

**Complete Production Services, Inc. Board of Directors
Compensation Committee Charter**

The Compensation Committee will be composed of not less than two (2) independent outside directors (as the term "independent" is defined by the NYSE's corporate governance rules for purposes of Compensation Committees) a majority of whom must also be "outside directors" within the meaning of Section 162(m) of Internal Revenue Code and "non-employee directors" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, appointed by the Board. The Chairperson of the Committee will be designated by the Board from the "non-employee directors". The Committee will meet as required but not less than two times a year to fulfill its responsibilities and to complete the activities defined by this charter. The Committee will meet at its discretion without Management being present.

Responsibilities of the Compensation Committee

The Compensation Committee is empowered by the Board of Directors to:

- Establish the Company's compensation philosophy and strategy
- Review and approve the total compensation of the Company's executive officers, members of senior management and other key employees with a salary of \$200,000 or more
- Establish the total compensation of the CEO in light of his/her performance relative to corporate goals and objectives determined by the Committee
- Administer long-term incentive and stock option plans and act as "Administrator" where so called for by any such plan
- Review and recommend to the full Board of Directors any new executive compensation plans or amendments to existing plans requiring shareholder or Board approval
- Oversee executive benefit and pension plans, recommending changes to the Board requiring shareholder or Board approval
- Oversee adoption of material employee benefit and pension plan design modifications including regulatory compliance
- Approve special agreements/contracts for executives with a salary of \$200,000 and above
- Review and recommend to the Board the Board of Directors' compensation program
- Have authority to select, hire, discharge and determine fees for compensation and benefits consultants and other advisors to the Committee
- Report to the Board of Directors on the substance of each Committee meeting and provide the Board with an annual report of the Committee's performance in relation to its charter
- Produce an annual report on executive compensation for inclusion in the Company proxy statement, in accordance with applicable rules and regulations
- Review a report from management on the status of individual executive stock ownership
- Select an appropriate peer group for use in competitive comparisons
- Evaluate the performance of the CEO vis a' vis the annual corporate goals and objections of the Company

Powers Reserved to the Board of Directors

- Determine whether a director is qualified to serve as a member of the Committee in accordance with this charter based on the recommendation of the Nominating/Corporate Governance Committee
- Appoint and remove members of the Compensation Committee and its Chair
- Approve plan terms (and amendments) of annual incentive, long-term incentive, stock option plans or other employee benefit plans or programs to be submitted to shareholders for approval
- Appoint officers.

Responsibilities Delegated to Management

The Compensation Committee has delegated the following authority to Management:

- Review and approve the total compensation of key employees with a salary below \$200,000, subject to individual limits approved by the Committee
- Make grants to non Section 16 key employees under the annual and long-term incentive and stock option plans, within guidelines approved by the Committee
- Oversee the Company's non-executive incentive compensation plans
- Make an annual report to the Compensation Committee on actions taken by Management during the year for aggregate annual incentives earned and aggregate long-term incentive and stock option grants to be awarded
- Designate a delegate to the Compensation Committee who will provide management support and appropriate compensation and benefit communication to the Committee

Annual Activities of the Compensation Committee

- Review aggregate grants of stock options and stock granted to date under the Company's 2001 Stock Incentive Plan or any subsequent or additional Stock Incentive Plans
- Approve current year stock options grants for CEO and executive officers and authorize pool of stock options to be granted by Management under the provisions of stock option plans
- Review and approve goals and objectives for CEO compensation for each year
- Review annual comprehensive competitive review of annual cash and total compensation for CEO and executive officers
- Establish adjustments to total compensation for CEO and executive officers
- Review performance results of prior year Management Incentive Plan (MIP) and certify attainment of goals
- Approve incentive bonus payouts for CEO, executive officers and other eligible participants as a group for prior year MIP
- Approve performance goals for current year MIP
- Approve Compensation Committee report for inclusion in Company's annual proxy statement
- Review a report from Management on the status of individual's executive stock ownership
- Review and approve any changes to Company's executive benefit and retirement plans
- Review a report from Management on Company's 401(k) and deferred compensation plans

- Review Director's compensation program
- Submit an annual report to the Board of Directors on the Compensation Committee's activities during the current year