1105 PETERS ROAD LLC
Form S-4
October 25, 2011

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As filed with the Securities and Exchange Commission on October 25, 2011

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Superior Energy Services, Inc.

For Co-Registrants, See Table of Co-Registrants
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**213112**	**75-2379388**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

601 Poydras Street, Suite 2400
New Orleans, Louisiana 70130
(504) 587-7374

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Copy to:

William B. Masters **Executive Vice President** **and General Counsel** **Superior Energy Services, Inc.** **601 Poydras Street, Suite 2400** **New Orleans, Louisiana 70130** **(504) 587-7374**	**Scott D. Chenevert** **Jones, Walker, Waechter, Poitevent,** **Carrère & Denègre, L.L.P.** **8555 United Plaza, Suite 500** **Baton Rouge, LA 70809** **225-248-2116** **Fax: 225-248-3016**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer þ Accelerated filer o Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o
Exchange Act Rule 14d-1(d) (Cross Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
6.375% Senior Notes due 2019	$500,000,000	100%	$500,000,000	$57,300
Guarantees of 6.375% Senior Notes due 2019(2)				(3)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933.

(2) Superior Energy Services, Inc. and each of its subsidiaries listed on the Table of Co-Registrants on the following page has fully and unconditionally guaranteed the notes being registered hereby, except for SESI, LLC, which is the issuer of such notes.

(3) No separate consideration will be received for the Guarantees and, therefore, pursuant to Rule 457(n) under the Securities Act of 1933, no additional registration fee is required.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF CO-REGISTRANTS

Each of the following subsidiaries of Superior Energy Services, Inc., and each other subsidiary that is or becomes a guarantor of the securities registered hereby, is hereby deemed to be a registrant.

Exact Name of Co-Registrant(1)	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code Number
SESI, L.L.C.	Delaware	76-0664124	213112
1105 Peters Road, L.L.C.	Louisiana	76-0664198	551114
Advanced Oilwell Services, Inc.	Louisiana	72-1436239	213112
Blowout Tools, Inc.	Texas	76-0111962	213112
Concentric Pipe and Tool Rentals, L.L.C.	Louisiana	76-0664127	213112
Connection Technology, L.L.C.	Louisiana	76-0664128	213112
CSI Technologies, LLC	Texas	47-0946936	213112
Drilling Logistics, L.L.C.	Louisiana	76-0664199	213112
Fastorq, L.L.C.	Louisiana	76-0664133	213112
H.B. Rentals, L.C.	Louisiana	72-1307291	213112
International Snubbing Services, L.L.C.	Louisiana	76-0664134	213112
Non-Magnetic Rental Tools, L.L.C.	Louisiana	76-0664213	213112
Production Management Industries, L.L.C.	Louisiana	76-0664137	213112
SEMO, L.L.C.	Louisiana	81-0583622	213112
SEMSE, L.L.C.	Louisiana	81-0583620	213112
Stabil Drill Specialties, L.L.C.	Louisiana	76-0664138	213112
Sub-Surface Tools, L.L.C.	Louisiana	76-0664195	213112
Superior Energy Services Colombia, LLC	Delaware	26-2427393	213112
Superior Energy Services, L.L.C.	Louisiana	76-0664196	213112
Superior Holding, Inc.	Delaware	20-0833087	213112
Superior Inspection Services, L.L.C.	Louisiana	72-1454991	213112
Warrior Energy Services Corporation	Delaware	20-8009424	213112
Wild Well Control, Inc.	Texas	74-1873477	213112
Workstrings International, L.L.C.	Louisiana	72-1340390	213112

(1) The address and telephone number of the principal executive office for each co-registrant is c/o Superior Energy Services, Inc., 601 Poydras Street, Suite 2400, New Orleans, Louisiana 70130, telephone number (504) 587-7374.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 25, 2011

PROSPECTUS

SESI, L.L.C.
Offer to Exchange
Up to $500,000,000 Registered 6.375% Senior Notes due 2019
for
Any and all Outstanding Unregistered 6.375% Senior Notes due 2019

SESI, L.L.C. (the issuer), a wholly-owned first tier subsidiary of Superior Energy Services, Inc. (Superior Energy), is offering to exchange $500,000,000 aggregate principal amount of its 6.375% Senior Notes due 2019 that we have registered under the Securities Act of 1933 (the exchange notes), for up to $500,000,000 aggregate principal amount of the issuer s outstanding 6.375% Senior Notes due 2019 (the outstanding notes). In this prospectus we refer to the exchange notes and the outstanding notes collectively as the notes.

The Exchange Offer

The issuer hereby offers to exchange all outstanding notes that are validly tendered and not withdrawn for an equal principal amount of exchange notes.

The exchange offer will expire at 5:00 p.m. New York City time, on , 2011, unless extended.

You may withdraw tenders of your outstanding notes at any time before the exchange offer expires.

The exchange notes are substantially identical to the outstanding notes, except that the transfer restrictions and registration rights relating to the outstanding notes will not apply to the exchange notes.

The exchange of outstanding notes for exchange notes pursuant to the exchange offer will not be a taxable event for federal income tax purposes. See Material U.S. federal income tax consequences beginning on page 86 for more information.

We will not receive any proceeds from the exchange offer.

No public market currently exists for the exchange notes. We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for them to be quoted on any quotation system.

Interest on the exchange notes will be paid at the rate of 6.375% per annum, semi-annually in cash in arrears on each May 1 and November 1.

Please see Risk factors beginning on page 9 for a discussion of factors you should consider in connection with the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011.

We have not authorized anyone to give any information or represent anything to you other than the information in this prospectus. You must not rely on any unauthorized information or representations. We are not making an offer to sell the exchange notes in any jurisdiction where the offer or sale is not permitted.

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SESI, L.L.C. is a Delaware limited liability company and a wholly-owned first tier subsidiary of Superior Energy Services, Inc., a Delaware corporation.

In this prospectus, unless the context otherwise requires, references to:

Superior, the Company, we, our and us refer to SESI, L.L.C., our parent, Superior Energy Services, Inc., our subsidiaries;

Superior Energy refers to Superior Energy Services, Inc. and not to any of its subsidiaries; and the issuer and SESI refer to SESI, L.L.C. and not to Superior Energy or any of its subsidiaries.

This prospectus incorporates important business and financial information about Superior that is not included in or delivered with this prospectus. This information is available without charge to security holders upon written or oral request to Superior Energy Services, Inc., 601 Poydras, Suite 2400, New Orleans, Louisiana, 70130, (504) 587-7374. **To ensure timely delivery you should make your request to us no later than , 2011, which is five business days prior to the expiration of the exchange offer. In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date of the exchange offer, as extended.** We do not currently intend to extend the expiration date. See The exchange offer for more detailed information.

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Cautionary note regarding forward-looking statements

We have included or incorporated by reference in this prospectus, and from time to time our management may make statements that may constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts but instead represent only our current belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. The forward-looking statements contained in this prospectus are based on information as of the date hereof. Many of these forward-looking statements relate to future industry trends, actions, future performance or results of current and anticipated initiatives and the outcome of contingencies and other uncertainties that may have a significant impact on our business, future operating results and liquidity. We try, whenever possible, to identify these statements by using words such as anticipate, believe, should, estimate, expect, plan, project and similar e We caution you that these statements are only predictions and are not guarantees of future performance. These forward-looking statements and our actual results, developments and business are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those anticipated by these statements. Further, we may make changes to our business plans that could or will affect our results. By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include, among others, those discussed under Risk factors below and in Management s Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K for the year ended December 31, 2010, and in our quarterly report on Form 10-Q for the quarter ended June 30, 2011, which are incorporated by reference herein. We caution you that we do not intend to update our forward-looking statements, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes, and we undertake no obligation to update any forward-looking statements.

Market, ranking and industry data

The data included in or incorporated by reference into this prospectus regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on our estimates formulated from our management s knowledge of and experience in the markets in which we operate and information obtained from our internal surveys, market research, publicly available information and industry publications. We believe these estimates to be accurate as of the date of this prospectus or the document incorporated by reference, as applicable. However, this information may prove to be inaccurate because of the imprecise methods by which we and others accumulated some of the data or because this information cannot always be verified due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that market, ranking and other industry data included in or incorporated by reference into this prospectus, and estimates and beliefs based on that data, may not be reliable.

About this prospectus

This prospectus is part of a registration statement on Form S-4 under the Securities Act of 1933, as amended (Securities Act), that we filed with the Securities and Exchange Commission (the SEC). In making your decision whether to participate in the exchange offer, you should rely only on the information contained in this prospectus (including by means of incorporation by reference) and in the accompanying letter of transmittal. We have not authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information appearing in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or the date of the document incorporated herein by reference.

Moreover, this prospectus does not contain all of the information set forth in the registration statement and the exhibits thereto. You should refer to the registration statement and the exhibits thereto for more information. Statements made in this prospectus regarding the contents of any contract or document filed as an exhibit to the registration statement are not necessarily complete and, in each instance, reference is hereby made to the copy of such contract or document so filed. Each such statement is qualified in its entirety by such reference.

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus or incorporated herein by reference, but may not contain all information that may be important to you. We encourage you to carefully read this entire prospectus and the documents to which we refer you, including Risk factors and the consolidated financial statements and other information included or incorporated by reference herein.

Company Overview

We provide a broad range of products and services used to assist oil and gas companies drill, complete, produce, maintain and decommission their oil and gas wells. We operate throughout the United States, in the Gulf of Mexico and in several international markets. Our business is comprised of three segments: Subsea and Well Enhancement, Drilling Products and Services and Marine Services.

Through our subsea and well enhancement business segment, we provide rigless production-related services, which are a cost-effective approach to delivering services and solutions aimed at maintaining and enhancing well productivity. Our drilling products and services business segment manufactures, rents and sells specialized equipment and tools for use with well drilling, completion, production and workover activities. Through our marine business segment, we own and operate a diverse fleet of rental liftboats in the Gulf of Mexico, ranging from 150 feet to 265 feet in leg length.

Recent Events

Acquisition of Complete Production Services, Inc. On October 9, 2011, we agreed to acquire all of the outstanding equity securities of Complete Production Services, Inc. (Complete) pursuant to an Agreement and Plan of Merger among us, SPN Fairway Acquisition, Inc., our wholly-owned subsidiary, and Complete. Pursuant to the merger agreement, Complete stockholders will receive 0.945 of a share of our common stock and $7.00 cash, without interest, for each share of Complete common stock outstanding at the time of the merger. We anticipate closing this transaction before the end of 2011.

In connection with this acquisition, we intend to amend our credit facility to increase our borrowing capacity to $600.0 million and to include a $400.0 million term loan in order to pay the cash portion of the merger consideration. We also intend to issue up to $700.0 million of senior unsecured notes in order to refinance all of Complete s outstanding 8% senior notes due 2016.

Complete focuses on providing specialized completion and production services and products that help oil and gas companies develop hydrocarbon reserves, reduce costs and enhance production. Complete s operations are located throughout the United States, and in western Canada and Mexico. Complete s business is comprised of three segments: Completion and Production Services, Drilling Services and Product Sales.

Redemption of 1.50% Senior Exchangeable Notes. On October 17, 2011, we issued notice to the holders of all of the outstanding 1.50% senior exchangeable notes of our subsidiary SESI, L.L.C., of our intent to redeem all of the exchangeable notes on December 15, 2011. We intend to redeem the notes with our cash on hand as of the date of redemption.

The principal executive offices of Superior Energy and the issuer are located at 601 Poydras, Suite 2400, New Orleans, Louisiana, 70130, and our telephone number at that address is (504) 587-7374. Our website is located at http://www.superiorenergy.com. Our website and the information contained on our website is not part of this prospectus.

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The Exchange Offer

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes and the guarantees, please refer to the section entitled Description of notes in this prospectus.

The initial offering of outstanding notes	We sold the outstanding notes on April 27, 2011 to J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, BNP Paribas Securities Corp., Comerica Securities, Inc., PNC Capital Markets LLC, Natixis Securities North America Inc., Capital One Southcoast, Inc. and HSBC Securities (USA) Inc. We collectively refer to those parties in this prospectus as the initial purchasers. The initial purchasers subsequently resold the outstanding notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States to non-U.S. Persons within the meaning of Regulation S under the Securities Act.
The exchange offer	We are offering to exchange the exchange notes which have been registered under the Securities Act for a like principal amount of your outstanding notes. The outstanding notes may be exchanged only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The issuance of the exchange notes is intended to satisfy our obligations contained in a registration rights agreement among us and the initial purchasers in which we agreed to use our reasonable best efforts to cause the exchange offer to be complete within 270 days after the issuance of the outstanding notes.
Resales	Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us, we believe that the exchange notes issued to you pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: you are acquiring the exchange notes in the ordinary course of business; you have not engaged in, do not intend to engage in and have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes; and you are not our affiliate as defined under Rule 405 of the Securities Act. If you fail to satisfy any of these conditions and you transfer any exchange notes without delivering a proper prospectus or without qualifying for an exemption from registration, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for outstanding notes that were acquired by that broker-dealer as a result of market-making

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	or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the exchange offer. Any holder of our outstanding notes, including any broker-dealer, who: is our affiliate; does not acquire the exchange notes in the ordinary course of its business; or tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes; cannot rely on the position of the staff of the SEC expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.
Expiration time	The exchange offer will expire at 5:00 p.m., New York City time, on , 2011, unless we extend the exchange offer in our sole discretion, in which case the term expiration time means the latest date and time to which the exchange offer is extended. We do not currently intend to extend the expiration date.
Conditions to the exchange offer	The exchange offer is subject to customary conditions, some of which may be waived by us; however, the exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange. We reserve the right to terminate or amend the exchange offer at any time before the expiration date. For additional information, see Exchange offer Conditions.
Procedure for tendering outstanding notes	If you wish to tender your outstanding notes for exchange in this exchange offer, you must transmit to the exchange agent on or before the expiration date: a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC, or ATOP, in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your outstanding notes and update your account to reflect the issuance of the exchange notes to you. ATOP allows you to electronically transmit your acceptance of the exchange offer to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent; and

a timely confirmation of book-entry transfer of your outstanding notes into the account of the exchange agent at DTC.

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By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any exchange notes that you receive will be acquired in the ordinary course of your business;

you have no arrangements or understandings with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;

if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and

you are not our affiliate as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Special procedures for beneficial owners	If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest of outstanding notes in the exchange offer, you should contact the person in whose name your book-entry interests or outstanding notes are registered promptly and instruct that person to tender on your behalf.
Withdrawal of tenders	You may withdraw the tender of your outstanding notes at any time prior to the expiration of the exchange offer. Any outstanding notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of this exchange offer.
Delivery of the exchange notes	The exchange notes issued pursuant to this exchange offer will be delivered to holders who tender outstanding notes promptly following the expiration time.
Material U.S. federal income tax consequences	We believe that the exchange of outstanding notes for the exchange notes pursuant to the exchange offer should not be a taxable event for United States federal income tax purposes. See Material U.S. federal income tax consequences.
Use of proceeds	We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A. is serving as the exchange agent in connection with the exchange offer.

Effect on holders of outstanding notes	As a result of the making of this exchange offer, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of this exchange offer, we will have fulfilled a

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covenant contained in the registration rights agreement among us and the initial purchasers and, accordingly, the holders of the outstanding notes will have no further registration or other rights under the registration rights agreement, except under certain limited circumstances. Holders of the outstanding notes who do not tender their outstanding notes in the exchange offer will continue to hold such outstanding notes and will be entitled to all rights and limitations thereto under the indenture. All untendered, and tendered but unaccepted, outstanding notes will continue to be subject to the restrictions on transfer provided for in the outstanding notes and the indenture. In general, the outstanding notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with this exchange offer, we do not anticipate that we will register the outstanding notes under the Securities Act.

Summary of the Exchange Notes

The following summary describes the principal terms of the exchange notes and is not intended to be complete. For a more detailed description of the terms and conditions of the exchange notes and the guarantees, please refer to the section entitled Description of notes in this prospectus.

Issuer	SESI, L.L.C., first tier subsidiary of Superior Energy.
Securities offered	$500.0 million aggregate principal amount of 6.375% Senior Notes due 2019.
Maturity date	May 1, 2019.
Interest rate	6.375% per annum.
Interest payment dates	Interest on the exchange notes will be payable semi-annually in arrears in cash on each May 1 and November 1.
Optional redemption	The exchange notes will be redeemable at the issuer s option, in whole or in part, at any time on or after May 1, 2015, at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to the date of redemption. At any time prior to May 1, 2014, the issuer may redeem up to 35% of the original principal amount of the exchange notes with the proceeds of certain equity offerings at a redemption price of 106.375% of the principal amount of the exchange notes, together with accrued and unpaid interest, if any, to the date of redemption. At any time prior to May 1, 2015, the issuer may also redeem some or all of the exchange notes at a price equal to 100% of the principal amount of the exchange notes, plus accrued and unpaid interest, and a make-whole premium. See Description of notes Optional redemption.
Change of control offer	Upon the occurrence of specific kinds of changes of control, you will have the right, as holders of the exchange notes, to cause the issuer to repurchase some or all of your exchange notes at 101% of their face amount, plus accrued and unpaid interest to, but not including, the repurchase date. See Description of notes Repurchase at the option of holders Change of control.
Asset disposition offer	If we sell assets, under certain circumstances, the issuer will be required to use the net proceeds to make an offer to purchase exchange notes at an offer price in cash in an amount equal to 100% of the principal amount of the exchange notes plus accrued and unpaid interest to the repurchase date. See Description of notes Repurchase at the option of holders Limitation on sales of assets and subsidiary stock.

Guarantees	The exchange notes will initially be guaranteed on a senior unsecured basis by Superior Energy and substantially all of its existing U.S. subsidiaries (other than the issuer) (which are the subsidiaries that currently guarantee the obligations under our revolving senior credit facility). Each of Superior Energy s or the issuer s future direct and indirect subsidiaries that guarantee our revolving senior credit facility or any other indebtedness of the issuer or the subsidiary guarantors will guarantee the exchange notes. Under certain

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circumstances, subsidiary guarantors may be released from their guarantees without the consent of the holders of exchange notes. See Description of notes Note guarantees.

Ranking

The exchange notes will be the issuer s senior unsecured obligations and will:

rank senior in right of payment to all of the issuer s future subordinated indebtedness;

rank equally in right of payment with all of the issuer s existing and future senior indebtedness;

be effectively subordinated to any of the issuer s existing and future secured debt (including all of the issuer s borrowings under the revolving senior credit facility), to the extent of the value of the assets securing such debt; and

be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries that do not guarantee the exchange notes.

The guarantees of the exchange notes will be the guarantors senior unsecured obligations and will:

rank senior in right of payment to all of the guarantors future subordinated indebtedness;

rank equally in right of payment with all of the guarantors existing and future senior indebtedness; and

be effectively subordinated to any of the guarantors existing and future secured debt (including the guarantors guarantees of the issuer s borrowings under the revolving senior credit facility), to the extent of the value of the assets securing such debt.

As of June 30, 2011:

we had approximately $1,213.0 million of total indebtedness (including the notes and exclusive of discounts, but prior to giving effect to the redemption of the 1.50% senior exchangeable notes due 2026), of which $700.0 million ranked equally with the notes and none of which was subordinated to the notes;

of our total indebtedness, we had no secured indebtedness outstanding under our revolving senior credit facility (excluding $6.9 million represented by outstanding letters of credit under the revolving senior credit facility) to which the notes were effectively subordinated;

we had commitments available to be borrowed under the revolving senior credit facility of $393.1 million (after giving effect to $6.9 million of outstanding letters of credit); and

our non-guarantor subsidiaries had $186.2 million of total liabilities (including debt and trade payables but excluding most intercompany liabilities), all of which was structurally senior to the notes.

Certain covenants	The notes are governed under our indenture with The Bank of New York Mellon Trust Company, N.A., as trustee. The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to: incur additional indebtedness and guarantee indebtedness; pay dividends or make other distributions or repurchase or redeem our capital stock; prepay, redeem or repurchase certain debt; issue certain preferred stock or similar equity securities; make loans and investments; sell assets; incur liens; enter into transactions with affiliates; enter into agreements restricting our subsidiaries ability to pay dividends; and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to a number of important exceptions and qualifications. See Description of notes Certain covenants. Certain of these covenants will terminate when the exchange notes have investment grade ratings from both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Ratings Services (Standard & Poor s).

RISK FACTORS

You should carefully consider the risks described below as well as other information and data included or incorporated by reference in this prospectus before deciding whether to participate in this exchange offer. The risks and uncertainties described below and in the incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not currently known to us or that we consider to be immaterial may also materially impact our business, operations or financial condition. Any of the following risks could impair our business, financial condition or operating results, which could cause you to lose all or part of your investment in the notes. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Cautionary note regarding forward-looking statements at the beginning of this prospectus.

Risks related to the exchange offer

Because there is no public market for the exchange notes, you may not be able to resell your exchange notes.

The exchange notes will be registered under the Securities Act, but will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

- the liquidity of any trading market that may develop;
- the ability of holders to sell their exchange notes; or
- the price at which the holders would be able to sell their exchange notes.

If a trading market were to develop, the exchange notes might trade at higher or lower prices than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar securities and our financial performance, as well as declines in the prices of securities, or the financial performance or prospects of, similar companies.

Any market-making activity with respect to the notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act, and may be limited during the exchange offer or the pendency of an applicable shelf registration statement. There can be no assurance that an active trading market will exist for the notes or that any trading market that does develop will be liquid.

In addition, any outstanding note holder who tenders in the exchange offer for the purpose of participating in a distribution of the exchange notes may be deemed to have received restricted securities, and if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. For a description of these requirements, see the section entitled Exchange offer.

Your notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your notes will continue to be subject to existing transfer restrictions and you may not be able to sell your notes.

We will not accept your outstanding notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after a timely tender of outstanding notes. If you do not tender your outstanding notes by the expiration date of the exchange offer, we will not accept your outstanding notes for exchange. If there are defects or irregularities with respect to your tender of outstanding notes, we will not accept such outstanding notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of outstanding notes for exchange.

If you do not exchange your outstanding notes, your outstanding notes will continue to be subject to the existing transfer restrictions and you may not be able to sell your notes.

We did not register the outstanding notes, nor do we intend to do so following the exchange offer. Outstanding notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. If you do not exchange your outstanding notes, you will, subject to limited exceptions, lose your right to have such outstanding notes registered under the federal securities laws. As a result, if you hold outstanding notes after the exchange offer, you may not be able to sell your outstanding notes.

The reoffering and resale of the outstanding notes is subject to significant legal restrictions.

The outstanding notes have not been registered under the Securities Act or any state securities laws. As a result, holders of outstanding notes may reoffer or resell outstanding notes only if:

there is an applicable exemption from the registration requirements of the Securities Act and applicable state laws that applies to the circumstances of the offer and sale, or

we file a registration statement and it becomes effective.

Risks related to the notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

We have, and after the exchange will continue to have, a significant amount of indebtedness. As of June 30, 2011, our total debt was approximately $1,213.0 million (including the notes and exclusive of discounts), and we had unused commitments of $393.1 million under our revolving senior credit facility (after giving effect to $6.9 million of outstanding letters of credit, which reduce availability).

Subject to the limits contained in the credit agreement governing our revolving senior credit facility, the indenture that governs the notes and the indenture relating to our existing 67/8% senior notes due 2014 (the Existing Notes), we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences to the holders of the notes, including:

making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;

requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

increasing our vulnerability to general adverse economic and industry conditions;

exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the revolving senior credit facility, are at variable rates of interest;

limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

placing us at a disadvantage compared to other, less leveraged competitors; and increasing our cost of borrowing.

In addition, the indenture that governs the notes, the indenture governing the Existing Notes and the credit agreement governing our revolving senior credit facility contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

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We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement governing the revolving senior credit facility, the indenture relating to the Existing Notes and the indenture governing the notes restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct all our operations through our subsidiaries, certain of which are not guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes, the indenture governing the Existing Notes and the credit agreement governing the revolving senior credit facility will limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under the revolving senior credit facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the notes.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the indenture governing the notes, the credit agreement governing our revolving senior credit facility and the indenture governing the Existing Notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness under the indentures or the credit agreement. In addition, as of June 30, 2011, our revolving senior credit facility provided for total commitments of $400.0 million, with unused commitments of $393.1 million (after giving effect to $6.9 million of outstanding letters of credit, which reduce availability). Under certain conditions, we can increase the total commitments under the revolving senior credit facility to $550.0 million. All of those borrowings would be secured indebtedness. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify. See Description of notes.

The terms of the credit agreement governing our revolving senior credit facility, the indenture governing the Existing Notes and the indenture governing the notes will restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indenture governing the notes, the credit agreement governing our revolving senior credit facility and the indenture governing the Existing Notes contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem or repurchase certain debt;
- issue certain preferred stock or similar equity securities;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

In addition, the restrictive covenants in the credit agreement governing our revolving senior credit facility require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control. You should read the discussions under the headings Description of notes Certain covenants and Description of other indebtedness for further information about these covenants.

A breach of the covenants or restrictions under the indentures governing the notes or the Existing Notes, or under the credit agreement governing our revolving senior credit facility, could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our revolving senior credit facility would permit the lenders under our revolving senior credit facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our revolving senior credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

As a result of these restrictions, we may be:

- limited in how we conduct our business;

- unable to raise additional debt or equity financing to operate during general economic or business downturns; or unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our revolving senior credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Based on the amount of this debt outstanding at December 31, 2010, a 10% increase in the variable interest rate would increase our interest expense for the year ended December 31, 2010 by approximately $1.3 million, while a 10% decrease would decrease our interest expense by approximately $1.3 million. We entered into an interest rate swap in March 2010 whereby we are entitled to receive semi-annual interest payments at a fixed rate of 67/8% per annum and are obligated to make quarterly interest payments at a variable rate. In the future, we may enter into additional interest rate swaps that involve the exchange of floating or fixed rate interest payments in order to manage our debt portfolio by targeting an overall desired position of fixed and floating rates. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes will be effectively subordinated to our indebtedness and the guarantors guarantees under the revolving senior credit facility and any other secured indebtedness of our company to the extent of the value of the property securing that indebtedness.

The notes will not be secured by any of our or the guarantors assets. As a result, the notes and the guarantees will be effectively subordinated to our indebtedness and the guarantors guarantees under the revolving senior credit facility with respect to the assets that secure those obligations to the extent of the value of such assets. As of June 30, 2011, we had total commitments under our revolving senior credit facility of $400.0 million, under which $6.9 million in letters of credit were outstanding, resulting in total unused availability of approximately $393.1 million. Under certain conditions, we can increase the commitments under the revolving senior credit facility up to $550.0 million. In addition, we may incur additional secured debt in the future. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of the issuer or the guarantors, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes and the guarantees only after all indebtedness under the revolving senior credit facility and that other secured debt has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or the guarantors bankruptcy, insolvency, liquidation, dissolution or reorganization.

The notes are structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become guarantors of the notes.

The notes are guaranteed by Superior Energy and each of our existing and subsequently acquired or organized subsidiaries that guarantee the revolving senior credit facility or that, in the future, guarantee our other indebtedness or indebtedness of another guarantor. Our subsidiaries that do not guarantee the notes, including all of our non-domestic subsidiaries, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes and guarantees are structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary s creditors (including trade creditors) would be entitled to payment in full out of that subsidiary s assets before we would be entitled to any payment.

In addition, the indenture governing the notes does, subject to some limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the year ended December 31, 2010, our non-guarantor subsidiaries represented approximately 20% of our revenues exclusive of intercompany eliminations and 9% of our income from operations, respectively. As of December 31, 2010, our non-guarantor subsidiaries represented approximately 24% of our total assets and had approximately $167.9 million of total liabilities, including debt and trade payables but excluding most intercompany liabilities. See note 21 to our quarterly report on Form 10-Q for the six months ended June 30, 2011 for additional financial information related to our non-guarantor subsidiaries.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

- the designation of that subsidiary guarantor as an unrestricted subsidiary;
- the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such subsidiary guarantor; or
- the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor.

If any subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See Description of notes Note guarantees.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes, and the Existing Notes, at 101% of their principal amount, plus accrued and unpaid interest to the purchase date. Additionally, under the credit agreement governing the revolving senior credit facility, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the credit agreement and terminate their commitments to lend. The source of funds for any purchase of the notes, and the Existing Notes, and repayment of borrowings under our revolving senior credit facility would be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. If we fail to repurchase the notes in that circumstance, we will be in default under the indenture. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes, and the Existing Notes, and events of default and potential breaches of the credit agreement governing our revolving senior credit facility, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the indenture that governs the notes, constitute a change of control that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of notes Repurchase at the option of holders Change of control.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. However, the phrase all or substantially all will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of all or substantially all of our capital stock, membership interests or assets has occurred, in which case, the ability of a holder of the notes to obtain the benefit of an offer to repurchase all or a portion of the notes held by such holder may be impaired.

The exercise by the holders of notes of their right to require us to repurchase the notes pursuant to a change of control offer could cause a default under the agreements governing our other indebtedness, including future agreements, even if the change of control itself does not, due to the financial effect of such repurchases on us. In the event a change of control offer is required to be made at a time when we are prohibited from purchasing notes, we could attempt to refinance the borrowings that contain such prohibitions. If we do not obtain a consent or repay those borrowings, we will remain prohibited from purchasing notes. In that case, our failure to purchase tendered notes would constitute an event of default under the indenture which could, in turn, constitute a default under our other indebtedness. Finally, our ability to pay cash to the holders of notes upon a repurchase may be limited by our then existing financial resources.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (a) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

- the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on our or the guarantor s business;

- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or the guarantor s ability to pay as they mature; or

- we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to our or any of our guarantors other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

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If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee, could subordinate the notes or that guarantee to presently existing and future indebtedness of ours or of the related guarantor or could require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

The covenants in the indenture will terminate permanently if the notes are rated investment grade by both Moody s and Standard & Poor s.

Many of the covenants in the indenture will terminate permanently if the notes are rated investment grade by both Moody s and Standard & Poor s, provided at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain these ratings. However, termination of these covenants would, for the term of the notes, allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of notes Certain covenants Termination of covenants when notes rated investment grade.

Risks related to our business

Adverse macroeconomic and business conditions may significantly and negatively affect our results of operations.

Economic conditions in the United States and international markets in which we operate could substantially affect our revenue and profitability. The lingering domestic and global financial crises, the associated fluctuating oil and gas prices, and the disruption in the credit markets have had an adverse effect on our operating results and financial condition, and if sustained or worsened, such adverse effects could continue or worsen. Additionally, if the disruption in the credit markets continues, some of our suppliers and customers may be unable to recover from, or could face additional credit issues, cash flow problems and other financial hardships.

Changes in governmental banking, monetary and fiscal policies to restore the domestic and global financial markets and increase credit availability may not be effective. It is difficult to determine the breadth and duration of the domestic and global financial crises and the many ways in which they may affect our suppliers, customers and our business in general. The continuation or further deterioration of these difficult financial and macroeconomic conditions could have a significant adverse effect on our results of operations and cash flows.

Our borrowing capacity could be affected by the uncertainty impacting credit markets generally.

Lingering disruptions in the credit and financial markets could adversely affect financial institutions, inhibit lending and limit access to capital and credit for many companies. Although we believe that the banks participating in our revolving senior credit facility have adequate capital and resources, we can provide no assurance that all of those banks will continue to operate as a going concern in the future. If any of the banks in our lending group were to fail, it is possible that the borrowing capacity under our revolving senior credit facility would be reduced. In the event that the availability under our revolving senior credit facility was reduced significantly, we could be required to obtain capital from alternate sources in order to finance our capital needs. Our options for addressing such capital constraints would include, but not be limited to, (1) obtaining commitments from the remaining banks in the lending group or from new banks to fund increased amounts under the terms of our revolving senior credit facility, (2) accessing the public capital markets, or (3) delaying certain projects. If it became necessary to access additional capital, any such alternatives could have terms less favorable than those terms under our existing revolving senior credit facility, which could have a material effect on our consolidated financial position, results of operations and cash flows.

If future financing is not available to us when required, as a result of limited access to the credit markets or otherwise, or is not available to us on acceptable terms, we may be unable take advantage of business opportunities or respond to competitive pressures, either of which could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

We are subject to the cyclical nature of the oil and gas industry.

Demand for most of our oilfield services is substantially dependent on the level of expenditures by the oil and gas industry. This level of activity has traditionally been volatile as a result of sensitivities to oil and gas prices and generally dependent on the industry s view of future oil and gas prices. The purchases of the products and services we provide are, to a substantial extent, deferrable in the event oil and gas companies reduce expenditures. Therefore, the willingness of our customers to make expenditures is critical to our operations. Oil and gas prices are very volatile and could be affected by many factors, including the following:

- the level of worldwide oil and gas exploration and production;
- the cost of exploring for, producing and delivering oil and gas;
- demand for energy, which is affected by worldwide economic activity and population growth;
- the ability of the Organization of Petroleum Exporting Countries, or OPEC, to set and maintain production levels for oil;
- the discovery rate of new oil and gas reserves;
- domestic and global political and economic uncertainty, socio-political unrest and instability or hostilities;
- demand for and availability of alternative, competing sources of energy; and
- technological advances affecting energy exploration, production and consumption.

Although the effects of changing prices on activity levels in production and development sectors of the oil and gas industry are less immediate and as a result, less volatile than the exploration sector, producers generally react to declining oil and gas prices by reducing expenditures. This has, in the past, adversely affected and may in the future adversely affect our business. We are unable to predict future oil and gas prices or the level of oil and gas industry activity. A prolonged low level of activity in the oil and gas industry will adversely affect the demand for our products and services and our financial condition, results of operations and cash flows.

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Our industry is highly competitive.

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

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

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

Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than our products and services. Further, additional liftboat capacity in the Gulf of Mexico would increase competition for that service, likely resulting in lower day rates and utilization. Competitive pressures or other factors also may result in significant price competition that could have a material adverse effect on our results of operations and financial condition. Finally, competition among oilfield service and equipment providers is also affected by each provider s reputation for safety and quality.

A significant portion of our revenue is derived from our international operations, which exposes us to additional political, economic and other uncertainties.

Our international revenues accounted for approximately 28%, 22%, and 17% of our total revenues in 2010, 2009, and 2008, respectively. Our international operations are subject to a number of risks inherent in any business operating in foreign countries, including, but not limited to, the following:

- political, social and economic instability;
- potential expropriation, seizure or nationalization of assets;
- increased operating costs;
- civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- renegotiating, cancellation or forced modification of contracts;
- import-export quotas;
- confiscatory taxation or other adverse tax policies;
- currency fluctuations;

- restrictions on the repatriation of funds;
- submission to the jurisdiction of a foreign court or arbitration panel or having to enforce the judgment of a foreign court or arbitration panel against a sovereign nation within its own territory; and
- other forms of government regulation which are beyond our control.

Additionally, our competitiveness in international market areas may be adversely affected by regulations, including, but not limited to, the following:

- the awarding of contracts to local contractors;
- the employment of local citizens; and

the establishment of foreign subsidiaries with significant ownership positions reserved by the foreign government for local citizens.

The occurrence of any of the risks described above could adversely affect our results of operations and cash flows.

We are susceptible to adverse weather conditions in the Gulf of Mexico.

Certain areas in and near the Gulf of Mexico experience hurricanes and other extreme weather conditions on a relatively frequent basis. Substantially all of our assets offshore and along the Gulf of Mexico are susceptible to damage or total loss by these storms. Although we maintain insurance on our properties, due to the significant losses incurred as a consequence of the hurricanes that occurred in the Gulf of Mexico in recent years these coverages are not comparable with that of prior years. For instance, since 2006, our insurance policies now have an annual aggregate limit, rather than an occurrence limit. Also, our deductible for wind damage versus non-wind damage events is between five and ten times higher. Thus, we are at greater risk of loss due to severe weather conditions. Any significant uninsured losses could have a material adverse effect on our financial position, results of operations and cash flows.

Damage to our equipment caused by high winds and turbulent seas could cause us to curtail or suspend service operations for significant periods of time until damage can be assessed and repaired. Moreover, even if we do not experience direct damage from any of these storms, we may experience disruptions in our operations because customers may curtail or suspend their development activities due to damage to their platforms, pipelines and other related facilities. We do not maintain business interruption insurance that could protect us from these events.

The Deepwater Horizon incident could have a lingering significant impact on exploration and production activities in United States coastal waters that could adversely affect demand for our services and equipment.

The April 2010 catastrophic explosion of the Deepwater Horizon, the related oil spill in the Gulf of Mexico and the U.S. Government s response to these events has significantly and adversely disrupted oil and gas exploration activities in the Gulf of Mexico. After the explosion, the United States government imposed new safety and permitting requirements on shallow water operators, resulting in significantly longer review processes of drilling permit applications and fewer drilling permits being issued to these operators. Additionally, the commission appointed by the President of the United States to study the causes of the catastrophe has recommended certain legislative and regulatory measures designed to minimize the possibility of a reoccurrence of a disastrous spill. Various bills are being considered by Congress which, if enacted, could either significantly increase the costs of conducting drilling and exploration activities in the Gulf of Mexico, particularly in deep waters, or possibly drive a substantial portion of drilling and operation activity out of the Gulf of Mexico.

There are a number of uncertainties affecting the oil and gas industry that continue to exist in the aftermath of the Deepwater Horizon explosion and the ensuing responses. Although the eventual outcome of these uncertainties is currently unknown, any one or more of them could constrict the return of demand for our products and services to historical levels or further reduce demand for our products and services, which could adversely affect our operations in the Gulf of Mexico. However, until the ultimate regulatory response to these events becomes more certain, we cannot accurately predict the extent of the impact those responses could have on its customers and similarly, the long term impact on its business and operations. Any regulatory response that has the effect of materially curtailing drilling and exploration activity in the Gulf of Mexico will ultimately adversely affect our operations in the Gulf of Mexico.

We depend on key personnel.

Our success depends to a great degree on the abilities of our key management personnel, particularly our chief executive officer and other high-ranking executives. The loss of the services of one or more of these key employees could adversely affect us.

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We might be unable to employ a sufficient number of skilled workers.

The delivery of our products and services require personnel with specialized skills and experience. As a result, our ability to remain productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers in our industry is high, and the supply is limited. We could be faced with severe shortages of experienced personnel as we expand our operations and enter new markets. In developed countries, many senior engineers, managers and other professionals are reaching retirement age, with no assurance that enough college graduates and younger workers will be ready to replace them.

In addition, although our employees are not covered by a collective bargaining agreement, the marine services industry has in the past been targeted by maritime labor unions in an effort to organize Gulf of Mexico employees. A significant increase in the wages paid by competing employers or the unionization of our Gulf of Mexico employees could result in a reduction of our skilled labor force, increases in the wage rates that we must pay or both. If either of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired.

We depend on significant customers.

We derive a significant amount of our revenue from a small number of major and independent oil and gas companies. In 2010, no single customer accounted for more than 10% of our total revenue. Of our 2009 and 2008 total revenue, Chevron accounted for approximately 15% and 12%, respectively, Apache accounted for approximately 13% and 11%, respectively, and BP accounted for approximately 11% for each year. Our inability to continue to perform services for a number of our large existing customers, if not offset by sales to new or other existing customers, could have a material adverse effect on our business and operations.

The terms of our contracts could expose us to unforeseen costs and costs not within our control.

Under fixed-price contracts, turnkey or modified turnkey contracts, we agree to perform a defined scope of work for a fixed price. Extra work, which is subject to customer approval, is billed separately. As a result, we can improve our expected profit by superior contract performance, productivity, worker safety and other factors resulting in cost savings. However, we could incur cost overruns above the approved contract price, which may not be recoverable. Prices for these contracts are established based largely upon estimates and assumptions relating to project scope and specifications, personnel and material needs. These estimates and assumptions may prove inaccurate or conditions may change due to factors out of our control, resulting in cost overruns, which we may be required to absorb and could have a material adverse effect on our business, financial condition and results of operations. In addition, our profits from these contracts could decrease and we could experience losses if we incur difficulties in performing the contracts or are unable to secure suitable commitments from our subcontractors and other suppliers. Many of these contracts require us to satisfy specified progress milestones or performance standards in order to receive payment. Under these types of arrangements, we may incur significant costs for equipment, labor and supplies prior to receipt of payment. If the customer fails or refuses to pay us for any reason, there is no assurance we will be able to collect amounts due to us for costs previously incurred. In some cases, we may find it necessary to terminate subcontracts and we may incur costs or penalties for canceling our commitments to them. If we are unable to collect amounts owed to us under these contracts, we may be required to record a charge against previously recognized earnings related to the project, and our liquidity, financial condition and results of operations could be adversely affected.

Percentage-of-completion accounting for contract revenue may result in material adjustments.

A portion of our revenue is recognized using the percentage-of-completion method of accounting. The percentage-of-completion accounting practices that we use result in our recognizing contract revenue and earnings ratably over the contract term based on the proportion of actual costs incurred to our estimated total contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenue and costs. We review our estimates of contract revenue, costs and profitability on a monthly basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of changes in cost estimates, change orders to the original contract, collection disputes with the customer on amounts invoiced or claims against the customer for extra work or increased cost due to customer-induced delays and other factors. Contract losses are recognized in the fiscal period in which the loss is determined. Contract profit estimates are also adjusted in the fiscal period in which it is determined that an adjustment is required. No restatements are made to prior periods for changes in these estimates. As a result of the requirements of the percentage-of-completion method of accounting, the possibility exists, for example, that we could have estimated and reported a profit on a contract over several prior periods and later determine that all or a portion of such previously estimated and reported profits were overstated or understated. If this occurs, the cumulative impact of the change will be reported in the period in which such determination is made, thereby eliminating all or a portion of any profits related to long-term contracts that would have otherwise been reported in such period or even resulting in a loss being reported for such period.

The dangers inherent in our operations and the limits on insurance coverage could expose us to potentially significant liability costs and materially interfere with the performance of our operations.

Our operations are subject to numerous operating risks inherent in the oil and gas industry that could result in substantial losses. These risks include the following:

- fires;
- explosions, blowouts and cratering;
- hurricanes and other extreme weather conditions;
- mechanical problems, including pipe failure;
- abnormally pressured formations; and
- environmental accidents, including oil spills, gas leaks or ruptures, uncontrollable flows of oil, gas, brine or well fluids, or other discharges of toxic gases or other pollutants.

These risks affect our provision of oilfield services and equipment, as well as our oil and gas operations. Our liftboats and marine vessels are also subject to operating risks such as catastrophic marine disasters, adverse weather conditions, collisions and navigation errors.

The realization of these risks could result in catastrophic events causing personal injury, loss of life, damage to or destruction of wells, production facilities or other property or equipment, or damages to the environment, which could lead to claims against us for substantial damages. In addition, certain of our employees who perform services on offshore platforms and marine vessels are covered by provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws make the liability limits established by federal and state workers compensation laws inapplicable to these employees and instead permit them or their representatives to pursue actions against us for damages for job related injuries. Realization of any of the foregoing by our equity-method investments engaged in oil and gas production could result in significant impairment to our equity-method investment balances.

As a result of indemnification obligations contained in most of our customer contracts, we may also be required to indemnify our customers for any damages sustained by our employees or equipment, regardless of whether those damages were caused by us.

We maintain several types of insurance to cover liabilities arising from our operations. These policies include primary and excess umbrella liability policies with limits of $200 million dollars per occurrence, including sudden and accidental pollution incidents. We also maintain property insurance on our physical assets, including marine vessels and operating equipment and platforms and wells. The cost of many of the types of insurance coverage maintained for our oil and gas operations has increased significantly due to losses as a result of hurricanes that occurred in the Gulf of Mexico in recent years and resulted in the retention of significant additional risk by us and our equity-method investments, primarily through higher insurance deductibles. Also, most of these property insurance policies now have annual aggregate limits, rather than occurrence-based limits, for named storm damages and significantly higher deductibles for wind damage. Very few insurance underwriters offer certain types of insurance coverage maintained by us, and there can be no assurance that any particular type of insurance coverage will continue to be available in the future, that we will not accept retention of additional risk through higher insurance deductibles or otherwise, or that we will be able to purchase our desired level of insurance coverage at commercially feasible rates.

The frequency and severity of incidents related to our operating risks affect our operating costs, insurability, revenue derived from our equity-method investments, and relationships with customers, employees and regulators. Any increase in the frequency or severity of such incidents, or the general level of compensation and damage awards with respect to such incidents, could adversely affect our ability to obtain insurance or projects from oil and gas companies. Also, any significant uninsured losses could have a material adverse effect on our financial position, results of operations and cash flows.

We are vulnerable to the potential difficulties associated with rapid expansion.

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

- lack of experienced management-level personnel;
- increased administrative burden; and
- increased logistical problems common to large, expansive operations.

If we do not manage these potential difficulties successfully, our operating results could be adversely affected.

Our inability to control the inherent risks of acquiring businesses could adversely affect our operations.

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

The nature of our industry subjects us to compliance with regulatory and environmental laws.

Our business is significantly affected by a wide range of local, state and federal statutes, rules, orders and regulations, as well as international laws in the other countries in which we operate, relating to the oil and gas industry in general, and more specifically with respect to the environment, health and safety, waste management and the manufacture, storage, handling and transportation of hazardous wastes. The failure to comply with these rules and regulations can result in the revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution. Further, laws and regulations in this area are complex and change frequently. Changes in laws or regulations, or their enforcement, could subject us to material costs.

Our operations are also subject to certain requirements under the Federal Oil Pollution Act of 1990 (OPA). Under OPA and its implementing regulations, responsible parties, including owners and operators of certain vessels, are strictly liable for damages resulting from spills of oil and other related substances in the United States waters, subject to certain limitations. OPA also requires a responsible party to submit proof of its financial ability to cover environmental cleanup and restoration costs that could be incurred in connection with an oil spill. Further, OPA imposes other requirements, such as the preparation of oil spill response plans. In the event of a substantial oil spill, we could be required to expend potentially significant amounts of capital which could have a material adverse effect on our future operations and financial results.

We have compliance costs and potential environmental liabilities with respect to our offshore and onshore operations, including our environmental cleaning services. Certain environmental laws provide for joint and several liabilities for remediation of spills and releases of hazardous substances. These environmental statutes may impose liability without regard to negligence or fault. In addition, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. We believe that our present operations substantially comply with applicable federal and state pollution control and environmental protection laws and regulations. We also believe that compliance with such laws has not had a material adverse effect on our operations. However, we are unable to predict whether environmental laws and regulations will have a material adverse effect on our future operations and financial results. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution.

Federal, state and local statutes and regulations require permits for plugging and abandonment and reports concerning operations. A decrease in the level of enforcement of such laws and regulations in the future would adversely affect the demand for our services and products. In addition, demand for our services is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. The adoption of laws and regulations curtailing exploration and development drilling for oil and gas in our areas of operations for economic, environmental or other policy reasons could also adversely affect our operations by limiting demand for our services.

The regulatory burden on our business increases our costs and, consequently, affects our profitability. We are unable to predict the level of enforcement of existing laws and regulations, how such laws and regulations may be interpreted by enforcement agencies or court rulings, or whether additional laws and regulations will be adopted. We are also unable to predict the effect that any such events may have on us, our business or our financial condition.

A terrorist attack or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts may adversely affect the United States and global economies and could prevent us from meeting our financial and other obligations. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for our services and causing a reduction in our revenues. Oil and gas related facilities could be direct targets of terrorist attacks, and our operations could be adversely impacted if infrastructure integral to customers   operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all.

Regulation of greenhouse gas emissions effects and climate change issues may adversely affect our operations and markets.

The impact and implication of greenhouse gas emissions has received increasing attention, especially in the form of proposals to regulate the emissions. Regulation of emissions has been proposed on an international, national, regional, state and local level. These proposals include an international protocol, which has gone into effect but is not binding on the United States, and numerous bills introduced to the U.S. Congress relating to climate change.

In June 2009, a bill to control and reduce emissions of greenhouse gasses in the United States, was approved by the U.S. House of Representatives. The legislation, often referred to as a   cap-and-trade   system, would limit greenhouse gas emissions while creating a corresponding market for the purchase and sale of emission permits. Although not passed by the U.S. Senate, and therefore not law, the Senate has initiated drafting its own legislation for the control and reduction of greenhouse emissions.

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It is not currently feasible to predict whether, or which of, the current greenhouse gas emission proposals will be adopted. In addition, there may be subsequent international treaties, protocols or accords that the United States joins in the future. The potential passage of climate change regulation may impact our operations, however, since it may limit demand and production of fossil fuels by our customers. The impact on our customers, in turn, may adversely affect demand for our products and services, which could adversely impact our operations.

Estimates of our oil and gas reserves and potential liabilities relating to our oil and gas properties may be incorrect.

We acquire mature oil and gas properties in the Gulf of Mexico on an as is basis and assume all plugging, abandonment, restoration and environmental liability with limited remedies for breaches of representations and warranties. Acquisitions of these properties require an assessment of a number of factors beyond our control, including estimates of recoverable reserves, future oil and gas prices, operating costs and potential environmental and plugging and abandonment liabilities. These assessments are complex and inherently imprecise, and, with respect to estimates of oil and gas reserves, require significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. In addition, since these properties are typically mature, our facilities and operations may be more susceptible to hurricane damage, equipment failure or mechanical problems. In connection with these assessments, we perform due diligence reviews that we believe are generally consistent with industry practices. However, our reviews may not reveal all existing or potential problems. In addition, our reviews may not permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We may not always discover structural, subsurface, environmental or other problems that may exist or arise.

Actual future production, cash flows, development expenditures, operating and abandonment expenses and quantities of recoverable oil and gas reserves may vary substantially from those estimated by us and any significant variance in these assumptions could materially affect the estimated quantity and value of our proved reserves. Therefore, the risk is that we may overestimate the value of economically recoverable reserves and/or underestimate the cost of plugging wells and abandoning production facilities. If costs of abandonment are materially greater or actual reserves are materially lower than our estimates, they could have an adverse effect on earnings.

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USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement we entered into with the initial purchasers in connection with the private offering of the outstanding notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive, in exchange, outstanding notes in like principal amount, the form and terms of which are the same as the form and terms of the exchange notes, except as otherwise described in this prospectus. The outstanding notes surrendered in exchange for the exchange notes in the exchange offer will be cancelled. As a result, the issuance of the exchange notes will not result in any change in our indebtedness.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

We present below our selected