

Complete Production Services, Inc.

Form S-1/A

February 14, 2006

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**As filed with the Securities and Exchange Commission on February 13, 2006**

**Registration No. 333-128750**

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**AMENDMENT NO. 3 TO  
FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Complete Production Services, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**1389**

*(Primary Standard Industrial  
Classification  
Code Number)*

**72-1503959**

*(I.R.S. Employer  
Identification No.)*

**14450 JFK Blvd., Suite 400  
Houston, Texas 77032  
(281) 372-2300**

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

**Joseph C. Winkler  
Chief Executive Officer and President  
14450 JFK Blvd., Suite 400  
Houston, Texas 77032  
(281) 372-2300**

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

**Copies to:**

**Vinson & Elkins L.L.P.  
First City Tower, Suite 2300  
Houston, Texas 77002  
(713) 758-2222  
Attn: Scott N. Wulfe  
Attn: Nicole E. Clark**

**Baker Botts L.L.P.  
One Shell Plaza, 910 Louisiana Street  
Houston, Texas 77002  
(713) 229-1234  
Attn: R. Joel Swanson  
Attn: Felix P. Phillips**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

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

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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.   

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.   

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.   

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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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 FEBRUARY 13, 2006**

Shares  
**Complete Production Services, Inc.**  
 Common Stock

We are selling \_\_\_\_\_ shares of our common stock and the selling stockholders are selling \_\_\_\_\_ shares of our common stock. Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share. Our common stock has been approved for listing on the New York Stock Exchange under the symbol \_\_\_\_\_. We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders.

The underwriters have an option to purchase a maximum of \_\_\_\_\_ additional shares from the selling stockholders to cover over-allotments of shares.

**Investing in our common stock involves risks. See Risk Factors beginning on page 10.**

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Complete Production Services	Proceeds to Selling Stockholders
Per Share	\$	\$	\$	\$
Total	\$	\$	\$	\$

Delivery of the shares of common stock will be made on or about \_\_\_\_\_, 2006.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

<p><b>Credit Suisse</b>  <b>Banc of America Securities LLC</b>  <b>Jefferies &amp; Company</b>  <b>Johnson Rice &amp; Company L.L.C.</b>  <b>Raymond James</b>  <b>Simmons &amp; Company</b>  <b>International</b>  <b>Pickering Energy Partners</b></p>	<p><b>UBS Investment Bank</b></p>
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The date of this prospectus is \_\_\_\_\_, 2006.

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**You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.**

**Dealer Prospectus Delivery Obligation**

**Until \_\_\_\_\_, 2006 (25 days after the commencement of the offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.**

**Cautionary Note Regarding Industry and Market Data**

This prospectus includes industry data and forecasts that we obtained from publicly available information, industry publications and surveys. Our forecasts are based upon management's understanding of industry conditions. We believe that the information included in this prospectus from industry surveys, publications and forecasts is reliable.

**Non-GAAP Financial Measures**

The body of accounting principles generally accepted in the United States is commonly referred to as GAAP. A non-GAAP financial measure is generally defined by the Securities and Exchange Commission, or SEC, as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measures. In this prospectus, we disclose EBITDA, a non-GAAP financial measure. EBITDA is calculated as net income before interest expense, taxes, depreciation and amortization and minority interest. EBITDA is not a substitute for the GAAP measures of earnings and cash flow. EBITDA is included in this prospectus because our management considers it an important supplemental measure of our performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, some of which present EBITDA when reporting their results.

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**PROSPECTUS SUMMARY**

*This prospectus summary highlights information contained in this prospectus. Before investing in our common stock, you should read this entire prospectus carefully, including the section entitled Risk Factors and our financial statements and related notes, for a more detailed description of our business and this offering. In this prospectus, Complete, company, we, us and our refer to Complete Production Services, Inc. and its subsidiaries, except as otherwise indicated. Please read Glossary of Selected Industry Terms included in this prospectus for definitions of certain terms that are commonly used in the oilfield services industry. Unless otherwise indicated, all references to dollars and \$ in this prospectus are to, and amounts are presented in, U.S. dollars. Unless the context indicates otherwise, all information in this prospectus assumes that the underwriters do not exercise their over-allotment option.*

**Our Company**

We provide specialized services and products focused on helping oil and gas companies develop hydrocarbon reserves, reduce costs and enhance production. We focus on basins within North America that we believe have attractive long-term potential for growth, and we deliver targeted, value-added services and products required by our customers within each specific basin. We believe our range of services and products positions us to meet many needs of our customers at the wellsite, from drilling and completion through production and eventual abandonment. We manage our operations from regional field service facilities located throughout the U.S. Rocky Mountain region, Texas, Oklahoma, Louisiana, western Canada and Mexico.

We seek to differentiate ourselves from our competitors through our local leadership, basin-level expertise and the innovative application of proprietary and other technologies. We deliver solutions to our customers that we believe lower their costs and increase their production in a safe and environmentally friendly manner.

Our business is comprised of three segments:

*Completion and Production Services.* Through our completion and production services segment, we establish, maintain and enhance the flow of oil and gas throughout the life of a well. This segment is divided into the following primary service lines:

*Intervention Services.* Well intervention requires the use of specialized equipment to perform an array of wellbore services. Our fleet of intervention service equipment includes coiled tubing units, pressure pumping units, nitrogen units, well service rigs, snubbing units and a variety of support equipment. Our intervention services provide customers with innovative solutions to increase production of oil and gas.

*Downhole and Wellsite Services.* Our downhole and wellsite services include electric-line, slickline, production optimization, production testing, rental and fishing services. We also offer several proprietary services and products that we believe create significant value for our customers.

*Fluid Handling.* We provide a variety of services to help our customers obtain, move, store and dispose of fluids that are involved in the development and production of their reservoirs. Through our fleet of specialized trucks, frac tanks and other assets, we provide fluid transportation, heating, pumping and disposal services for our customers.

*Drilling Services.* Through our drilling services segment, we provide services and equipment that initiate or stimulate oil and gas production by providing land drilling, specialized rig logistics and site preparation. Through this segment, we also provide pressure control, drill string, pipe handling and other equipment. Our drilling rigs currently operate exclusively in the Barnett Shale region of north Texas.

*Product Sales.* Through our product sales segment, we provide a variety of equipment used by oil and gas companies throughout the lifecycle of their wells. Our current product offering includes completion, flow control and artificial lift equipment as well as tubular goods.

For further information on our company, please read Business Our Company.



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**Our Industry**

Our business depends on the level of exploration, development and production expenditures made by our customers. These expenditures are driven by the current and expected future prices for oil and gas, and the perceived stability and sustainability of those prices. Our business is primarily driven by natural gas drilling activity in North America. We believe the following two principal economic factors will positively affect our industry in the coming years:

*Higher demand for natural gas in North America.* We believe that natural gas will be in high demand in North America over the next several years because of the growing popularity of this clean-burning fuel.

*Constrained North American gas supply.* Although the demand for natural gas is projected to increase, supply is likely to be constrained as North American natural gas basins are becoming more mature and experiencing increased decline rates.

Higher demand for natural gas and a constrained gas supply have resulted in higher prices and increased drilling activity. The increase in prices and drilling activity are driving three additional trends that we believe will benefit us:

*Trend toward drilling and developing unconventional North American natural gas resources.* Due to the maturity of conventional North American oil and gas reservoirs and their accelerating production decline rates, unconventional oil and gas resources will comprise an increasing proportion of future North American oil and gas production. Unconventional resources include tight sands, shales and coalbed methane. These resources require more wells to be drilled and maintained, frequently on tighter acreage spacing. The appropriate technology to recover unconventional gas resources varies from region to region; therefore, knowledge of local conditions and operating procedures, and selection of the right technologies is key to providing customers with appropriate solutions.

*The advent of the resource play.* A resource play is a term used to describe an accumulation of hydrocarbons known to exist over a large area which, when compared to a conventional play, has lower commercial development risks and a lower average decline rate. Once identified, resource plays have the potential to make a material impact because of their size and low decline rates. The application of appropriate technology and program execution are important to obtain value from resource plays.

*Increasingly complex technologies.* Increasing prices and the development of unconventional oil and gas resources are driving the need for complex, new technologies to help increase recovery rates, lower production costs and accelerate field development. We believe that the increasing complexity of technology used in the oil and gas development process coupled with limited engineering resources will require production companies to increase their reliance on service companies to assist them in developing and applying these technologies.

While we believe that these trends will benefit us, our markets may be adversely affected by industry conditions that are largely beyond our control. Any prolonged substantial reduction in oil and gas prices would likely affect oil and gas drilling and production levels and therefore affect demand for the services we provide. For more information on this and other risks to our business and our industry, please read **Risk Factors** **Risks Related to Our Business and Our Industry**.

For further information on our industry, please read **Business** **Our Industry**.

**Our Business Strategy**

Our goal is to build the leading oilfield services company focused on the completion and production phases in the life of an oil and gas well. We intend to capitalize on the emerging trends in the North

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American marketplace through the execution of a growth strategy that consists of the following components:

*Expand and capitalize on local leadership and basin-level expertise.* A key component of our strategy is to build upon our base of strong local leadership and basin-level expertise. We have a significant presence in most of the key onshore continental U.S. and Canadian gas plays we believe have the potential for long-term growth. We intend to leverage our existing market presence, strong local leadership, expertise and customer relationships to expand our business within these gas plays. We also intend to replicate this approach in new regions by building and acquiring new businesses that have strong regional management with extensive local knowledge.

*Develop and deploy technical and operational solutions.* We are focused on developing and deploying technical services, equipment and expertise that lower our customer's costs.

*Capitalize on organic and acquisition-related growth opportunities.* We believe there are numerous opportunities to sell new services and products to customers in our current geographic areas and to sell our current services and products to customers in new geographic areas. We have a proven track record of organic growth and successful acquisitions, and we intend to continue using capital investments and acquisitions to strategically expand our business.

*Focus on execution and performance.* We have established and intend to develop further a culture of performance and accountability. Senior management spends a significant portion of its time ensuring that our customers receive the highest quality of service.

Successful execution of our business strategy depends on our ability to retain key personnel and to continue to employ a sufficient number of skilled and qualified workers. The demand for skilled workers is high, and the supply is limited. If we are not able to retain key personnel and continue to employ a sufficient number of skilled and qualified workers, our business could be harmed. For more information on this and other risks to our business and our industry, please read **Risk Factors – Risks Related to Our Business and Our Industry**.

For further information on our business strategy, please read **Business – Our Business Strategy**.

**Our Competitive Strengths**

We believe that we are well positioned to execute our strategy and capitalize on opportunities in the North American oil and gas market based on the following competitive strengths:

*Strong local leadership and basin-level expertise.* We operate our business with a focus on each regional basin complemented by our local reputations. We believe our local and regional businesses, some of which have been operating for more than 50 years, provide us with a significant advantage over many of our competitors. Our managers, sales engineers and field operators have extensive expertise in their local geological basins, understand the regional challenges our customers face and have long-term relationships with many customers. We strive to leverage this basin-level expertise to establish ourselves as the preferred provider of our services in the basins in which we operate.

*Significant presence in major North American basins.* We operate in major oil and gas producing regions of the U.S. Rocky Mountains, Texas, Louisiana and Oklahoma, western Canada and Mexico, with concentrations in key resource play and unconventional basins. Resource plays are expected to become increasingly important in future North American oil and gas production as more conventional resources enter later stages of the exploration cycle. We believe we have an excellent position in highly active markets such as the Barnett Shale region of north Texas. Accelerating production and driving down development and production costs are key goals for oil and gas operators in these areas, resulting in strong demand for our services and products. In addition, our strong presence in these regions allows us to build solid customer relationships and take advantage of cross-selling opportunities.

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*Focus on complementary production and field development services.* Our breadth of service and product offerings well positions us relative to our competitors. Our complementary services encompass the entire lifecycle of a well from drilling and completion, through production and eventual abandonment. This suite of services and products gives us the opportunity to cross-sell to our customer base and throughout our geographic regions. Leveraging our strong local leadership and basin-level expertise, we are able to offer expanded services and products to existing customers or current services and products to new customers.

*Innovative approach to technical and operational solutions.* We develop and deploy services and products that enable our customers to increase production rates, stem production declines and reduce the costs of drilling, completion and production. The significant expertise we have developed in our areas of operation offers our customers customized operational solutions to meet their particular needs.

*Modern and active asset base.* We have a modern and well-maintained fleet of coiled tubing units, pressure pumping equipment, wireline units, well service rigs, snubbing units, fluid transports, frac tanks and other specialized equipment. We believe our ongoing investment in our equipment allows us to better serve the diverse and increasingly challenging needs of our customer base. Our fleet is active with high utilization. We believe our future expenditures will be used to capitalize on growth opportunities within the areas we currently operate and to build out new platforms obtained through targeted acquisitions.

*Experienced management team with proven track record.* Each executive officer and member of our key operational management team has over 20 years of experience in the oilfield services industry. We believe that their considerable knowledge of and experience in our industry enhances our ability to operate effectively throughout industry cycles. Our management also has substantial experience in identifying, completing and integrating acquisitions.

While we believe that these strengths differentiate us from our competitors, the markets in which we operate are highly competitive and have relatively few barriers to entry. We face competition from large national and multi-national companies that have greater resources and greater name recognition than we do as well as from several smaller companies capable of competing effectively on a regional basis. In addition, we may face substantial competition from new entrants in the future. For more information on these and other risks to our business and our industry, please read **Risk Factors** **Risks Related to Our Business and Our Industry**.

For further information on our competitive strengths, see **Business** **Our Competitive Strengths**.

**The Combination**

Prior to 2001, SCF Partners, a private equity firm, began to target investment opportunities in service-oriented companies in the North American natural gas market with specific focus on the production phase of the exploration and production cycle. On May 22, 2001, SCF Partners, through SCF-IV, L.P. ( **SCF** ), formed Saber Energy Services, Inc. ( **Saber** ), a new company, in connection with its acquisition of two companies primarily focused on completion and production related services in Louisiana. In July 2002, SCF became the controlling stockholder of Integrated Production Services, Ltd., a production enhancement company that, at the time, focused its operation in Canada. In September 2002, Saber acquired this company and changed its name to Integrated Production Services, Inc. ( **IPS** ). Subsequently, IPS began to grow organically and through several acquisitions, with the ultimate objective of creating a technical leader in the enhancement of natural gas production. In November 2003, SCF formed another production services company, Complete Energy Services, Inc. ( **CES** ), establishing a platform from which to grow in the Barnett Shale region of north Texas. Subsequently, through organic growth and several acquisitions, CES extended its presence to the U.S. Rocky Mountain and the Mid-Continent regions. In the summer of 2004, SCF formed I.E. Miller Services, Inc. ( **IEM** ), which at the time had a presence in Louisiana and Texas. During 2004, IPS and IEM independently began to execute strategic initiatives to establish a presence in both the Barnett Shale and U.S. Rocky Mountain regions.

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On September 12, 2005, IPS, CES and IEM were combined and became Complete Production Services, Inc. in a transaction we refer to as the Combination. We believe that operational and financial benefits realized through the Combination establish the foundation for long-term growth for the combined company. Immediately after the Combination, SCF held approximately 70% of our outstanding common stock. For additional information regarding the Combination, see Business The Combination.

**How You Can Contact Us**

Our principal executive offices are located at 14450 JFK Blvd., Suite 400, Houston, Texas 77032 and our telephone number is (281) 372-2300. Our corporate website address is *www.completeprodsvcs.com*. The information contained in or accessible from our corporate website is not part of this prospectus.

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**The Offering**

Common stock offered by us	shares.
Common stock offered by the selling stockholders	shares.
Common stock to be outstanding after the offering	shares.
Common stock owned by the selling stockholders after the offering	shares ( shares if the underwriters over-allotment option is fully exercised).

Use of proceeds

We estimate that our net proceeds from the sale of the shares offered by us, after deducting estimated expenses and underwriting discounts and commissions, will be approximately \$240 million. We plan to use \$50 million of our net proceeds from this offering to repay a portion of our term loan facility, \$5 million to repay seller financed notes and the remainder to pay all outstanding balances under our revolving credit facility and for general corporate purposes, which may include cash payments made in connection with future acquisitions. Affiliates of some of the underwriters of this offering are lenders under our revolving credit facility and therefore will receive a portion of the proceeds from this offering that we use to repay indebtedness. In addition, affiliates of the underwriters may have positions from time to time in our term loan facility. We will not receive any of the proceeds from the sale of any shares of our common stock by the selling stockholders. See Use of Proceeds and Underwriting.

Over-allotment option

The selling stockholders have granted the underwriters a 30-day option to purchase a maximum of additional shares of our common stock at the initial public offering price to cover over-allotments.

Reserved NYSE symbol

Risk factors

See Risk Factors included in this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock that will be outstanding after the offering includes shares of restricted common stock issued to officers and other employees under our stock incentive plans (our stock incentive plans) that are subject to vesting. As of November 1, 2005, there were 1,284,574 shares of restricted stock outstanding that remain subject to vesting.

The number of shares of common stock that will be outstanding after the offering excludes:

3,493,036 shares issuable upon the exercise of options outstanding as of November 1, 2005 under our stock incentive plans;

an aggregate of 1,784,342 shares of common stock reserved and available for future issuance as of November 1, 2005 under our stock incentive plans; and

an aggregate of up to 1,236,958 shares, which may be issued as contingent consideration based on certain operating results of companies previously acquired.



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The following table presents summary historical consolidated financial and operating data for the periods shown. The summary consolidated financial data as of December 31, 2001 and for the year ended December 31, 2001, have been derived from IPS's consolidated financial statements for such date and period. The consolidated financial data as of December 31, 2002 and for the year ended December 31, 2002 have been derived from the audited consolidated financial statements of IPS for such date and period. In addition, the following summary consolidated financial data as of December 31, 2004 and 2003 and for the three-year period ended December 31, 2004 have been derived from our audited consolidated financial statements for those dates and periods. The summary financial data as of September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 have been derived from our unaudited consolidated financial statements. The following information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes included in this prospectus.

On December 29, 2005, we effected a 2-for-1 common stock split. As a result, all common stock and per share data, as well as data related to other securities including stock warrants, restricted stock and stock options, have been adjusted retroactively to give effect to this stock split for all periods presented within this prospectus, except par value which remained at \$0.01 per share, resulting in an insignificant reclassification between common stock and additional paid-in-capital.

	Year Ended December 31,				Nine Months Ended September 30,	
	2001	2002	2003	2004	2004	2005
(In thousands, except per share data)						
<b>Statement of Operations</b>						
<b>Data:</b>						
Revenue:						
Completion and production services	\$ 5,855	\$ 30,110	\$ 65,025	\$ 194,953	\$ 112,611	\$ 351,154
Drilling services			2,707	44,474	23,820	89,016
Products sales		10,494	35,547	81,320	58,962	85,066
Total	5,855	40,604	103,279	320,747	195,393	525,236
Expenses:						
Service and product expenses(1)	3,528	28,531	73,124	216,173	132,629	336,312
Selling, general and administrative	1,563	7,764	16,591	46,077	28,844	75,535
Depreciation and amortization	402	4,187	7,648	21,616	12,366	32,902
Operating income	362	122	5,916	36,881	21,554	80,487
Interest expense	176	1,260	2,687	7,471	4,525	15,617
Write-off of deferred financing fees						2,844
Taxes	86	(477)	1,506	10,821	6,574	23,734
	100	(661)	1,723	18,589	10,455	38,292

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Income (loss) before minority interest						
Minority interest			247	4,705	1,997	380
Net income (loss)	\$ 100	\$ (661)	\$ 1,476	\$ 13,884	\$ 8,458	\$ 37,912
Earnings (loss) per share basic	\$ 0.03	\$ (0.12)	\$ 0.11	\$ 0.47	\$ 0.37	\$ 0.86
Earnings (loss) per share diluted	\$ 0.03	\$ (0.12)	\$ 0.10	\$ 0.46	\$ 0.31	\$ 0.78
Weighted average shares basic	2,890	5,514	13,675	29,548	23,058	43,944
Weighted average shares diluted	2,890	5,514	14,109	30,083	27,078	48,661

(1) Service and product expenses is the aggregate of service expenses and product expenses.



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	Year Ended December 31,				Nine Months Ended September 30,	
	2001	2002	2003	2004	2004	2005
<b>(In thousands)</b>						
<b>Other Financial Data:</b>						
EBITDA(2)	\$ 764	\$ 4,309	\$ 13,564	\$ 58,497	\$ 33,920	\$ 110,545
Cash flows from operating activities	1,683	(8)	13,965	34,622	15,467	48,471
Cash flows from financing activities	33,320	36,279	55,281	157,630	83,404	58,566
Cash flows from investing activities	(32,538)	(35,616)	(66,214)	(186,776)	(99,867)	(99,145)
Capital expenditures:						
Acquisitions, net of cash acquired(3)	9,860	27,851	54,798	139,362	75,119	18,163
Property, plant and equipment	2,678	6,799	11,084	46,904	24,748	84,885

	As of December 31,				As of September 30,	
	2001	2002	2003	2004	2005	
<b>(In thousands)</b>						
<b>Balance Sheet Data:</b>						
Cash and cash equivalents	\$ 2,465	\$ 3,120	\$ 6,094	\$ 11,547	\$ 19,062	
Net property, plant and equipment	7,110	47,808	95,217	235,211	340,246	
Total assets	38,571	110,596	206,066	515,153	825,245	
Long-term debt, excluding current portion	2,522	22,270	50,144	169,190	452,496	
Total stockholders equity	34,550	65,262	97,956	172,080	233,936	

- (2) EBITDA consists of net income (loss) before interest expense, taxes, depreciation and amortization and minority interest. See Non-GAAP Financial Measures. EBITDA is included in this prospectus because our management considers it an important supplemental measure of our performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, some of which present EBITDA when reporting their results. We regularly evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates by using EBITDA. In addition, we use EBITDA in evaluating acquisition targets. Management also believes that EBITDA is a useful tool for measuring our ability to meet our future debt service, capital expenditures and working capital requirements, and EBITDA is commonly used by us and our investors to measure our ability to service indebtedness. EBITDA is not a substitute for the GAAP measures of earnings or of cash flow and is not necessarily a measure of our ability to fund our cash needs. In addition, it should be noted that companies

calculate EBITDA differently and, therefore, EBITDA has material limitations as a performance measure because it excludes interest expense, taxes, depreciation and amortization and minority interest. The following table reconciles EBITDA with our net income (loss).

- (3) Acquisitions, net of cash required, consists only of the cash component of acquisitions. It does not include common stock and notes issued for acquisitions, nor does it include other non-cash assets issued for acquisitions.

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	Year Ended December 31,				Nine Months Ended September 30,	
	2001	2002	2003	2004	2004	2005
	(In thousands)					
Net income (loss)	\$ 100	\$ (661)	\$ 1,476	\$ 13,884	\$ 8,458	\$ 37,912
Plus: interest expense	176	1,260	2,687	7,471	4,525	15,617
Plus: tax expense	86	(477)	1,506	10,821	6,574	23,734
Plus: depreciation and amortization	402	4,187	7,648	21,616	12,366	32,902
Plus: minority interest			247	4,705	1,997	380
EBITDA	\$ 764	\$ 4,309	\$ 13,564	\$ 58,497	\$ 33,920	\$ 110,545

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**RISK FACTORS**

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors, together with the other information contained in this prospectus, before deciding to invest in our common stock. If any of the following risks develop into actual events, our business, financial condition, results of operations or cash flows could be materially adversely affected, the trading price of shares of our common stock could decline, and you may lose all or part of your investment.

**Risks Related to Our Business and Our Industry**

*Our business depends on the oil and gas industry and particularly on the level of activity for North American oil and gas. Our markets may be adversely affected by industry conditions that are beyond our control.*

We depend on our customers' willingness to make operating and capital expenditures to explore for, develop and produce oil and gas in North America. If these expenditures decline, our business will suffer. Our customers' willingness to explore, develop and produce depends largely upon prevailing industry conditions that are influenced by numerous factors over which management has no control, such as:

the supply of and demand for oil and gas;

the level of prices, and expectations about future prices, of oil and gas;

the cost of exploring for, developing, producing and delivering oil and gas;

the expected rates of declining current production;

the discovery rates of new oil and gas reserves;

available pipeline and other transportation capacity;

weather conditions, including hurricanes that can affect oil and gas operations over a wide area;

domestic and worldwide economic conditions;

political instability in oil and gas producing countries;

technical advances affecting energy consumption;

the price and availability of alternative fuels;

the ability of oil and gas producers to raise equity capital and debt financing; and

merger and divestiture activity among oil and gas producers.

The level of activity in the North American oil and gas exploration and production industry is volatile. Expected trends in oil and gas production activities may not continue and demand for the services provided by us may not reflect the level of activity in the industry. Any prolonged substantial reduction in oil and gas prices would likely affect oil and gas production levels and therefore affect demand for the services we provide. A material decline in oil and gas prices or North American activity levels could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, a decrease in the development rate of oil and gas reserves in our market areas may also have an adverse impact on our business, even in an environment of stronger oil and gas prices.

*Because the oil and gas industry is cyclical, our operating results may fluctuate.*

Oil prices have been volatile over the last three years, with WTI Cushing crude oil spot price ranging from a low of \$25.19 per bbl on November 13, 2002 to a high of \$69.81 per bbl on August 30, 2005. Gas prices have also been volatile with Henry Hub natural gas spot price, ranging from \$4.85 per mcf on November 19, 2004 to \$14.65 per mcf on October 26, 2005. In addition, in recent periods, these prices have been at historically high levels. Prices may not remain at these levels. These price changes have caused oil and gas companies and drilling contractors to change their strategies and expenditure levels. We

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have experienced in the past, and may experience in the future, significant fluctuations in operating results based on these changes. We reported a loss in 2002, and our income in 2004 was \$13.8 million compared to \$1.5 million in 2003.

Substantially all of the service and rental revenue we earn is based upon a charge for a relatively short period of time (an hour, a day, a week) for the actual period of time the service or rental is provided to our customer. By contracting services on a short-term basis, we are exposed to the risks of a rapid reduction in market price and utilization and volatility in our revenues. Product sales are recorded when the actual sale occurs and title or ownership passes to the customer and the product is shipped or delivered to the customer.

***There is potential for excess capacity in our industry.***

Because oil and gas prices and drilling activity have been at historically high levels, oilfield service companies have been acquiring new equipment to meet their customers' increasing demand for services. If these levels of price and activity do not continue, there is a potential for excess capacity in the oilfield service industry. This could result in an increased competitive environment for oilfield service companies, which could lead to lower prices and utilization for our services and could adversely affect our business.

***We may be unable to employ a sufficient number of skilled and qualified workers.***

The delivery of our services and products requires personnel with specialized skills and experience who can perform physically demanding work. As a result of the volatility of the oilfield service industry and the demanding nature of the work, workers may choose to pursue employment in fields that offer a more desirable work environment at wage rates that are competitive. Our ability to be 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 is high, and the supply is limited, particularly in the U.S. Rocky Mountain region, which is one of our key regions. A significant increase in the wages paid by competing employers 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.

***Our executive officers and certain key personnel are critical to our business and these officers and key personnel may not remain with us in the future.***

Our future success depends upon the continued service of our executive officers and other key personnel. If we lose the services of one or more of our executive officers or key employees, our business, operating results and financial condition could be harmed.

***Our operating history may not be sufficient for investors to evaluate our business and prospects.***

We are a recently combined company with a short combined operating history. In addition, two of our combining companies, IPS and CES, have grown significantly over the last few years through acquisitions. This may make it more difficult for investors to evaluate our business and prospects and to forecast our future operating results. The historical combined financial statements and the unaudited pro forma combined financial statements included in this prospectus are based on the separate businesses of IPS, CES and IEM for the periods prior to the Combination. As a result, the historical and pro forma information may not give you an accurate indication of what our actual results would have been if the Combination had been completed at the beginning of the periods presented or of what our future results of operations are likely to be. Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

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***We participate in a capital intensive business. We may not be able to finance future growth of our operations or future acquisitions.***

Historically, we have funded the growth of our operations and our acquisitions from bank debt and private placement of shares in addition to cash generated by our business. In the future, we may not be able to continue to obtain sufficient bank debt at competitive rates or complete equity and other debt financings. If we do not generate sufficient cash from our business to fund operations, our growth could be limited unless we are able to obtain additional capital through equity or debt financings. Our inability to grow as planned may reduce our chances of maintaining and improving profitability.

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

We are a recently combined company and integrating our ongoing businesses may be difficult. In particular, the integration of businesses and operations that are located in disparate regions of North America may prove difficult to achieve in a cost-effective manner. The inability of management to successfully integrate the combining companies could have a material adverse effect on our business, operating results and financial position. Moreover, we may not be able to cross sell our services and penetrate new markets successfully and we may not obtain the anticipated or desired benefits of the Combination. In addition to the Combination, acquisitions have been, and our management believes acquisitions will continue to be, a key element of our business strategy. We may not be able to identify and acquire acceptable acquisition candidates on favorable terms in the future. We may be required to incur substantial indebtedness to finance future acquisitions and also may issue equity securities in connection with such acquisitions. Such additional debt service requirements may impose a significant burden on our results of operations and financial condition. The issuance of additional equity securities could result in significant dilution to stockholders. Acquisitions may not perform as expected when the acquisition was made and may be dilutive to our overall operating results. Additional risks we will face include:

retaining and attracting key employees;

retaining and attracting new customers;

increased administrative burden;

developing our sales and marketing capabilities;

managing our growth effectively;

integrating operations;

operating a new line of business; and

increased logistical problems common to large, expansive operations.

If we fail to manage these risks successfully, our business could be harmed.

***Our customer base is concentrated within the oil and gas production industry and loss of a significant customer could cause our revenue to decline substantially.***

Our top five customers accounted for approximately 21% of our consolidated revenue for the nine months ended September 30, 2005. Although none of our customers in the first nine months of 2005 accounted for more than 10% of our consolidated revenue, collectively, our top ten customers represented approximately 33% of consolidated revenue for the nine months ended September 30, 2005. It is likely that we will continue to derive a significant portion of our revenue from a relatively small number of customers in the future. If a major customer decided not to continue to use our services, revenue would decline and our operating results and financial condition could be harmed.

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***Our indebtedness could restrict our operations and make us more vulnerable to adverse economic conditions.***

At September 30, 2005, our long-term debt (excluding the current portion) was \$452 million and our stockholders equity was \$234 million. Our level of indebtedness may adversely affect operations and limit our growth, and we may have difficulty making debt service payments on our indebtedness as such payments become due. Our level of indebtedness may affect our operations in several ways, including the following:

our level of debt increases our vulnerability to general adverse economic and industry conditions;

the covenants that are contained in the agreements that govern our indebtedness limit our ability to borrow funds, dispose of assets, pay dividends and make certain investments;

our debt covenants also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;

any failure to comply with the financial or other covenants of our debt could result in an event of default, which could result in some or all of our indebtedness becoming immediately due and payable;

our level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate purposes; and

our business may not generate sufficient cash flow from operations to enable us to meet our obligations under our indebtedness.

The majority of our debt is structured under floating interest rate terms. A one percentage point increase in the interest rates on our \$420 million of term debt currently outstanding causes a \$4.2 million pre-tax annual increase in interest expense.

***Our business depends upon our ability to obtain key raw materials and specialized equipment from suppliers.***

Should our current suppliers be unable to provide the necessary raw materials or finished products (such as workover rigs or fluid-handling equipment) or otherwise fail to deliver the products timely and in the quantities required, any resulting delays in the provision of services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may not be able to provide services that meet the specific needs of oil and gas exploration and production companies at competitive prices.***

The markets in which we operate are highly competitive and have relatively few barriers to entry. The principal competitive factors in our markets are price, product and service quality and availability, responsiveness, experience, technology, equipment quality and reputation for safety. We compete with large national and multi-national companies that have longer operating histories, greater financial, technical and other resources and greater name recognition than we do. Several of our competitors provide a broader array of services and have a stronger presence in more geographic markets. In addition, we compete with several smaller companies capable of competing effectively on a regional or local basis. Our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. Some contracts are awarded on a bid basis, which further increases competition based on price. As a result of competition, we may lose market share or be unable to maintain or increase prices for our present services or to acquire additional business opportunities, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.



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***Our operations are subject to hazards inherent in the oil and gas industry.***

Risks inherent to our industry, such as equipment defects, vehicle accidents, explosions and uncontrollable flows of gas or well fluids, can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and gas production, pollution and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

We work in a dangerous business. Many of the claims filed against us relate to vehicle accidents that result in the loss of life or serious bodily injury. Our safety procedures may not always prevent such damages. Our insurance coverage may be inadequate to cover our liabilities. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, or that insurance will continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by us or a claim at a time when we are not able to obtain liability insurance could have a material adverse effect on our ability to conduct normal business operations and on our financial condition, results of operations and cash flows.

***If we become subject to product liability claims, it could be time-consuming and costly to defend.***

Since our customers use our products or third party products that we sell through our supply stores, errors, defects or other performance problems could result in financial or other damages to us. Our customers could seek damages from us for losses associated with these errors, defects or other performance problems. If successful, these claims could have a material adverse effect on our business, operating results or financial condition. Our existing product liability insurance may not be enough to cover the full amount of any loss we might suffer. A product liability claim brought against us, even if unsuccessful, could be time-consuming and costly to defend and could harm our reputation.

***We are subject to extensive and costly environmental laws and regulations that may require us to take actions that will adversely affect our results of operations.***

Our business is significantly affected by stringent and complex foreign, federal, state and local laws and regulations governing the discharge of substances into the environment or otherwise relating to environmental protection. As part of our business, we handle, transport, and dispose of a variety of fluids and substances used or produced by our customers in connection with their oil and gas exploration and production activities. We also generate and dispose of hazardous waste. The generation, handling, transportation, and disposal of these fluids, substances, and waste are regulated by a number of laws, including the Resource Recovery and Conservation Act; the Comprehensive Environmental Response, Compensation, and Liability Act; the Clean Water Act; the Safe Drinking Water Act; and analogous state laws. Failure to properly handle, transport, or dispose of these materials or otherwise conduct our operations in accordance with these and other environmental laws could expose us to liability for governmental penalties, cleanup costs associated with releases of such materials, damages to natural resources, and other damages, as well as potentially impair our ability to conduct our operations. We could be exposed to liability for cleanup costs, natural resource damages and other damages under these and other environmental laws as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior operators or other third parties. Environmental laws and regulations have changed in the past, and they are likely to change in the future. If existing regulatory requirements or enforcement policies change, we may be required to make significant unanticipated capital and operating expenditures.

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Any failure by us to comply with applicable environmental laws and regulations may result in governmental authorities taking actions against our business that could adversely impact our operations and financial condition, including the:

issuance of administrative, civil and criminal penalties;

denial or revocation of permits or other authorizations;

imposition of limitations on our operations; and

performance of site investigatory, remedial or other corrective actions.

The effect of environmental laws and regulations on our business is discussed in greater detail under Business Environmental Matters.

***The nature of our industry subjects us to compliance with other regulatory laws.***

Our business is significantly affected by state and federal laws and other regulations relating to the oil and gas industry in general, and more specifically with respect to health and safety, waste management and the manufacture, storage, handling and transportation of hazardous materials and by changes in and the level of enforcement of such laws. The failure to comply with these rules and regulations can result in substantial penalties, revocation of permits, corrective action orders and criminal prosecution. The regulatory burden on the oil and gas industry increases our cost of doing business and, consequently, affects our profitability. We may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. It is impossible for management to predict the cost or impact of such laws and regulations on our future operations.

***If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.***

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. Our efforts to continue to develop and maintain internal controls may not be successful, and we may be unable to maintain adequate controls over our financial processes and reporting in the future, including compliance with the obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to develop or maintain effective controls, or difficulties encountered in our implementation or other effective improvement of our internal controls, could harm our operating results.

***A terrorist attack or armed conflict could harm our business.***

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the United States or other countries 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 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 our 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.

***Conservation measures and technological advances could reduce demand for oil and gas.***

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and gas. Management cannot predict the impact of the changing demand for oil and gas services and products, and any major changes may have a material adverse effect on our business, financial condition, results of operations and cash flows.

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***Fluctuations in currency exchange rates in Canada could adversely affect our business.***

We have substantial operations in Canada. As a result, fluctuations in currency exchange rates in Canada could materially and adversely affect our business. For the nine months ended September 30, 2005, our Canadian operations represented approximately 14% of our revenue and 7% of our net income before taxes and minority interest.

***We are susceptible to seasonal earnings volatility due to adverse weather conditions in Canada.***

Our operations are directly affected by seasonal differences in weather in Canada. The level of activity in the Canadian oilfield services industry declines significantly in the second calendar quarter, when frost leaves the ground and many secondary roads are temporarily rendered incapable of supporting the weight of heavy equipment. The duration of this period is referred to as spring breakup and has a direct impact on our activity levels in Canada. The timing and duration of spring breakup depend on weather patterns but generally spring breakup occurs in April and May. Additionally, if an unseasonably warm winter prevents sufficient freezing, we may not be able to access wellsites and our operating results and financial condition may, therefore, be adversely affected. The demand for our services may also be affected by the severity of the Canadian winters. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting operating results. The volatility in weather and temperature in the Canadian oilfield can therefore create unpredictability in activity and utilization rates. As a result, full-year results are not likely to be a direct multiple of any particular quarter or combination of quarters.

***Our operations in Mexico are subject to specific risks, including dependence on Petróleos Mexicanos ( PEMEX ) as the sole customer, exposure to fluctuation in the Mexican peso and workforce unionization.***

Our business in Mexico is substantially all performed for PEMEX pursuant to multi-year contracts. These contracts are generally two years in duration and are subject to competitive bid for renewal. Any failure by us to renew our contracts could have a material adverse effect on our financial condition, results of operations and cash flows.

The PEMEX contracts provide that 70% to 80% of the value of our billings under the contracts is charged to PEMEX in U.S. dollars with the remainder billed in Mexican pesos. The portion billed in U.S. dollars to PEMEX is converted to pesos on the date of payment. Invoices are paid approximately 45 days after the invoice date. As such, we are exposed to fluctuations in the value of the peso. A material decrease in the value of the Mexican peso relative to the U.S. dollar could negatively impact our revenues, cash flows and net income.

Our operations in Mexico are party to a collective labor contract made effective as of October 1, 2003 between Servicios Petrotec S.A. DE C.V., one of our subsidiaries, and Unión Sindical de Trabajadores de la Industria Metálica y Similares, the metal and similar industry workers labor union. We have not experienced work stoppages in the past but cannot guarantee that we will not experience work stoppages in the future. A prolonged work stoppage could negatively impact our revenues, cash flows and net income.

***Our U.S. operations in the Gulf of Mexico are adversely impacted by the hurricane season, which generally occurs in the third calendar quarter.***

Hurricanes and the threat of hurricanes during this period will often result in the shut-down of oil and gas operations in the Gulf of Mexico as well as land operations within the hurricane path. During a shut-down period, we are unable to access wellsites and our services are also shut down. This situation can therefore create unpredictability in activity and utilization rates, which can have a material adverse impact on our business, financial conditions, results of operations and cash flows.

***When rig counts are low, our rig relocation customers may not have a need for our services.***

Many of the major U.S. onshore drilling services contractors have significant capabilities to move their own drilling rigs and related oilfield equipment and to erect rigs. When regional rig counts are high, drilling services contractors exceed their own capabilities and contract for additional oilfield equipment hauling and rig erection capacity. Our rig relocation business activity is highly correlated to the rig count;

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however, the correlation varies over the rig count range. As rig count drops, some drilling services contractors reach a point where all of their oilfield equipment hauling and rig erection needs can be met by their own fleets. If one or more of our rig relocation customers reach this tipping point, our revenues attributable to rig relocation will decline much faster than the corresponding overall decline in the rig count. This non-linear relationship between our rig relocation business activity and the rig count in the areas in which we have rig relocation operations can increase significantly our earnings volatility with respect to rig relocation.

***Increasing trucking regulations may increase our costs and negatively impact our results of operations.***

Among the services we provide, we operate as a motor carrier and therefore are subject to regulation by the U.S. Department of Transportation and by various state agencies. These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations and regulatory safety. There are additional regulations specifically relating to the trucking industry, including testing and specification of equipment and product handling requirements. The trucking industry is subject to possible regulatory and legislative changes that may affect the economics of the industry by requiring changes in operating practices or by changing the demand for common or contract carrier services or the cost of providing truckload services. Some of these possible changes include increasingly stringent environmental regulations, changes in the hours of service regulations which govern the amount of time a driver may drive in any specific period, onboard black box recorder devices or limits on vehicle weight and size.

Interstate motor carrier operations are subject to safety requirements prescribed by the U.S. Department of Transportation. To a large degree, intrastate motor carrier operations are subject to state safety regulations that mirror federal regulations. Such matters as weight and dimension of equipment are also subject to federal and state regulations.

From time to time, various legislative proposals are introduced, including proposals to increase federal, state, or local taxes, including taxes on motor fuels, which may increase our costs or adversely impact the recruitment of drivers. We cannot predict whether, or in what form, any increase in such taxes applicable to us will be enacted.

**Risks Related to Our Relationship with SCF*****L.E. Simmons, through SCF, controls the outcome of stockholder voting and may exercise this voting power in a manner adverse to you.***

After the offering, SCF will own approximately % of our outstanding common stock and approximately % of our outstanding common stock if the over-allotment option is exercised in full. L.E. Simmons is the sole owner of L.E. Simmons and Associates, Incorporated, the ultimate general partner of SCF. Accordingly, Mr. Simmons, through his ownership of the ultimate general partner of SCF, will be in a position to control the outcome of matters requiring a stockholder vote, including the election of directors, adoption of amendments to our certificate of incorporation or bylaws or approval of transactions involving a change of control. The interests of Mr. Simmons may differ from yours, and SCF may vote its common stock in a manner that may adversely affect you.

***SCF's ownership interest and provisions contained in our certificate of incorporation and bylaws could discourage a takeover attempt, which may reduce or eliminate the likelihood of a change of control transaction and, therefore, your ability to sell your shares for a premium.***

In addition to SCF's controlling position, provisions contained in our certificate of incorporation and bylaws, such as a classified board, limitations on the removal of directors, on stockholder proposals at meetings of stockholders and on stockholder action by written consent and the inability of stockholders to call special meetings, could make it more difficult for a third party to acquire control of our company. Our certificate of incorporation also authorizes our board of directors to issue preferred stock without stockholder approval. If our board of directors elects to issue preferred stock, it could increase the

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difficulty for a third party to acquire us, which may reduce or eliminate your ability to sell your shares of common stock at a premium. See Description of Our Capital Stock.

***Two of our directors may have conflicts of interest because they are affiliated with SCF. The resolution of these conflicts of interest may not be in our or your best interests.***

Two of our directors, David C. Baldwin and Andrew L. Waite, are current officers of L.E. Simmons and Associates, Incorporated, the ultimate general partner of SCF. This may create conflicts of interest because these directors have responsibilities to SCF and its owners. Their duties as officers of L.E. Simmons and Associates, Incorporated may conflict with their duties as directors of our company regarding business dealings between SCF and us and other matters. The resolution of these conflicts may not always be in our or your best interests.

***We have renounced any interest in specified business opportunities, and SCF and its director nominees on our board of directors generally have no obligation to offer us those opportunities.***

SCF has investments in other oilfield service companies that may compete with us, and SCF and its affiliates, other than our company, may invest in other such companies in the future. We refer to SCF and its other affiliates and its portfolio companies as the SCF group. Our certificate of incorporation provides that, so long as we have a director or officer that is affiliated with SCF (an SCF Nominee), we renounce any interest or expectancy in any business opportunity in which any member of the SCF group participates or desires or seeks to participate in and that involves any aspect of the energy equipment or services business or industry, other than (i) any business opportunity that is brought to the attention of an SCF Nominee solely in such person's capacity as a director or officer of our company and with respect to which no other member of the SCF group independently receives notice or otherwise identifies such opportunity and (ii) any business opportunity that is identified by the SCF group solely through the disclosure of information by or on behalf of our company. We are not prohibited from pursuing any business opportunity with respect to which we have renounced any interest.

**Risks Related to this Offering**

***Future sales of shares of our common stock may affect their market price and the future exercise of options may depress our stock price and result in immediate and substantial dilution.***

We cannot predict what effect, if any, future sales of shares of our common stock, or the availability of shares for future sale, will have on the market price of our common stock. Upon completion of this offering, SCF will own \_\_\_\_\_ shares of our common stock, or \_\_\_\_\_ % of our outstanding common stock (or \_\_\_\_\_ shares of our common stock, or \_\_\_\_\_ %, if the over-allotment option is fully exercised) and our existing stockholders (other than SCF) will own \_\_\_\_\_ shares of our common stock, or \_\_\_\_\_ % of our outstanding common stock (or \_\_\_\_\_ shares of our common stock or \_\_\_\_\_ % of our outstanding common stock if the over-allotment option is fully exercised). We and our officers and directors and the selling stockholders are subject to the lock-up agreements described in Underwriting for a period of 180 days after the date of this prospectus. Existing stockholders are parties to a registration rights agreement granting them certain demand and piggyback registrations in the future. In addition, shares beneficially held for at least one year will be eligible for sale in the public market pursuant to Rule 144 under the Securities Act of 1933, as amended, or the Securities Act, subject to the lock-up agreements. Sales of substantial amounts of our common stock in the public market following our initial public offering, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your shares at a time and price that you deem appropriate. Please read Shares Eligible for Future Sale.

As soon as practicable after this offering, we intend to file one or more registration statements with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our stock incentive plans. Subject to the expiration of lock-ups that we and certain of our stockholders have entered into and any applicable restrictions or conditions contained in our stock

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incentive plans, the shares registered under these registration statements on Form S-8 will be available for resale immediately in the public market without restriction.

***Purchasers of common stock will experience immediate and substantial dilution.***

Based on an assumed initial public offering price of \$            per share, purchasers of our common stock in this offering will experience an immediate and substantial dilution of \$            per share in the net tangible book value per share of common stock from the initial public offering price, and our pro forma net tangible book value as of September 30, 2005, after giving effect to this offering, would be \$            per share. You will incur further dilution if outstanding options to purchase common stock are exercised. In addition, our certificate of incorporation allows us to issue significant numbers of additional shares, including shares that may be issued under our stock incentive plans. Please read Dilution for a complete description of the calculation of net tangible book value.

***Because we have no current plans to pay dividends on our common stock, investors must look solely to stock appreciation for a return on their investment in us.***

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We currently intend to retain all future earnings to fund the development and growth of our business. Any payment of future dividends will be at the discretion of our board of directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that the board of directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

***There has been no active trading market for our common stock, and an active trading market may not develop.***

Prior to this offering, there has been no public market for our common stock. Our common stock has been approved for listing on the New York Stock Exchange, or NYSE, under the symbol            . We do not know if an active trading market will develop for our common stock or how the common stock will trade in the future, which may make it more difficult for you to sell your shares. Negotiations between the underwriters and us determined the initial public offering price, which may not be indicative of the price at which our common stock will trade following the completion of this offering. You may not be able to resell your shares at or above the initial public offering price.

***If our stock price fluctuates after the initial public offering, you could lose a significant part of your investment.***

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of our common stock could similarly be subject to wide fluctuations in response to a number of factors, most of which we cannot control, including:

changes in securities analysts' recommendations and their estimates of our financial performance;

the public's reaction to our press releases, announcements and our filings with the SEC and those of our competitors;

fluctuations in broader stock market prices and volumes, particularly among securities of oil and gas service companies;

changes in market valuations of similar companies;

investor perception of our industry or our prospects;

additions or departures of key personnel;

commencement of or involvement in litigation;

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changes in environmental and other governmental regulations;

announcements by us or our competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;

variations in our quarterly results of operations or cash flows or those of other oil and gas service companies;

revenue and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;

changes in our pricing policies or pricing policies of our competitors;

future issuances and sales of our common stock;

demand for and trading volume of our common stock;

domestic and worldwide supplies and prices of and demand for oil and gas; and

changes in general conditions in the domestic and worldwide economies, financial markets or the oil and gas industry.

The realization of any of these risks and other factors beyond our control could cause the market price of our common stock to decline significantly. In particular, the market price of our common stock may be influenced by variations in oil and gas commodity prices, because demand for our services is closely related to the prices of these commodities. This may cause our stock price to fluctuate with these underlying commodity prices, which are highly volatile.

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**FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things, the risk factors discussed in this prospectus and other factors, most of which are beyond our control.

The words believe, may, will, estimate, continue, anticipate, intend, plan, expect and similar expressions are intended to identify forward-looking statements. All statements other than statements of current or historical fact contained in this prospectus are forward-looking statements.

Although we believe that the forward-looking statements contained in this prospectus are based upon reasonable assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Important factors that may affect our expectations, estimates or projections include:

a decline in or substantial volatility of oil and gas prices, and any related changes in expenditures by our customers;

the effects of future acquisitions on our business;

changes in customer requirements in markets or industries we serve;

competition within our industry;

general economic and market conditions;

our access to current or future financing arrangements;

our ability to replace or add workers at economic rates;

environmental and other governmental regulations; and

the effects of severe weather on our services centers or equipment.

Our forward-looking statements speak only as of the date of this prospectus. Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



**Table of Contents****USE OF PROCEEDS**

We expect to receive net proceeds from the sale of \_\_\_\_\_ shares of common stock by us in this offering of approximately \$240 million, assuming an initial public offering price of \$ \_\_\_\_\_ per share and after deducting underwriting discounts and commissions and estimated offering expenses. A \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase (decrease) the net proceeds to us from this offering by \$ \_\_\_\_\_ million, assuming no change in the number of shares offered by us as set forth on the cover page of this prospectus and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from any sale of shares of our common stock by the selling stockholders.

We plan to use \$50 million of our net proceeds from this offering to repay a portion of our term loan facility, \$5 million to repay seller financed notes and the remainder to pay all outstanding balances under our revolving credit facility and for general corporate purposes, which may include cash payments made in connection with future acquisitions. Our current senior credit facility consists of a \$130 million U.S. revolver, a \$30 million Canadian revolver and a term loan facility of \$420 million. As of September 30, 2005, we had \$420 million of indebtedness outstanding under the term loan portion of our senior credit facility. The current term loan bears interest at either a base rate plus 1.75%, or the London Interbank Offered Rate ( LIBOR ) plus 2.75%, and matures in September 2012. As of September 30, 2005, we had approximately \$26 million in indebtedness outstanding under our revolving credit facility. The revolving credit facility bears interest at either a base rate plus an applicable margin ranging between 0.25% and 1.75%, or LIBOR plus an applicable margin between 1.25% and 2.75% in the case of U.S. borrowings. In the case of borrowings under the Canadian revolving credit facility, interest is based on the Canadian Base Rate (as defined in the Credit Agreement) plus an applicable margin ranging between 0.25% and 1.75%. Our borrowings under the term loan and revolving credit facility were used to refinance existing debt, to pay the Dividend as described below and to provide for ongoing working capital and general corporate purposes.

Please read Management's Discussion and Analysis of Financial Condition and Results of Operations Description of Our Indebtedness for a description of our outstanding indebtedness and our senior credit facility following this offering.

An affiliate of Credit Suisse Securities (USA) LLC and an affiliate of UBS Securities LLC have each committed \$9 million (or approximately 7%) of our \$130 million U.S. revolver and therefore will receive a portion of the proceeds from this offering that we use to repay our U.S. revolver. In addition, affiliates of the underwriters may have positions from time to time in our term loan facility. Credit Suisse Securities (USA) LLC and UBS Securities LLC are underwriters of this offering. Please read Underwriting.

**DIVIDEND POLICY**

Immediately after the closing of the Combination, we paid a dividend of \$2.62 per share of our common stock or an aggregate of approximately \$147 million to our stockholders. The term Dividend refers to this payment. Other than the Dividend, we have not declared or paid any cash dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all future earnings to fund the development and growth of our business. Any future determination relating to our dividend policy will be at the discretion of our board of directors and will depend on our results of operations, financial condition, capital requirements and other factors deemed relevant by our board. We are also currently restricted in our ability to pay dividends under our senior credit facility.

**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization at September 30, 2005:

on an actual basis; and

on an as adjusted basis to give effect to this offering and the application of our estimated net proceeds from this offering as set forth under "Use of Proceeds" as if the offering occurred on September 30, 2005.

The information was derived from and is qualified by reference to our consolidated financial statements included elsewhere in this prospectus. You should read this information in conjunction with these consolidated financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds."

	<b>September 30, 2005</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(In thousands)</b>	
Cash and cash equivalents(1)(2)	\$ 14,377	\$ 173,243
Total long-term debt, including current portion:		
Notes payable:		
Revolving credit facilities	\$ 26,134	\$
Term loan facility	420,000	370,000
Other debt	11,756	6,756
Total	457,890	376,756
Stockholders' equity:		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 55,620,566 shares issued and outstanding, actual;      shares issued and outstanding, as adjusted	556	
Additional paid-in capital(2)	218,572	
Treasury stock, 35,570 shares at cost	(202)	(202)
Deferred compensation	(2,121)	(2,121)
Retained earnings	936	936
Accumulated other comprehensive income	16,195	16,195
Total stockholders' equity(2)	233,936	418,561
Total capitalization(2)	\$ 691,826	\$ 795,317

(1) Net of bank operating loans.

(2) A \$1.00 increase (decrease) in the assumed initial public offering price of \$      per share would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by \$      million, assuming no change in the number of shares offered by us as set forth on the cover page of this prospectus and after deducting the estimated underwriting discounts and commissions and

estimated offering expenses payable by us.

**Table of Contents****DILUTION**

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share and the net tangible book value per share of the common stock after this offering. Our unaudited consolidated net tangible book value as of September 30, 2005 was \$ \_\_\_\_\_ per share of common stock, after giving effect to the Combination and the Dividend. Net tangible book value per share represents the amount of the total tangible assets less our total liabilities, divided by the number of shares of common stock that are outstanding. After giving effect to the sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share and after the deduction of underwriting discounts and commissions and estimated offering expenses, the as adjusted net tangible book value at September 30, 2005 would have been \$ \_\_\_\_\_ million or \$ \_\_\_\_\_ per share. This represents an immediate increase in such net tangible book value of \$ \_\_\_\_\_ per share to existing stockholders and an immediate and substantial dilution of \$ \_\_\_\_\_ per share to new investors purchasing common stock in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share	\$
Net tangible book value per share as of September 30, 2005	\$
Increase attributable to new public investors	

As adjusted net tangible book value per share after this offering

Dilution in as adjusted net tangible book value per share to new investors	\$
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A \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase (decrease) our net tangible book value by \$ \_\_\_\_\_ million, the net tangible book value per share, after giving effect to this offering, by \$ \_\_\_\_\_ per share and the dilution in net tangible book value per share to new investors in this offering by \$ \_\_\_\_\_ per share, assuming no change in the number of shares offered by us as set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on an as adjusted basis set forth above as of September 30, 2005, the total number of shares of common stock owned by existing stockholders and to be owned by new investors, the total consideration paid, and the average price per share paid by our existing stockholders and to be paid by new investors in this offering at \$ \_\_\_\_\_, the mid-point of the range of the initial public offering prices set forth on the cover page of this prospectus, calculated before deduction of estimated underwriting discounts and commissions and estimated offering expenses.