As determined in reference to Section 9.4 of the Equity Definitions, subject to Section 9(j)(i) hereof.
Other Applicable Provisions:	The provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 of the Equity Definitions will be applicable (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Seller is the Issuer of the Shares and except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled"). "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to that Warrant.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Warrants:	
Method of Adjustment:	Calculation Agent Adjustment. For the avoidance of doubt, in making any adjustments under the Equity Definitions, the Calculation Agent may make adjustments, if any, to any one or more of the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement. Notwithstanding the foregoing, any cash dividends or distributions on the Shares, whether or not extraordinary, shall be governed by Section 9(f) of this Confirmation in lieu of Article 10 or Section 11.2(c) of the Equity Definitions.
Extraordinary Events applicable to the Transaction:	
New Shares:	Section 12.1(i) of the Equity Definitions is hereby amended by deleting the text in clause (i) in its entirety and replacing it with the phrase "publicly quoted, traded or listed on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors)".
Consequence of Merger Events:	
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination); *provided* that Dealer may elect, in its commercially reasonable judgment, Component Adjustment (Calculation Agent Determination).

Consequence of Tender Offers:

Tender Offer:	Applicable; *provided however* that if an event occurs that constitutes both a Tender Offer under Section 12.1(d) of the Equity Definitions and Additional Termination Event under Section 9(g)(ii)(C) of this Confirmation, Dealer may elect, in its commercially reasonable judgment, whether the provisions of Section 12.3 of the Equity Definitions or Section 9(g)(ii)(C) will apply.
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, such exchange or quotation system shall thereafter be deemed to be the Exchange.

Additional Disruption Events:

Change in Law:	Applicable
Failure to Deliver:	Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Applicable
Increased Cost of Hedging:	Applicable
Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	300 basis points
Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	35 basis points
Hedging Party:	Dealer for all applicable Additional Disruption Events
Determining Party:	Dealer for all applicable Additional Disruption Events

Non-Reliance: Applicable

Agreements and Acknowledgments Regarding Hedging Activities: Applicable

Additional Acknowledgments: Applicable

4. Calculation Agent: Dealer
5. Account Details:
   (a) Account for payments to Company: Whitney National Bank
   228 St. Charles Avenue
   New Orleans, LA 70130
   ABA 065000171
   For credit to:
   SESI, LLC
   1105 Peters Road
   Harvey, LA 70058
   Account 713121440

   Account for delivery of Shares to Company: To be provided under separate cover by Company.

   (b) Account for payments to Dealer: To be provided by Dealer.

   Account for delivery of Shares to Dealer: To be provided by Dealer.

6. Offices:

The Office of Company for the Transaction is: Inapplicable, Company is not a Multibranch Party.

The Office of Dealer for the Transaction is: Inapplicable, Dealer is not a Multibranch Party.

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Company:

Superior Energy Services, Inc.
1105 Peters Road
Harvey, LA 70058
Attention: Mr. Robert S. Taylor, Chief Financial Officer
Telephone No.: (504) 210-4105
Facsimile No.: (504) 362-9624

(b) Address for notices or communications to Dealer:

Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
745 Seventh Avenue
New York, NY 10019
Attention: Transaction Management Group
Telephone No.: (212) 526-9986
Facsimile No.: (646) 885-9546

With a copy to:

Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
745 Seventh Avenue
New York, NY 10019
Attention: Steve Roti-US Equity Linked
Telephone No: (212) 526-0055
Facsimile No: (917) 552-0561

8. Representations and Warranties:

(a) The Company hereby represents and warrants to Dealer that:

(i) The Shares initially issuable upon exercise of the Warrant by the net share settlement method (the "**Warrant Shares**") have been reserved for issuance by all required corporate action of Company. The Warrant Shares have been duly authorized and, when delivered against payment therefor (which may include Net Share Settlement in lieu of cash) and otherwise as contemplated by the terms of the Warrant following the exercise of the Warrant in accordance with the terms and conditions of the Warrant, will be validly issued, fully-paid and non-assessable, and the issuance of the Warrant Shares will not be subject to any preemptive or similar rights;

(ii) Company is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "**CEA**"));

(iii) Company and each of its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Company;

(iv) Without limiting the generality of Section 13.1 of the Equity Definitions, Company acknowledges that Dealer is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 149 or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project;

(v) Prior to the Trade Date, Company shall deliver to Dealer a resolution of Company's board of directors authorizing the Transaction and such other certificate or certificates as Dealer shall reasonably request;

(vi) Company is not, and after giving effect to the transactions contemplated hereby will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(vii) On the Trade Date (A) the assets of Company at their fair valuation exceed the liabilities of Company, including contingent liabilities, (B) the capital of Company is adequate to conduct the business of Company and (C) Company has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability

to pay as such debts mature;

(viii) Company understands that no obligations of Dealer to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Dealer or any governmental agency;

(ix) During the period starting on the first Expiration Date and ending on the last Expiration Date (the "**Settlement Period**"), the Shares or securities that are convertible into, or exchangeable or exercisable for Shares, are not, and shall not be, subject to a "restricted period," as such term is defined in Regulation M under the Exchange Act ("**Regulation M**") and (B) Issuer shall not engage in any "distribution," as such term is defined in Regulation M, other than a distribution meeting the requirements of the exceptions set forth in sections 101(b)(10) and 102(b)(7) of Regulation M, until the second Exchange Business Day immediately following the Settlement Period;

(x) Prior to the Trade Date, neither the Company nor any of its affiliates has taken any action which is designed to or which has constituted or which might have been expected to cause or result in stabilization or manipulation of the price of any security of the Company in connection with the offering of the exchangeable notes; and

(xi) None of the Company or any of its subsidiaries is in violation of its certificate of incorporation or certificate of formation, or its bylaws or limited liability company agreement (or other organizational documents), or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, other than such defaults that individually or in the aggregate would not have a Material Adverse Effect. "**Material Adverse Effect**" means any change in the capital stock, increase in long-term debt or any decreases in consolidated net current assets or stockholders' equity of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole.

(b) Each party makes to the other the representations and warranties set forth in Sections 3(a) through (f) of the Agreement with respect to the Agreement as supplemented by this Confirmation; *provided* that Dealer makes the representation and warranty set forth in Section 3(f) and Company makes the representation and warranty set forth in Section 3(e). In addition, each of Dealer and Company acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Dealer represents and warrants to Company that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under the Securities Act and state securities laws, (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions:

(a) *Opinions*. Company shall deliver an opinion of counsel, dated as of the Trade Date, to Dealer with respect to the matters set forth in Section 3(a) of the Agreement and Section 8(a)(vi) of this Confirmation.

(b) *Repurchase Notices*. Company shall, on any day on which Company effects any repurchase of Shares, promptly give Dealer a written notice of such repurchase (a "**Repurchase Notice**") on such day, and if such notice relates to material non-public information at the time, simultaneously publicly announce such information, if following such repurchase, the Notice Percentage as determined on such day is (i) greater than 4.5% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the product of the Number of Warrants and the Warrant Entitlement and the denominator of which is the number of Shares outstanding on such day.

(c) *Regulation M*. Company is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of any securities of Company, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Company shall not, until the second Scheduled Trading Day immediately following the Trade Date, engage in any such distribution.

(d) *No Manipulation*. Company is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares) or otherwise in violation of the Exchange Act.

(e) *Transfer and Assignment*. Buyer may transfer and assign its rights and obligations hereunder and under the Agreement, in whole or in part, at any time to any person or entity whatsoever without the consent of Company.

(f) *Dividends*. If at any time during the period from and including the Trade Date, to but excluding the final Expiration Date, an ex-dividend date for a cash dividend occurs with respect to the Shares (an "**Ex-Dividend Date**"), then the Calculation Agent will adjust the Strike Price to preserve the fair value of the Warrant to Dealer after taking into account such dividend.

(g) *Additional Provisions*.

(i) Amendments to the Equity Definitions:

(A) Section 11.2(a) of the Equity Definitions is hereby amended by deleting the words "diluting or concentrative" and replacing them with the words "material".

(B) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by deleting the words "diluting or concentrative" and replacing them with the word "material"; and adding the phrase "or Warrants" at the end of the sentence.

(C) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Dealer's option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer."

(D) Section 12.9(b)(iv) of the Equity Definitions is hereby amended by:

(x) deleting (1) subsection (A) in its entirety, (2) the phrase "or (B)" following

subsection (A) and (3) the phrase “in each case” in subsection (B); and

(y) deleting the phrase “neither the Non-Hedging Party nor the Lending Party lends Shares in the amount of the Hedging Shares or” in the penultimate sentence.

(E) Section 12.9(b)(v) of the Equity Definitions is hereby amended by:

(x) adding the word “or” immediately before subsection “(B)” and deleting the comma at the end of subsection (A); and

(y) (1) deleting subsection (C) in its entirety, (2) deleting the word “or” immediately preceding subsection (C) and (3) deleting the penultimate and final sentences in their entirety and replacing them with the sentence “The Hedging Party will determine the Cancellation Amount payable by one party to the other.”

(ii) Notwithstanding anything to the contrary in this Confirmation, upon the occurrence of one of the following events, with respect to this Transaction, (1) Dealer shall have the right to designate such event an Additional Termination Event and designate an Early Termination Date pursuant to Section 6(b) of the Agreement, and (2) Company shall be deemed the sole Affected Party and the Transaction shall be deemed the sole Affected Transaction:

(A) Company sells, leases or otherwise transfers in one transaction or a series of transactions all or substantially all of the assets of Company and its subsidiaries, taken as a whole, to any person other than Company or any of its subsidiaries;

(B) There is a default by Company under any of its Public Indebtedness under which there may be outstanding in excess of $310 million, whether such Public Indebtedness now exists or shall hereafter be created, resulting in such Public Indebtedness becoming or being declared due and payable; **“Public Indebtedness”** shall mean any indebtedness of the Company for money borrowed under notes, bonds or similar instruments offered and sold by the Company in an offering registered with the Securities and Exchange Commission or pursuant to Rule 144A under the Securities Act;

(C) Any “person” or “group” within the meaning of Section 13(d) of the Exchange Act other than Company, any of its subsidiaries or its employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate “beneficial owner”, as defined in Rule 13d-3 under the Exchange Act, of the common equity of Company representing more than 50% of the ordinary voting power of such common equity; or

(D) Dealer, despite using commercially reasonable efforts, is unable or reasonably determines that it is impractical or illegal, to hedge its obligations pursuant to this Transaction in the public market without registration under the Securities Act of 1933, as amended (the “**Securities Act**”) or as a result of any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer).

(h) *No Collateral or Setoff*. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not secured by any collateral. Obligations under this Transaction shall not be set off by Company against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise. Any provision in the Agreement with respect to the satisfaction of Company’s payment obligations to the extent of Dealer’s payment obligations to Company in the same currency and in the same Transaction (including, without limitation Section 2(c) thereof) shall not apply to Company and, for the avoidance of doubt, Company shall fully satisfy such payment obligations notwithstanding any payment obligation to Company by

Dealer in the same currency and in the same Transaction. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in such Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement.

(i) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, in respect of this Transaction, subject to paragraph (h) above, an amount is payable by Company to Dealer, (i) pursuant to Section 12.7 or Section 12.9 of the Equity Definitions (except in the event of an Insolvency, Nationalization, Tender Offer or Merger Event in which the consideration or proceeds to be paid to holders of shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Company is the Defaulting Party or a Termination Event in which Company is the Affected Party, other than an Event of Default of the type described in (x) Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or (y) a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement, in the case of both (x) and (y), resulting from an event or events outside Company's control) (a "**Payment Obligation**"), Company shall have the right, in its sole discretion, to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Dealer, confirmed in writing within one Scheduled Trading Day, no later than 12:00 p.m. New York local time on the Merger Date, Tender Offer Date, Announcement Date (in the case of a Nationalization, Insolvency or Delisting), Early Termination Date or date of cancellation, as applicable; provided that if Company does not validly elect to satisfy its Payment Obligation by the Share Termination Alternative, Dealer shall have the right to require Company to satisfy its Payment Obligation by the Share Termination Alternative. Notwithstanding the foregoing, Company's or Dealer's right to elect satisfaction of a Payment Obligation in the Share Termination Alternative as set forth in this clause shall only apply to this Transaction and, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated with respect to (a) the Transaction and (b) all other Transactions under the Agreement, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (a), Company's Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, Company shall deliver to Dealer the Share Termination Delivery Property on the date (the "**Share Termination Payment Date**") on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or Section 12.9 of the Equity Definitions or pursuant to Section 6(d)(ii) of the Agreement, subject to paragraph (j)(i) below, in satisfaction, subject to paragraph (j)(ii) below, of the Payment Obligation in the manner reasonably requested by Dealer free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the amount of Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to Dealer of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in

	its discretion by commercially reasonable means. The Calculation Agent shall notify Company of such Share Termination Unit Price at the time of notification of the Payment Obligation. In the case of a Private Placement of Share Termination Delivery Units that are Restricted Shares (as defined below), as set forth in paragraph (j)(i) below, the Share Termination Unit Price shall be determined by the discounted price applicable to such Share Termination Delivery Units. In the case of a Registration Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (j)(ii) below, the Share Termination Unit Price shall be the Settlement Price on the Merger Date, the Announcement Date (in the case of a Nationalization, Insolvency or Delisting) or the Early Termination Date, as applicable.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of Nationalization, Insolvency, Tender Offer or Merger Event, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization, Insolvency, Tender Offer or Merger Event. If such Nationalization, Insolvency, Tender Offer or Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Inapplicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11, 9.12 and 10.5 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that Share Termination Alternative is applicable to this Transaction.

(j) *Registration/Private Placement Procedures*. If, in the reasonable opinion of Dealer, following any delivery of Shares or Share Termination Delivery Property to Dealer hereunder, such Shares or Share Termination Delivery Property would be in the hands of Dealer subject to any applicable restrictions with respect to any registration or qualification requirement or prospectus delivery requirement for such Shares or Share Termination Delivery Property pursuant to any applicable federal or any applicable material restrictions pursuant to any applicable state securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such Shares or Share Termination Delivery Property being "restricted securities", as such term is defined in Rule 144 under the Securities Act, or as a result of the sale of such Shares or Share Termination Delivery Property being subject to paragraph (c) of Rule 145 under the Securities Act) (such Shares or Share Termination Delivery Property, "**Restricted Shares**"), then delivery of such Restricted Shares shall be effected pursuant to either clause (i) or (ii) below at the election of Company, unless Dealer waives the need for registration/private placement procedures set forth in (i) and (ii) below. Notwithstanding the

foregoing, solely in respect of any Daily Number of Warrants exercised or deemed exercised on any Expiration Date, Company shall elect, prior to the first Settlement Date for the first Expiration Date, a Private Placement Settlement or Registration Settlement for all deliveries of Restricted Shares for all such Expiration Dates which election shall be applicable to all Settlement Dates for such Warrants and the procedures in clause (i) or clause (ii) below shall apply for all such delivered Restricted Shares on an aggregate basis commencing after the final Settlement Date for such Warrants. The Calculation Agent shall make reasonable adjustments to settlement terms and provisions under this Confirmation to reflect a single Private Placement or Registration Settlement for such aggregate Restricted Shares delivered hereunder.

(i) If Company elects to settle the Transaction pursuant to this clause (i) (a "**Private Placement Settlement**"), then delivery of Restricted Shares by Company shall be effected in customary private placement procedures with respect to such Restricted Shares reasonably acceptable to Dealer; provided that Company may not elect a Private Placement Settlement if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the sale by Company to Dealer (or any affiliate designated by Dealer) of the Restricted Shares or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Restricted Shares by Dealer (or any such affiliate of Dealer). The Private Placement Settlement of such Restricted Shares shall include customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Dealer, due diligence rights (for Dealer or any designated buyer of the Restricted Shares by Dealer), opinions and certificates, and such other documentation as is customary for private placement agreements, all reasonably acceptable to Dealer. In the case of a Private Placement Settlement, Dealer shall determine the appropriate discount to the Share Termination Unit Price (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (m) above) or any Settlement Price (in the case of settlement of Shares pursuant to Section 2 above) applicable to such Restricted Shares in a commercially reasonable manner and appropriately adjust the number of such Restricted Shares to be delivered to Dealer hereunder; provided that in no event shall such number be greater than 2 times the Number of Warrants multiplied by the Warrant Entitlement (the **"Maximum Amount"**). Notwithstanding the Agreement or this Confirmation, the date of delivery of such Restricted Shares shall be the Exchange Business Day following notice by Dealer to Company, of such applicable discount and the number of Restricted Shares to be delivered pursuant to this clause (i). For the avoidance of doubt, delivery of Restricted Shares shall be due as set forth in the previous sentence and not be due on the Share Termination Payment Date (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (m) above) or on the Settlement Date for such Restricted Shares (in the case of settlement in Shares pursuant to Section 2 above).

In the event Company shall not have delivered the full number of Restricted Shares otherwise applicable as a result of the proviso above relating to the Maximum Amount (such deficit, the "**Deficit Restricted Shares**"), Company shall be continually obligated to deliver, from time to time until the full number of Deficit Restricted Shares have been delivered pursuant to this paragraph, Restricted Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by Company or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) Company authorized any unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) Company additionally authorizes any unissued Shares that are not reserved for other transactions. Company shall immediately notify Dealer of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Restricted Shares to be delivered) and promptly deliver such Restricted Shares thereafter.

(ii) If Company elects to settle the Transaction pursuant to this clause (ii) (a "**Registration Settlement**"), then Company shall file and use its reasonable best efforts to make effective under the Securities Act a registration statement or supplement or amend an outstanding registration

statement in form and substance reasonably satisfactory to Dealer, to cover the resale of such Restricted Shares in accordance with customary resale registration procedures, including covenants, conditions, representations, underwriting discounts (if applicable), commissions (if applicable), indemnities due diligence rights, opinions and certificates, and such other documentation as is customary for equity resale underwriting agreements, all reasonably acceptable to Dealer. If Dealer, in its sole reasonable discretion, is not satisfied with such procedures and documentation Private Placement Settlement shall apply. If Dealer is satisfied with such procedures and documentation, it shall sell the Restricted Shares pursuant to such registration statement during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Restricted Shares (which, for the avoidance of doubt, shall be (x) any Settlement Date in the case of an exercise of Warrants prior to the first Expiration Date pursuant to Section 2 above, (y) the Share Termination Payment Date in case of settlement in Share Termination Delivery Units pursuant to paragraph (m) above or (z) the Settlement Date in respect of the final Expiration Date for all Daily Number of Warrants) and ending on the earliest of (i) the Exchange Business Day on which Dealer completes the sale of all Restricted Shares or, in the case of settlement of Share Termination Delivery Units, a sufficient number of Restricted Shares so that the realized net proceeds of such sales exceed the Payment Obligation (as defined above), (ii) the date upon which all Restricted Shares have been sold or transferred pursuant to Rule 144 (or similar provisions then in force) or Rule 145(d)(1) or (2) (or any similar provision then in force) under the Securities Act and (iii) the date upon which all Restricted Shares may be sold or transferred by a non-affiliate pursuant to Rule 144(k) (or any similar provision then in force) or Rule 145(d)(3) (or any similar provision then in force) under the Securities Act. If the Payment Obligation exceeds the realized net proceeds from such resale, Company shall transfer to Dealer by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "**Additional Amount**") in cash or in a number of Shares ("**Make-whole Shares**") in an amount that, based on the Settlement Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Settlement Price), has a dollar value equal to the Additional Amount. The Resale Period shall continue to enable the sale of the Make-whole Shares. If Company elects to pay the Additional Amount in Shares, the requirements and provisions for Registration Settlement shall apply. This provision shall be applied successively until the Additional Amount is equal to zero. In no event shall Company deliver a number of Restricted Shares greater than the Maximum Amount.

(iii) Without limiting the generality of the foregoing, Company agrees that any Restricted Shares delivered to Dealer, as purchaser of such Restricted Shares, (i) may be transferred by and among Dealer and its affiliates and Company shall effect such transfer without any further action by Dealer and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed after any Settlement Date for such Restricted Shares, Company shall promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares upon delivery by Dealer (or such affiliate of Dealer) to Company or such transfer agent of seller's and broker's representation letters customarily delivered by Dealer in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer).

If the Private Placement Settlement or the Registration Settlement shall not be effected as set forth in clauses (i) or (ii), as applicable, then failure to effect such Private Placement Settlement or such Registration Settlement shall constitute an Event of Default with respect to which Company shall be the Defaulting Party.

(k) *Limit on Beneficial Ownership*. Notwithstanding any other provisions hereof, Dealer may not exercise any Warrant hereunder, and Automatic Exercise shall not apply with respect thereto, to the extent (but

only to the extent) that, after such receipt, Dealer would directly or indirectly beneficially own (as such term is defined for purposes of Section 13(d) of the Exchange Act) or "own or control" (within the meaning of Article 12 Section 2 of the Company's Certificate of Incorporation) in excess of 9.0% of the outstanding Shares. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that, after such delivery, Dealer would directly or indirectly so beneficially own, or so own or control, in excess of 9.0% of the outstanding Shares. If any delivery owed to Dealer hereunder is not made, in whole or in part, as a result of this provision, Company's obligation to make such delivery shall not be extinguished and Company shall make such delivery as promptly as practicable after, but in no event later than one Business Day after, Dealer gives notice to Company that, after such delivery, Dealer would not directly or indirectly so beneficially own, or so own or control, in excess of 9.0% of the outstanding Shares.

(l) *Share Deliveries*. Company acknowledges and agrees that, to the extent the holder of this Warrant is not then an affiliate and has not been an affiliate for 90 days (it being understood that Dealer will not be considered an affiliate under this paragraph solely by reason of its receipt of Shares pursuant to this Transaction), and otherwise satisfies all holding period and other requirements of Rule 144 of the Securities Act applicable to it, any delivery of Shares or Share Termination Property hereunder at any time after 2 years from the Trade Date shall be eligible for resale under Rule 144(k) of the Securities Act and Company agrees to promptly remove, or cause the transfer agent for such Shares or Share Termination Property, to remove, any legends referring to any restrictions on resale under the Securities Act from the Shares or Share Termination Property. Company further agrees, for any delivery of Shares or Share Termination Property hereunder at any time after 1 year from the Trade Date but within 2 years of the Trade Date, to the extent the holder of this Warrant then satisfies the holding period and other requirements of Rule 144 of the Securities Act, to promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares. Such Restricted Shares will be de-legended upon delivery by Dealer (or such affiliate of Dealer) to Company or such transfer agent of customary seller's and broker's representation letters in connection with resales of restricted securities pursuant to Rule 144 of the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer). Company further agrees that any delivery of Shares or Share Termination Delivery Property prior to the date that is 1 year from the Trade Date, may be transferred by and among Dealer and its affiliates and Company shall effect such transfer without any further action by Dealer. Notwithstanding anything to the contrary herein, Company agrees that any delivery of Shares or Share Termination Delivery Property shall be effected by book-entry transfer through the facilities of DTC, or any successor depositary, if at the time of delivery, such class of Shares or class of Share Termination Delivery Property is in book-entry form at DTC or such successor depositary. Notwithstanding anything to the contrary herein, to the extent the provisions of Rule 144 of the Securities Act or any successor rule are amended, or the applicable interpretation thereof by the Securities and Exchange Commission or any court change after the Trade Date, the agreements of Company herein shall be deemed modified to the extent necessary, in the opinion of outside counsel of Company, to comply with Rule 144 of the Securities Act, including Rule 144(k) as in effect at the time of delivery of the relevant Shares or Share Termination Property.

(m) *Additional Termination Event*. If within the period commencing on the Trade Date and ending on the second anniversary of the Premium Payment Date, Buyer reasonably determines that it is advisable to terminate a portion of the Transaction so that Buyer's related hedging activities will comply with applicable securities laws, rules or regulations, an Additional Termination Event shall occur in respect of which (i) Company shall be the sole Affected Party and (ii) the Transaction shall be the sole Affected Transaction.

(n) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or

proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(o) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Company and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Company relating to such tax treatment and tax structure.

(p) *Maximum Share Delivery*. Notwithstanding any other provision of this Confirmation or the Agreement, in no event will Company be required to deliver more than the Maximum Amount of Shares in the aggregate to Dealer in connection with this Transaction, subject to the provisions regarding Deficit Restricted Shares

(q) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights with respect to the Transaction that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Company; provided that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Company of its obligations and agreements with respect to the Transaction; provided, further, that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions other than the Transaction.

(r) *Securities Contract; Swap Agreement*. Each of Dealer and Company agrees and acknowledges (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of Title 11 of the United States Code (the "**Bankruptcy Code**"), with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Dealer is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(s) *Right to Extend*. Dealer may postpone any Exercise Date, Settlement Date or any other date or valuation or delivery with respect to some or all of the relevant Warrants (in which case the Calculation Agent may make appropriate adjustments to the relevant number of Warrants being exercised), if Dealer determines, in its reasonable discretion, that such action is necessary or advisable to preserve Dealer's Hedging Activity hereunder in light of existing liquidity conditions or to enable Dealer to effect purchases of Shares in connection with its Hedging Activity hereunder in a manner that would, if Dealer were the Company or an affiliated purchaser of the Company, be in compliance with applicable legal and regulatory requirements.

(t) *Role of Agent*. Each party agrees and acknowledges that (i) Lehman Brothers Inc., an affiliate of Dealer ("**Agent**"), has acted solely as agent and not as principal with respect to this Transaction and (ii) Agent has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(u) *Regulatory Provisions*. (i) Company represents and warrants that it has received and read and understands the Notice of Regulatory Treatment and the OTC Option Risk Disclosure Statement. (ii) The Agent will furnish Company upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it by fax on (646) 885-9546.

Very truly yours,

Lehman Brothers OTC Derivatives Inc.

By: /s/ Anatoly Kozlov
Authorized Signatory
Name: Anatoly Kozlov

Accepted and confirmed
as of the Trade Date:

Superior Energy Services, Inc.

By: /s/ Robert S. Taylor
Authorized Signatory
Name: Robert S. Taylor

ANNEX A: Daily Number of Warrants

Expiration Date	Number of Warrants
3/15/2012	146,276
3/16/2012	146,276
3/19/2012	146,276
3/20/2012	146,276
3/21/2012	146,276
3/22/2012	146,276
3/23/2012	146,276
3/26/2012	146,276
3/27/2012	146,276
3/28/2012	146,276
3/29/2012	146,276
3/30/2012	146,276
4/2/2012	146,276
4/3/2012	146,276
4/4/2012	146,276
4/5/2012	146,276
4/9/2012	146,276
4/10/2012	146,276
4/11/2012	146,276
4/12/2012	146,276
4/13/2012	146,276
4/16/2012	146,276
4/17/2012	146,276
4/18/2012	146,276
4/19/2012	146,276
4/20/2012	146,276
4/23/2012	146,276
4/24/2012	146,276
4/25/2012	146,276
4/26/2012	146,276

FOR IMMEDIATE RELEASE

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Harvey, Louisiana 70058
(504) 362-4321
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FOR FURTHER INFORMATION CONTACT:
Terence Hall, CEO; Robert Taylor, CFO;
Greg Rosenstein, VP of Investor Relations, 504-362-4321

SUPERIOR ENERGY CLOSES $400 MILLION
OFFERING OF 1.5% SENIOR EXCHANGEABLE NOTES

Harvey, LA – December 12, 2006 – Superior Energy Services, Inc. (NYSE: SPN) today announced the closing of the previously announced offering by its wholly-owned subsidiary, SESI, L.L.C. ("SESI"), of $400.0 million aggregate principal amount of senior exchangeable notes due December 15, 2026 (which includes $50.0 million aggregate principal amount of notes from the immediate exercise of the initial purchasers' option to purchase additional notes) that were privately offered within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act").

The notes will initially bear interest at a fixed rate of 1.5% per year, declining to 1.25% beginning on December 15, 2011, and will be guaranteed by the same subsidiaries of SESI that currently guarantee its existing $6^{7}/_{8}$% senior notes. In certain circumstances, the notes will be exchangeable for cash up to the principal amount of notes and shares of Superior Energy Services' common stock for any exchange value above the principal amount of notes or, upon SESI's election in certain circumstances prior to December 15, 2011, solely into shares of Superior Energy Services' common stock, based on an initial exchange rate of 21.9414 shares per $1,000 principal amount of notes, which corresponds to a conversion price of approximately $45.58 per share. This initial conversion price represents a premium of 35% relative to the last reported sale price on December 7, 2006 of Superior Energy Services' shares of common stock on The New York Stock Exchange of $33.76.

Superior Energy Services estimates that the net proceeds from this offering will be approximately $388.8 million, after deducting discounts, commissions and estimated expenses. Superior Energy Services intends to use approximately $249.5 million of the net proceeds of this offering to fund the cash purchase price for its previously announced acquisition of Warrior Energy Services Corporation, to refinance Warrior's existing indebtedness and to pay expenses related to the Warrior acquisition.

SESI used approximately $35.6 million of the net proceeds of the offering, along with total proceeds of approximately $60.4 million from the sale of the warrants referred to below, to fund the cost of exchangeable note hedge transactions that SESI has entered into with certain affiliates of the initial purchasers. Each of the exchangeable note hedge transactions involves the purchase of call options with exercise prices equal to the exchange price of the notes, and are intended to limit exposure to dilution to Superior Energy Services' stockholders upon the potential future exchange of the notes. In addition, Superior Energy Services has entered into separate warrant transactions involving the sale of warrants to purchase its common stock to the same counterparties that entered into the exchangeable note hedge transactions. The exchangeable note hedge and warrant

transactions will effectively increase the exchange price of the exchangeable notes to approximately $59.42 per share of Superior Energy Services' common stock, representing a 76% premium based on the last reported sale price of $33.76 per share on December 7, 2006.

Superior Energy Services used the remaining net proceeds of the offering, along with a portion of available cash, to repurchase concurrently with the closing of the notes offering approximately 4,739,300 shares of its outstanding common stock at a price of $33.76 per share, or approximately $160 million in the aggregate, from institutional investors in a privately negotiated block trade through one of the initial purchasers.

In connection with the initial exchangeable note hedge and warrant transactions, the counterparties to the exchangeable note hedge and warrant transactions or their affiliates purchased shares of Superior Energy Services' common stock in privately negotiated transactions concurrently with or shortly after pricing of the notes. In addition, these counterparties or their affiliates may modify their hedge positions by entering into or unwinding various derivative transactions and/or purchasing or selling shares of Superior Energy Services' common stock in secondary market transactions prior to expiration of the exchangeable note hedge and warrant transactions.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities will not be registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

Superior Energy Services is a leading provider of specialized oilfield services and equipment focused on serving the production-related needs of oil and gas companies primarily in the Gulf of Mexico and the drilling-related needs of oil and gas companies in the Gulf of Mexico and select international market areas. Superior Energy Services uses its production-related assets to enhance, maintain and extend production and, at the end of an offshore property's economic life, plug and decommission wells. Superior Energy Services also owns and operates mature oil and gas properties in the Gulf of Mexico.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which involve known and unknown risks, uncertainties and other factors. Among the factors that could cause actual results to differ materially are: volatility of the oil and gas industry, including the level of exploration, production and development activity; risks associated with Superior Energy Services' rapid growth; changes in competitive factors and other material factors that are described from time to time in Superior Energy Services' filings with the Securities and Exchange Commission. Actual events, circumstances, effects and results may be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. Consequently, the forward-looking statements contained herein should not be regarded as representations by Superior Energy Services or any other person that the projected outcomes can or will be achieved.

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