

SUPERIOR ENERGY SERVICES INC

Form DEF 14A

April 16, 2010

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

SUPERIOR ENERGY SERVICES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

ELECTION OF DIRECTORS

CORPORATE GOVERNANCE

DIRECTOR COMPENSATION

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

STOCK OWNERSHIP OF MANAGEMENT

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE OFFICER COMPENSATION

CERTAIN TRANSACTIONS

AUDIT COMMITTEE REPORT

PROPOSAL TO RATIFY THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

2011 STOCKHOLDER NOMINATIONS AND PROPOSALS

Table of Contents

**SUPERIOR ENERGY SERVICES, INC.
601 Poydras Street, Suite 2400
New Orleans, LA 70130**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

Superior's annual stockholders meeting will be held at 9:00 a.m. on Friday, May 21, 2010, at the InterContinental New Orleans, Acadian I/II Room, 444 St. Charles Ave., 3rd Floor, New Orleans, LA 70130. At the meeting, stockholders will be asked to:

1. elect directors;
2. ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2010; and
3. consider any other business that may properly come before the meeting.

Only holders of record of our common stock as of the close of business on March 31, 2010 are entitled to receive notice of, attend and vote at the meeting.

Your vote is important. Whether or not you plan to attend the meeting, please complete, sign and date the enclosed proxy or voting instruction card and return it promptly in the enclosed envelope, or vote by one of the other methods specified in this proxy statement. If you attend the annual meeting, you may vote your shares in person, even if you have sent in your proxy.

By Order of the Board of Directors,

Greg Rosenstein
Secretary

New Orleans, Louisiana
April 16, 2010

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 21, 2010.**

**This proxy statement and the 2009 annual report
are available at <https://materials.proxyvote.com/868157>**

Table of Contents

**SUPERIOR ENERGY SERVICES, INC.
601 Poydras Street, Suite 2400
New Orleans, LA 70130**

**PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS**

This Proxy Statement is being mailed to our stockholders on or about April 16, 2010.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why am I receiving this proxy statement?

A: Our Board of Directors is soliciting your proxy to vote at the annual meeting because you owned shares of our common stock at the close of business on March 31, 2010, the record date for the meeting, and are entitled to vote at the meeting. The proxy statement, along with a proxy card or a voting instruction card, is being mailed to stockholders beginning April 16, 2010. This proxy statement summarizes the information you need to know to vote at the annual meeting. You do not need to attend the annual meeting to vote your shares.

Q: What will I be voting on?

A: At the annual meeting, our stockholders will be asked to elect our directors, ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2010 and consider any other matter that properly comes before the meeting.

Q: When and where will the meeting be held?

A: The meeting will be held at 9:00 a.m. on Friday, May 21, 2010, at the InterContinental New Orleans, Acadian I/II Room, 444 St. Charles Ave., 3rd Floor, New Orleans, LA 70130.

Q: Who is soliciting my proxy?

A: Our Board of Directors is soliciting your vote for our 2009 annual meeting of stockholders. By completing and returning the proxy or voting instruction card, you are authorizing the proxy holder to vote your shares at our annual meeting as you have instructed him on the card.

Q: How many votes do I have?

A: You have one vote for every share of our common stock that you owned on the record date.

Q: How many votes can be cast by all stockholders?

A: As of the record date, we had 78,550,717 shares of common stock outstanding.

Q: How many shares must be present to hold the meeting?

A:

Our By-laws provide that a majority of the outstanding shares of stock entitled to vote constitutes a quorum at a meeting of our stockholders. As of the record date, 39,275,359 shares constitute a majority of our outstanding stock entitled to vote at the meeting. Shares that are voted, broker non-votes and shares for which voting authority is withheld are treated as being present at the annual meeting for purposes of determining whether a quorum is present.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, you are considered, with respect to those shares, the stockholder of record. The proxy materials have been directly sent to you by us.

Table of Contents

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. The proxy materials have been forwarded to you by your broker, bank or nominee. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or Internet.

Q: What if I don't vote for a proposal? What is discretionary voting? What is a broker non-vote?

A: If you are a stockholder of record and you make no specifications on your proxy card, your shares will be voted in accordance with the recommendations of our board of directors. If you are a beneficial owner and you do not provide voting instructions to your broker, bank or other holder of record holding shares for you, your shares will not be voted with respect to any proposal for which your broker does not have discretionary authority to vote. Rules of the New York Stock Exchange (NYSE) determine whether proposals presented at the stockholder meetings are discretionary or non-discretionary. If a proposal is determined to be discretionary, your broker, bank or other holder of record is permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power under NYSE rules for that particular item and has not received voting instructions from the beneficial owner.

If you properly execute and return a proxy or voting instruction card, your stock will be voted as you specify.

Q: What vote is required to approve each item?

A: In the election of directors, the six persons receiving the highest number of affirmative votes will be elected. The proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm requires the affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote on such proposal.

If you are a beneficial owner, your bank, broker or other holder of record is permitted under NYSE rules to vote your shares on the ratification of our independent registered public accounting firm, even if the record holder does not receive voting instructions from you. The record holder may not vote on the election of directors without instructions from you. Without your voting instructions on this matter, a broker non-vote will occur. Shares subject to broker non-votes will not be counted as votes for or against and will not be included in calculating the number of votes necessary for the approval of such matter to be presented at the meeting; however, such shares will be considered present at the annual meeting for purposes of determining the existence of a quorum. Abstentions will have no effect on the voting calculations for the election of directors. Abstentions will count as a vote against the ratification of the appointment of our independent registered public accounting firm.

Q: How do I vote?

A: You may vote using any of the following methods:

Proxy card or voting instruction card: Be sure to complete, sign and date the card and return it in the prepaid envelope.

Telephone or Internet: The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or nominee. Therefore, we recommend that you follow the voting

instructions in the materials you receive.

In person at the annual meeting: All stockholders may vote in person at the annual meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot when you vote at the annual meeting.

Table of Contents

Q: Can I change my vote?

A: Yes. Your proxy can be revoked or changed at any time before it is voted by notice in writing to our Secretary, by our timely receipt of another proxy with a later date or by voting in person at the meeting.

Q: Who pays for soliciting proxies?

A: We are paying for all costs of soliciting proxies. In addition to solicitations by mail, we have retained Georgeson Stockholder Communications, Inc. to aid in the solicitation of proxies at an estimated fee of \$8,500. Our officers and employees may request the return of proxies by personal conversation or by telephone or telecopy. We are also requesting that banks, brokerage houses and other nominees or fiduciaries forward the soliciting material to their principals and that they obtain authorization for the execution of proxies. We will reimburse them for their expenses.

Q: Could other matters be decided at the meeting?

A: The Board does not expect to bring any other matter before the annual meeting, and it is not aware of any other matter that may be considered at the meeting. In addition, pursuant to our By-laws, the time has elapsed for any stockholder to properly bring a matter before the meeting. However, if any other matter does properly come before the meeting, the proxy holder will vote the proxies in his discretion.

Q: What happens if the meeting is postponed or adjourned?

A: Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

ELECTION OF DIRECTORS

The size of the Board is currently fixed at six directors. The Board nominated the following six persons for election as a director at the annual meeting. Proxies cannot be voted for a greater number of persons. Unless you specify otherwise in your proxy card, your shares will be voted by the proxy holder FOR the election of each of the six nominees named below to serve until the next annual meeting and until their successors are duly elected and qualified. If any nominee should decline or be unable to serve for any reason, votes will be cast for a substitute nominee designated by the Board. The nominees have advised us that they will serve on the Board if elected.

Information About Directors

The biographies below provide certain information as of March 31, 2010 with respect to each director nominee and contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should be nominated to serve as a director. Unless otherwise indicated, each person has been engaged in the principal occupation shown for the past five years.

The Nominating and Corporate Governance Committee recommends, and the Board nominates, the following six individuals for election as directors at the annual meeting:

Harold J. Bouillion, 66, has served as a Director since November 2006. Mr. Bouillion is currently the Managing Director of Bouillion & Associates, LLC, which provides tax and financial planning services, a position he has held since 2002. From 1966 until 2002, Mr. Bouillion was with KPMG LLP where he served as Managing Partner of the New Orleans office from 1991 through 2002. Mr. Bouillion holds a Master of Science in Accounting from Louisiana State University.

Mr. Bouillion's tax and financial planning services experience and his 36-year career in tax with an international accounting firm, where he served in various leadership positions, make him a valuable member of the Board and Audit Committee and distinctively qualified to chair our Compensation Committee. His prior management experiences add valuable perspective on the challenges faced at the Board level.

Table of Contents

Enoch L. Dawkins, 72, has served as a Director since August 2003. He has approximately 50 years of experience in the energy industry. From 1991 until his retirement in March 2003, Mr. Dawkins served as president of Murphy Exploration and Production Company, a subsidiary of Murphy Oil. His career included numerous management positions domestically and internationally with Ocean Drilling and Exploration Company (known as ODECO), a company he joined in 1964, including serving as President from 1989 until its acquisition by Murphy Oil Company in 1991. Mr. Dawkins began his career as a drilling engineer with The California Co., a predecessor to Chevron USA. Mr. Dawkins was previously on the board of Murphy Oil Canada, Ltd.

Mr. Dawkins' employment history as an executive in the domestic and international oil and gas industry makes him uniquely suited to understand and oversee the complex managerial, strategic and financial considerations necessary to serve on our Board and as our Lead Director. Mr. Dawkins' service on other private, non-profit and industry boards allows him to provide our Board with a variety of perspectives on corporate governance issues.

James M. Funk, 60, has served as a director since May 2005. Dr. Funk is currently the President of J.M. Funk & Associates, an oil and gas business consulting firm, and has more than 30 years of experience in the energy industry. Dr. Funk served as Senior Vice President of Equitable Resources (now EQT) and President of Equitable Production Co. from June 2000 until December of 2003. Previously, Dr. Funk worked for 23 years with Shell Oil Company and its affiliates, including serving as President of Shell Continental Companies, President of Shell Midstream Enterprises, Inc., and Vice President of Shell Offshore, Inc. Dr. Funk has previously served on the boards of Westport Resources (April 2000 to June 2004) and Matador Resources Company (January 2003 to December 2008). Dr. Funk currently serves as a Director of Range Resources Corporation and Canadian Superior Energy Services Inc. Dr. Funk holds a PhD in Geology and is a Certified Petroleum Geologist.

Dr. Funk's extensive experience in the energy industry in similar areas as the Company's operations gives him a unique understanding of our business and the challenges and strategic opportunities facing us. His career has also provided him with substantial personnel management experience making him highly qualified to serve as a member of our Compensation and Nominating and Corporate Governance Committees. In addition, his service on the board of directors of a variety of public companies adds valuable perspective in connection with the role of the board and positions him well to handle challenges faced at the Board level.

Terence E. Hall, 64, has served as the Chairman of the Board, Chief Executive Officer and a Director since December 1995. From December 1995 until November 2004, he also served as our President. Mr. Hall is the founder of the Company and has served as Chief Executive Officer of the Company and its predecessors since 1980. Mr. Hall also serves as a director of Whitney Holding Corp.

Mr. Hall has led the Company through tremendous growth through all industry cycles. His detailed knowledge of every aspect of our business and perspective regarding strategic and operational opportunities and challenges facing the Company and the oil and gas industry enable him to guide the Company's business strategy and focus the Board on the most significant business issues.

Ernest E. Wyn Howard, III, 67, has served as a Director since January 2005. Mr. Howard retired as a director of Stratus Properties, Inc. in 1996, where he previously served as President and Chief Executive Officer. He also previously served as Chief Financial Officer, Executive Vice President and a director of Freeport-McMoRan Copper & Gold Inc. (FCX). In the 1970s and 1980s, Mr. Howard served in a variety of executive capacities with FCX's former parent company, Freeport-McMoRan, Inc., and its predecessor company, McMoRan Oil & Gas Co. Mr. Howard also served as a Trustee and member of the Audit Committee and Nominating Committee of Capital One Funds from 2003 to 2007.

Mr. Howard's extensive experience serving as an executive and a director for various publicly traded companies provides him with a wealth of knowledge in dealing with financial, accounting and regulatory matters at the Board level and gives him a deep understanding of the role of the Board and expectations of our directors. His prior business and board experiences make him highly qualified to serve as the chair of our Nominating and Corporate Governance Committee and as a member of our Audit Committee.

Table of Contents

Justin L. Sullivan, 70, has served as a Director since December 1995. Mr. Sullivan has been a private investor and has served as a business consultant since May 1993. Prior to May 1993, he held senior operating and financial management positions with various companies in the forest products industry, including Plywood Panels, Inc. and its predecessors where he served as President from 1992 until 1993 and Vice President, Treasurer and Director from 1967 until 1992. Mr. Sullivan also has been an accounting faculty member of the University of New Orleans and Tulane University for over ten years. Mr. Sullivan holds an MBA (accounting option) from Tulane University and is a certified public accountant.

As our longest serving non-management director, Mr. Sullivan brings important institutional knowledge to the Board. Mr. Sullivan's educational background, experience in financial management and ongoing involvement in accounting provide him with the necessary skills to lead the Audit Committee and evaluate financial results and generally oversee the financial reporting process of our Company. Mr. Sullivan also brings significant business and accounting experience to our Board and provides insight into strategies and solutions to address an increasingly complex business environment.

CORPORATE GOVERNANCE

The Board is responsible for our management and direction and for establishing broad corporate policies. The Board and various committees of the Board regularly meet to review and discuss operating, compensatory and financial reports presented by management, as well as reports by experts and other advisors. In recent years, the Board has actively focused on succession planning and management development activities, seeking input from members of the Board and senior management to find candidates for potential successors to the CEO and other senior executives. The Board considers the Company's organizational needs, competitive challenges, the potential of senior leadership, future development and possible emergency situations. With these considerations in mind, the Board routinely discusses the experience, skills, areas of expertise, accomplishments and goals of potential talent from which the Board would be able to select successors to the CEO and other senior executives. The full board has the primary responsibility to develop succession plans for the CEO position.

Director Independence; Board's Leadership Structure

The Board of Directors has determined that the following directors are independent within the meaning of the New York Stock Exchange (NYSE) listing standards currently in effect: Ernest E. Howard, III, Justin L. Sullivan, James M. Funk and Harold J. Bouillion. Under NYSE listing standards, the Board is not able to consider our fifth non-management director, Enoch L. Dawkins, independent because one of his sons-in-law is a consulting principal with KPMG LLP, our independent registered public accounting firm.

The Board believes that Mr. Hall's service as both Chairman of the Board and Chief Executive Officer is in the best interest of the Company and its stockholders. As founder of the Company and architect of the Company's decentralized operating structure, he possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its businesses and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most critical matters. Mr. Hall's combined role as Chairman of the Board and Chief Executive Officer creates unified leadership and direction for the Board and executive management and promotes a single, clear focus for the chain of command to execute the Company's strategic initiatives and business plans. His combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to the Company's stockholders, employees, customers and suppliers, particularly during times of uncertain economic and industry conditions. In addition, Mr. Hall's employment agreement provides that he will serve as both Chairman of the Board and Chief Executive Officer.

As stated above, four of our six directors are independent, and the Board believes that the independent directors provide effective oversight of management. Moreover, in addition to feedback provided during the course of Board meetings, the Board has adopted a policy providing that the non-management directors meet regularly in executive session. This policy and our Corporate Governance Guidelines also provide that so long as the Chief Executive Officer is also the Chairman of the Board, the Board will elect annually a Lead

Table of Contents

Director who has been recommended by the Nominating and Corporate Governance Committee. The Lead Director's responsibilities include presiding over the executive sessions of the non-management directors and at other meetings of the Board in the absence of the Chairman. He communicates any issues discussed by the non-management directors back to the Chairman, confers with the Chairman at intervals between Board meetings, and assists in planning for Board and committee meetings. In addition, the Lead Director acts as a liaison between the Chairman and the other Board members to ensure close communication and coordination among them and to promote a harmonious and effective relationship. The Board elected Mr. Dawkins to serve as Lead Director of the Board until the 2010 annual meeting of stockholders. While Mr. Dawkins is not deemed independent by virtue of his son-in-law's employment with KPMG LLP, Mr. Dawkins is a non-management director and the Board does not believe this relationship affects his business judgment or decision-making abilities.

The Board believes that the foregoing leadership structure and policies strengthen Board leadership, foster cohesive decision-making at the Board level, solidify director collegiality, improve problem solving and enhance strategy formulation and implementation.

Meetings of the Board; Meeting Attendance

There were seven Board meetings in 2009. Each director attended all of the meetings of the Board and the committees of which he was a member. The Board has adopted a policy that recommends that all directors personally attend each stockholders meeting. At the last annual meeting of stockholders held on May 22, 2009, all of our directors were in attendance.

Board Committees

Our Board has three standing committees comprised of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. These committees regularly report back to the full Board with specific findings and recommendations in their areas of oversight and liaise regularly with the Lead Director. The Board has affirmatively determined that each member of each of our standing committees has no material relationship with the Company and is also independent within the meaning of NYSE listing standards. Members of the individual committees are named below:

Audit	Compensation	Nominating and Corporate Governance
J.L. Sullivan*	H.J. Bouillion*	E.E. Howard III*
E.E. Howard III	J.L. Sullivan	J.M. Funk
H.J. Bouillion	J.M. Funk	J.L. Sullivan

* Chairman of the committee

Each of the Board's standing committees has adopted a written charter that has been approved by the Board. Copies of these charters, as well as copies of our Corporate Governance Principles and our Code of Business Ethics and Conduct, are available on the investor relations page of our website at www.superiorenergy.com and are available in print upon request to our Secretary, Superior Energy Services, Inc. 601 Poydras Street, Suite 2400, New Orleans, LA 70130.

Audit Committee

The Audit Committee is primarily responsible for assisting the Board in fulfilling its fiduciary duties to our stockholders with respect to financial matters. The Audit Committee is also primarily responsible for evaluating and selecting our independent registered accounting firm, approving the nature and scope of services performed by the independent registered accounting firm and reviewing the range of fees for such services, conferring with the independent registered accounting firm and reviewing the results of its audits, overseeing our annual evaluation of the effectiveness of internal control over financial reporting and our internal audit function. The Audit Committee met five times during 2009. The Board has determined that each

Table of Contents

of Justin L. Sullivan, Ernest E. Howard, III and Harold J. Bouillion qualify as an audit committee financial expert, as such term is defined by the rules of the Securities and Exchange Commission.

Compensation Committee

The Compensation Committee determines the nature and amount of compensation of all of our executive officers, including our Chief Executive Officer, determines the amount of equity awards granted to employees, provides guidance and makes recommendations to management regarding employee benefit programs and administers our long-term incentive plans. The Compensation Committee met six times during 2009.

Our Chief Executive Officer makes recommendations to the Compensation Committee for salary, bonus, and long-term incentive awards for all executive officers except himself. He develops these recommendations based on competitive market information, the Company's compensation strategy, his assessment of the individual's performance and tenure of the executives. The Compensation Committee discusses the recommendations with the Chief Executive Officer, then either approves or modifies the recommendations as it determines is appropriate. Regarding the Chief Executive Officer's compensation, the Compensation Committee reviews the competitive market information and determines changes to pay and incentive awards based on the compensation strategy and the committee's assessment of his performance.

Since May 2007, the Compensation Committee has engaged Pearl Meyer & Partners (PM&P), an independent compensation consultant, to advise the committee on matters relating to executive compensation and assist it in maintaining and administering our executive compensation programs. The Compensation Committee annually requests PM&P to conduct an executive compensation review to benchmark the Company's senior executive compensation relative to an industry peer group selected by the Compensation Committee with input from the compensation consultant and management and published market survey data. See Executive Compensation Discussion and Analysis Role of Compensation Consultant herein for more information.

The terms of our stock incentive plans permit the Compensation Committee to delegate to appropriate personnel its authority to make awards to employees other than those subject to Section 16 of the Securities Exchange Act of 1934; however, the committee has not delegated this authority to any individual.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee assists the Board in identifying qualified individuals to become directors, determining the composition of the Board and Board committees, monitoring the process to assess Board effectiveness and developing and implementing our Corporate Governance Principles. The Nominating and Corporate Governance Committee also reviews the compensation of our non-management directors. The Nominating and Corporate Governance Committee met three times during 2009.

Nominee Qualifications

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. Our Corporate Governance Principles provide that this assessment should include issues of judgment, diversity, age, skills such as an understanding of the Company's industry, international background and similar attributes, all in the context of an assessment of the perceived needs of the Board at that point in time. When seeking candidates for director, other than potential nominees who are current directors standing for re-election, the Nominating and Corporate Governance Committee identifies potential nominees for director through business and other contacts. The committee will also consider director nominees recommended by stockholders in accordance with the procedures

described in our By-laws. We did not pay any fee to any third party to identify, or evaluate or assist in identifying or evaluating, potential nominees for election as director at the 2010 annual meeting of stockholders. However, the committee may in the future choose to retain a professional search firm to identify potential nominees for director.

Table of Contents

As provided in our Corporate Governance Principles, stockholders may propose director nominees for consideration by the Nominating and Corporate Governance Committee by submitting names and supporting information in accordance with our By-laws by mail, c/o Secretary, Superior Energy Services, Inc., 601 Poydras Street, Suite 2400, New Orleans, LA 70130. For the 2010 annual meeting, we did not receive timely notice of director nominations from any stockholder. Stockholder recommendations for the 2011 annual meeting will be considered for inclusion in our proxy materials only if received not more than 120 days and not less than 90 days in advance of the first anniversary of the 2010 annual meeting of stockholders (between and including January 21, 2011 and February 20, 2011).

The Nominating and Corporate Governance Committee believes that nominees to our Board must meet the following minimum qualifications: have achieved significant success in the energy industry or have extensive financial expertise, particularly in the energy industry; be committed to representing the long-term interests of our stockholders; and have high ethical and moral standards and integrity. The committee evaluates a potential nominee by considering whether the potential nominee meets the minimum qualifications described above, as well as by considering the following factors:

whether the potential nominee has experience and expertise that is relevant to our business, including any specialized business experience, technical expertise, or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting us;

whether the potential nominee is independent, whether he or she is free of any conflict of interest or the appearance of any conflict of interest with our best interests and the best interests of our stockholders, and whether he or she is willing and able to represent the interests of all of our stockholders; and

whether there are factors that could affect the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of our business.

There are no differences in the manner in which the Nominating and Corporate Governance Committee evaluates nominees for director suggested by stockholders using the process set forth in our By-laws.

In addition, with respect to an incumbent director whom the Nominating and Corporate Governance Committee is considering as a potential nominee for re-election, the committee reviews and considers the incumbent director's service to us during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Board. Each of the nominees for director at the 2010 annual meeting of stockholders is a current director standing for re-election.

Role of the Board in Risk Oversight

The Board is responsible for oversight of the company's risk assessment and risk management processes. This responsibility requires the Board to assess and understand the risks the Company faces, the steps management is taking to manage these risks and the level of risk that is appropriate for the Company at any given time. In 2007, the Company implemented an enterprise risk management (ERM) program to assist the Board in fulfilling this responsibility. The ERM program establishes a framework that enables management to identify, assess and manage risks and a process by which management will provide information to the Board on the most significant risks and how those risks are being managed. It also establishes procedures to align risk tolerance and strategy, link risk with growth and return, enhance risk response decisions, minimize operational surprises and losses, identify and manage cross-enterprise risks and provide integrated responses to multiple risks.

The Board is responsible for determining whether the Company is appropriately identifying, assessing and managing all facets of the risks the Company faces. Pursuant to the ERM program, management established a risk committee,

principally comprised of senior executive officers, which is responsible for the ongoing execution of the ERM program. The risk committee reviews risk related decisions made by employees and uses risk-based information in strategy development. The Audit Committee reviews with the risk committee the risks identified, management's responses, information and communication process, and monitoring program to ensure adequate coverage. The Audit Committee is updated periodically by the risk

Table of Contents

committee on the overall operation of the ERM program. The risk committee will also bring more significant risks and risk management decisions to the full Board as required.

In addition to the ERM program, our internal audit manager reports directly to the Audit Committee on a quarterly basis and to our Chief Financial Officer regularly.

Stock Ownership Guidelines

On March 2, 2007, the Board of Directors approved stock ownership guidelines applicable to our non-management directors. Under the guidelines, each non-management director is required to own shares of our common stock equal in value to five times the annual retainer paid to the non-management directors. The non-management directors will have five years to comply with the guidelines, and the restricted stock units held by these directors (which are described below) will be counted towards their ownership requirements. As of the date of this proxy statement, all of our non-management directors had reached or exceeded the required ownership level. See *Stock Ownership of Management* for the number of shares of our common stock beneficially owned by our non-management directors as of March 31, 2010.

Communications with the Board

Stockholders and other interested parties may communicate directly with one or more members of our Board, or the non-management directors as a group, by sending a letter by mail addressed to Secretary, Superior Energy Services, Inc., 601 Poydras Street, Suite 2400, New Orleans, LA 70130. The secretary will forward the communication directly to the appropriate director or directors.

Compensation Committee Interlocks and Insider Participation

During 2009, the Compensation Committee was composed entirely of non-management directors and none of our executive officers served as a director or member of the compensation committee of another entity whose executive officers served on the Board.

DIRECTOR COMPENSATION

Our non-management directors receive an annual retainer of \$40,000 a year. The chairman of the Audit Committee receives an additional retainer of \$20,000 a year; the chairman of the Compensation Committee receives an additional retainer of \$15,000 a year; the chairman of the Nominating and Corporate Governance Committee receives an additional retainer of \$10,000 a year; and our Lead Director receives an additional retainer of \$25,000 a year. These amounts are paid in equal monthly installments. Non-management directors also receive a \$1,500 fee for each Board and committee meeting attended. Effective April 1, 2010, the annual cash retainer paid to our non-management directors increased to \$60,000, and the fee paid to our non-management directors for each Board and committee meeting attended increased to \$2,000. All other amounts paid to our non-management directors will remain unchanged.

In order to closely align the non-management directors' compensation with the financial interests of our stockholders, a significant portion of their compensation is paid in equity in accordance with the terms of our Amended and Restated 2004 Directors Restricted Stock Units Plan (the *Directors Plan*). Under the terms of the *Directors Plan*, on the day following each annual meeting of stockholders, each non-management director is automatically granted a number of restricted stock units (*RSUs*) having an aggregate value equal to a specified dollar amount set by the Board (the *RSU Compensation Amount*), which was \$140,000 for 2009. The exact number of units granted is determined by dividing the *RSU Compensation Amount* by the closing price of our common stock on the day of the annual meeting. An *RSU*

represents the right to automatically receive from us, within 30 days of the date the participant ceases to serve on the Board, one share of our common stock. In addition, upon any person's initial election or appointment as an eligible director, other than at an annual meeting of stockholders, such person will receive a pro rata number of RSUs based on the number of full calendar months between the date of election and the first anniversary of the previous annual meeting. The Board has set the RSU Compensation Amount for 2010 at \$190,000.

Table of Contents

The table below summarizes the compensation of our non-management directors for the fiscal year ended December 31, 2009. Mr. Hall does not receive any special compensation for his service as a director. His compensation as an executive is reflected in the Summary Compensation Table herein. All non-management directors are reimbursed for reasonable expenses incurred in attending Board and committee meetings.

2009 Director Compensation

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)(3)	Total
Mr. Bouillion	\$ 82,000	\$ 140,000	\$ 222,000
Mr. Dawkins	\$ 116,833	\$ 140,000	\$ 256,833
Mr. Funk	\$ 130,833	\$ 140,000	\$ 270,833
Mr. Howard	\$ 72,500	\$ 140,000	\$ 212,500
Mr. Sullivan	\$ 91,500	\$ 140,000	\$ 231,500

- (1) Amounts shown reflect fees earned by the directors during 2009. At the Board's request, each of Messrs. Funk and Dawkins served as members of the management committee of an equity method investment of the Company in 2009. In connection with their service on the management committee, each received an additional \$20,000 annual retainer and \$1,500 for each management committee meeting attended. The equity method investment of the Company was recapitalized in October 2009 and the management committee was disbanded.
- (2) Amounts reflect the aggregate grant date fair value of the restricted stock unit awards. Restricted stock units are valued on the date of grant at the closing sale price per share of our common stock. On May 23, 2009, each non-employee director received an award of 6,796 restricted stock units with a grant date fair value of \$140,000.
- (3) As of December 31, 2009, the non-management directors had the following stock and option awards outstanding:

Director	Restricted Stock Units	Options
Mr. Bouillion	14,265	
Mr. Dawkins	21,355	20,000
Mr. Funk	18,094	
Mr. Howard	18,579	
Mr. Sullivan	21,355	20,000

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows the number of shares of our common stock beneficially owned by persons known by us to beneficially own more than 5% of the outstanding shares of our common stock as of March 31, 2010. The information in the table is based on our review of filings with the Securities and

Table of Contents

Exchange Commission. Each person listed below has sole voting and investment power with respect to the shares beneficially owned unless otherwise stated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC 82 Devonshire Street Boston, MA 02109	6,257,574(1)	8.0%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	9,729,464(2)	12.4%

(1) In Amendment No. 5 to the Schedule 13G filed by FMR LLC with the SEC on February 12, 2010, FMR LLC reported that it has sole power to vote or direct the vote of 795,610 shares of common stock, and sole power to dispose or direct the disposition of 6,257,574 shares of common stock.

(2) Based on information contained in the Schedule 13G filed with the SEC on January 8, 2010 by BlackRock, Inc., which acquired Barclays Global Investors, N.A. and its affiliates on December 1, 2009.

STOCK OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of our common stock beneficially owned as of March 31, 2010 by (i) our directors, (ii) our Chief Executive Officer, Chief Financial Officer and three other most highly-compensated executive officers, and (iii) all of our directors and executive officers as a group. The information in the table is based on our review of filings with the Securities and Exchange Commission. Each person listed below has sole voting and investment power with respect to the shares beneficially owned unless otherwise stated.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
A. Patrick Bernard	183,956	*
Kenneth L. Blanchard	401,496(2)	*
Harold J. Bouillion	21,265(3)	*
Patrick J. Campbell	31,381	*
Enoch L. Dawkins	41,355(3)	*
James M. Funk	20,094(3)(4)	*
Terence E. Hall	1,182,400	1.5%
Ernest E. Howard	23,579(3)	*
Justin L. Sullivan	71,355(3)	*
Robert S. Taylor	389,514	*

All directors and executive officers as a group (16 persons)	3,081,180	3.8%
--	-----------	------

* Less than 1%.

(1) Includes shares of common stock purchased by participants in our Employee Stock Purchase Plan thr