

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT: February 14, 2006
(Date of earliest event reported)

Hornbeck Offshore Services, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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

001-32108
(Commission File Number)

72-1375844
*(I.R.S. Employer
Identification Number)*

103 Northpark Boulevard, Suite 300
Covington, LA
(Address of Principal Executive Offices)

70433
(Zip Code)

(985) 727-2000
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 - Entry into a Material Definitive Agreement

Option Grants and Bonus Payments Related to 2005; 2006 Base Salary Increases and Restricted Stock Awards. On February 13 and 14, 2006, in connection with its year-end review, the Compensation Committee, or the Committee, of the Board of Directors of the company, granted increases in the annual salaries to be paid to its named executive officers (as defined in Regulation S-K item 402(a)(3)) in 2006, subject to approval by the Board of Directors of the company's financial plan and the budget for 2006. On February 14, 2006, the Board approved the budget. In determining individual salaries, the Committee considered the scope of the executive's job responsibilities, individual contributions, market conditions, the company's current budget and current compensation as compared to peer companies. Additionally, for 2005 bonuses, 2006 salaries and related long-term incentive awards, the Committee took into account the report of an independent compensation consultant engaged to advise the Committee on executive compensation. Among other factors to be discussed in greater detail in the Company's upcoming proxy statement for its annual meeting of stockholders, the Committee considered the financial performance of the Company in 2005 in making its compensation decisions.

In addition, the Committee granted options and restricted stock awards under the Hornbeck Offshore Services Amended and Restated Incentive Compensation Plan, as amended, to its named executive officers that are intended to provide long-term incentives to the executives to build stockholder value. The form of restricted stock agreement that will govern these restricted stock awards is being prepared and, once finalized, will be included as an exhibit in a future filing under the Securities Exchange Act of 1934. These salaries, bonuses, option grants and performance-based restricted stock awards are summarized in the following table:

Executive Officers		2005 Bonuses(1)	Options Grants Relating to 2005 (2)	Restricted Stock Awards Base Amount (3)	Restricted Stock Awards Bonus Amount (3)	2006 Salaries
Todd M. Hornbeck	Chairman, President and Chief Executive Officer	\$ 600,000	49,000	15,000	15,000	\$ 450,000
Carl G. Annessa	Executive Vice President and Chief Operating Officer	\$ 360,000	13,500	7,300	7,300	\$ 290,000
James O. Harp, Jr.	Executive Vice President and Chief Financial Officer	\$ 322,500	13,500	7,300	7,300	\$ 270,000
Samuel A. Giberga	Senior Vice President and General Counsel	\$ 161,875	10,700	5,875	5,875	\$ 225,000
John S. Cook (4)	Vice President and Chief Information Officer	\$ 148,750	9,500	5,250	5,250	\$ 200,000

- (1) With regard to our three most senior officers, Messrs. Hornbeck, Annessa and Harp, 2005 bonus amounts are paid under such officers' employment agreements.
- (2) Each option represents the right to purchase one share of the company's common stock. The options relating to 2005 were granted effective February 14, 2006 with an exercise price of \$33.15 per share, and will vest in three equal annual installments commencing on February 14, 2007.
- (3) See the discussion regarding restricted stock award base and bonus amounts in the paragraph immediately following this table.
- (4) John S. Cook, Vice President and Chief Information Officer, was designated an executive officer by our Board effective February 14, 2006.

In the table above, the Restricted Stock Award Base Amount ("Base") reflects the base number of shares of restricted stock awarded to the executive officer. The Restricted Stock Award Bonus Amount ("Bonus") reflects an incremental number of shares that, when added to the Base, equals the maximum number of shares of restricted stock that the executive officer may receive based on the relative stock price performance of the company and certain of its public peers for the 3-year period ending February 14, 2009. The peer group is comprised of the 15 public companies in the PHILX Oil Service Sector Index (OSX) and four additional direct public peers. The actual amount of shares that will finally be received by the executive officer under the Base and Bonus amounts in the table above will be calculated as a

percentage of the Base amount based on the relative performance ranking of the company compared to its peers, as follows: (1) if the company ranks in the top 20%, the executive officer will receive 200% of the Base; (2) if the company ranks in the top 33 1/3% but below the top 20%, the executive officer will receive between 150% and 200% of the Base; (3) if the company ranks in the top 50% but below the top 33 1/3%, the executive officer will receive between 100% and 150% of the Base; (4) if the company ranks in the top 66 2/3% but below the top 50%, the executive officer will receive between 50% and 100% of the Base; and (5) if the company ranks in the bottom 33 1/3%, the executive officer will receive no shares. Within categories (2), (3) and (4), the appropriate bonus and forfeiture factors related to the Base amount will be interpolated on a straight-line basis between the two performance percentages.

Annual Incentive Compensation Approach. Under the terms of the employment agreements of Messrs. Hornbeck, Annessa and Harp, 50% of their potential bonus is based on achieving an EBITDA target and the other 50% of the potential bonus is determined at the discretion of the Committee, taking into account a variety of factors the Committee deems relevant.

Bonuses for the other two senior officers (i.e., the Senior Vice President and General Counsel and the Vice President and Chief Information Officer) are based on recommendations by the Chief Executive Officer, taking into account the overall performance of such individuals and the company's performance in achieving its targeted EBITDA goal.

Restricted Stock Awards to Non-Employee Directors Related to 2005. The Committee also approved awards to each of the following non-employee directors of 2,500 shares of Hornbeck Offshore restricted common stock: Ms. Patricia B. Melcher and Messrs. Larry D. Hornbeck, Bruce W. Hunt, Steven W. Krablin, Bernie W. Stewart, David A. Trice and Andrew L. Waite. These restricted shares were granted to the non-employee directors effective February 14, 2006 and will vest in full on February 14, 2007. The form of restricted stock agreement that will govern these restricted stock awards and the amended non-employee director compensation policy are being prepared and, once finalized, will be included as exhibits in a future filing under the Securities Exchange Act of 1934.

Modifications of Director Compensation. Effective as of February 14, 2006, the Board of Directors approved in concept an amendment to the non-employee director compensation policy. Under the policy, as amended, non-employee directors will be entitled to receive a minimum annual grant of options to purchase 4,000 shares of Hornbeck Offshore common stock or an award of 2,500 restricted shares of common stock, or some combination of the same, with such options or restricted shares being granted under the Incentive Compensation Plan. The minimum annual grant or award is subject to annual review and may be increased at the discretion of the Committee. The amended non-employee director compensation policy is being prepared and, once finalized, will be included as an exhibit in a future filing under the Securities Exchange Act of 1934.

Other Compensation Information. For a more complete discussion regarding the compensation paid to the named executive officers and to our non-employee directors, see Hornbeck Offshore's proxy statement for the 2006 Annual Meeting of Stockholders, which is currently expected to be filed with the SEC in March 2006.

Approval of Facilities Use Agreement and Incorporated Amendment to Indemnification Agreement. As of February 14, 2006, the company entered into a Facilities Use Agreement and effected an amendment to the existing Indemnification Agreement with Larry D. Hornbeck, one of our directors. The Facilities Use Agreement and the amendment to the Indemnification Agreement are effective as of January 1, 2006, and were approved by our audit committee and by the independent members of the board on February 14, 2006.

The agreements govern the company's use of the Hornbeck Family Ranch facility, which is located in Houston County, Texas. The Facilities Use Agreement will remain in effect until December 31, 2007 unless it is terminated or extended by its terms. The Facilities Use Agreement automatically renews on an annual basis unless either party provides the other party 30 day's written notice of termination. The Facilities Use Agreement also provides that the company will pay Mr. Larry Hornbeck an annual use fee of \$150,000 for the company's use of the facilities and reimburse Mr. Larry Hornbeck for certain other variable costs related to the company's use of the ranch facility. In establishing the fee amount, the audit committee and independent members of the Board considered the costs of comparable facilities and determined that the combined facilities use fee and anticipated reimbursement of variable costs was substantially lower for the comparables.

The amendment to the Indemnification Agreement was entered into in order to coordinate the existing indemnification provisions more closely with the Facilities Use Agreement. The Indemnification Agreement, as amended, provides that the company will indemnify Mr. Larry Hornbeck and certain other indemnitees for any claims, demands, causes of action and damages that may arise out of the company's use of the Hornbeck Family Ranch facility.

Item 8.01 – Other Events

On February 16, 2006 the Company announced that it was not responsible for the oil spill affecting the Arthur Kill Waterway in Perth Amboy, New Jersey that occurred on February 13, 2006. It further announced that, although the company was fully cooperating with the controlling authorities investigating the spill, such authorities had informed the company that it was not the target of any investigation relating to the spill. According to the United States Coast Guard, the terminal has assumed responsibility for cleaning the spill.

A Copy of the press release related to this event is attached as Exhibit 99.1.

Item 9.01 – Financial Statements and Exhibits

(c) Exhibit

- 10.1 Facilities Use Agreement effective January 1, 2006, and incorporated Indemnification Agreement and amendments thereto.
- 99.1 Press Release dated February 16, 2006.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Facilities Use Agreement effective January 1, 2006, and incorporated Indemnification Agreement and amendments thereto.
99.1	Press Release dated February 16, 2006.

SIGNATURES

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

Hornbeck Offshore Services, Inc.

Date: February 21, 2006

By: /s/ James O. Harp, Jr.

James O. Harp, Jr.
Executive Vice President and Chief Financial Officer

FACILITIES USE AGREEMENT

This Facilities Use Agreement (the "Agreement") is made and entered into effective as of the 1st day of January, 2006 (the "Effective Date") by and between Larry D. Hornbeck ("Owner") and Hornbeck Offshore Services, Inc., a Delaware corporation (the "Company").

WITNESSETH

WHEREAS, Owner owns 4,000 acres of land, more or less, situated in Houston County, Texas, generally known as the Hornbeck Family Ranch (the "premises"); and

WHEREAS, the Company wishes to utilize and Owner agrees to make available certain portions of the Premises for use by the Company for certain permitted uses, as more particularly provided for in this Agreement.

NOW THEREFORE, the Company and Owner, each in consideration of the covenants and agreements of the other and intending to be legally bound, agree as follows:

1. **Use of Premises.** Subject to the terms, conditions and covenants contained in this Agreement, Owner hereby agrees to provide the Company and its Guests (defined below in Paragraph 7) with access to the Premises for the particular uses specified in Paragraph 5. Owner, in his sole discretion, may change the acreage and facilities contained in the Premises by providing the Company with a notice of the details and restrictions applicable thereto. The Company's use of the Premises shall be on a non-exclusive, non-preferential, shared-use basis, said use to be pre-approved as provided in Paragraph 5. Nothing in this Agreement shall be deemed to confer upon the Company any interest in the Premises, right to possess or control the use of the Premises, or any other rights with respect to the Premises other than those expressly provided herein.
2. **Term and Termination.**
 - a. This Agreement shall commence on the Effective Date and shall remain in effect until December 31, 2007, unless terminated sooner or extended according to the provisions in this Agreement (the "Term"). The Term of this Agreement shall be automatically renewed for recurring annual periods unless either party gives written notice to the other party of its intent to terminate the Agreement at least thirty (30) days prior to the expiration of the then current Term.
 - b. Owner may, at his option, immediately terminate this Agreement (i) if the Company fails to cure any breach of this Agreement within ten (10) days after receiving written notice of the breach from Owner, (ii) in the event that the chief executive officer of the Company (the "CEO") as of the date this Agreement is executed no longer serves in that position for any reason or (iii) if a Change of Control of the Company (as defined in Paragraph 2.c) shall occur. Additionally, either party may terminate this Agreement for any reason or no reason at any time by providing the other party with thirty (30) days notice; provided, however, upon such termination, the Company shall pay to the Owner all Fees (as defined below)

and any costs or reimbursements provided for in Paragraph 4 which are due through the remaining Term of the Agreement. Owner and the Company both acknowledge and agree that, upon any termination of this Agreement, the Company shall have no further right to access the Premises.

- c. For purposes of this Agreement, a "Change in Control" shall mean:
- i. the obtaining by any party or group acting in concert (other than current stockholders or their affiliates) of fifty percent (50%) or more of the voting shares of the Company; or
 - ii. individuals who were members of the Company's board of directors immediately prior to any particular meeting of Company stockholders that involves a contest for the election of directors fail to constitute a majority of the members of such Company's board of directors following such election; or
 - iii. the Company or one or more subsidiaries of the Company executing an agreement or agreements concerning the sale of substantially all of the assets of the Company on a consolidated basis to a third party purchaser that is not the Company or a direct or indirect subsidiary of the Company; or
 - iv. the Company's adoption of a plan of dissolution or liquidation; or
 - v. the Company's executing an agreement concerning a merger or consolidation in which the Company is not the surviving corporation or if, immediately following such merger or consolidation, less than fifty percent (50%) of the surviving corporation's outstanding voting stock is held by persons who were stockholders of the Company immediately prior to the merger or consolidation.
3. **Use Fees.** During the Term of this Agreement, the Company shall pay to Owner for use of the Premises a non-refundable annual use fee in the amount of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (the "Fee"). Fees shall be paid by the Company in four quarterly payments of Thirty-Seven Thousand Five Hundred and No/100 Dollars (\$37,500.00) due on the first day of January, April, July and October during the Term, without setoff or deduction, at Owner's address as set forth in Paragraph 19. Late Fee payments shall accrue interest at the lesser of (i) one percent (1%) per month and (ii) the maximum interest rate permitted by law.
4. **Costs and Reimbursement.** In addition to the Fees provided for in Paragraph 3, the Company agrees to:
- a. be solely responsible for all costs associated with Company sponsored events including, but not limited to, all liabilities, labor, food and libations, cleaning supplies, blinds, feeders, feed, pinned birds, transportation, hunting gear,

- communication, utilities, entertainment, processing and packaging of wild game, whether provided by Owner or third parties;
 - b. promptly replace or pay Owner for all consumables used by the Company or its Guests while at the Premises;
 - c. pay for general labor by Owner or Owner's agents at an initial rate of \$12.00 per hour to prepare and maintain the Premises for use by the Company and its Guests, including, but not limited to, yard maintenance, garbage disposal, and stocking fire wood and supplies, with said hourly rate increasing annually upon any extension of the Term by the amount of \$0.50 per hour; and
 - d. pay for the repair of any and all damage to the Premises or equipment located on the Premises caused by the Company or its Guests or resulting from the Company's use of the Premises.
5. **Approval Of and Permitted Uses.** In order to utilize the Premises for any of the uses permitted in this Paragraph 5, the Company shall submit a request in writing to Owner with reasonable advance notice. Owner in his sole discretion may approve or disapprove said request or condition its approval on factors deemed by Owner to be in the best interest of preserving the Premises and its wildlife. However, no authorization of use shall be unreasonably withheld by Owner or unreasonably conditioned. If the request is so approved by Owner, the Company may use the Premises for only the following purposes:
- a. Company Board meetings;
 - b. Company client and vendor relations;
 - c. Company management retreats;
 - d. Special Company promotional events; and
 - e. Any other use specifically approved in writing by Owner, in his sole discretion.
6. **Excluded Uses.** The Company and its Guests are expressly excluded from using the Premises for any of the following:
- a. Commercial harvesting of fish, animals, trees or crops;
 - b. Rock hunting or gathering;
 - c. Artifact gathering or excavation;
 - d. Night hunting of any kind without Owner permission and supervision;
 - e. Hunting with dogs, except for quail, chukar, and pheasant hunting while accompanied by a guide; and

- f. Any other use in violation of the Rules (defined below in Paragraph 11) then in effect.
7. **Guests.** The Company may allow its employees, officers, directors, agents, invitees, guests, clients and potential or prospective clients (collectively "Guests") to enter and use the Premises in accordance with the terms and conditions of this Agreement, subject to the following:
- a. At least one member of the Company's management who has been authorized by the Company's Chief Executive Officer ("CEO") must accompany all Guests to the Premises, and must remain on the Premises at all times while Guests are present on the Premises.
 - b. A log book (the "Log Book") shall be maintained on the Premises in which shall be recorded (i) the name, hunting and fishing license number (if applicable), and dates of visit, for all Guests who have entered and used the Premises, (ii) the date, number and sex of each deer killed on the Premises, (iii) the weight, spread and number of tines on the antlers and, if possible, the age of each buck deer killed on the Premises, and (iv) the date and number of all other animals killed on the Premises, in order to comply with any applicable Texas Parks and Wildlife Department Wildlife Management programs. The Company shall provide regular access to and copies of the Log Book to Owner upon Owner's request.
8. **Personal Property and Improvements of The Company or Guests.**
- a. With Owner's prior written consent, which consent may be granted or withheld in Owner's sole discretion, the Company may provide additional accommodations on the Premises for its Guests, whether fixed property or personalty, including, but not limited to, hunting blinds, deer stands, and game feeders. In the event that such consent is granted by Owner, the Company agrees that it will make such construction and installation at its own cost and expense and strictly in compliance with any specifications, requirements or limitations imposed by Owner.
 - b. Except for any item that is the personal property of Guests or any item that is vehicular, has title, or has been capitalized in the books and records of the Company and has more than one-half of its depreciable life remaining (based on original cost compared to undepreciated balance) with an undepreciated balance in excess of \$500, at the expiration of this Agreement, at Owner's option: (i) any personal property on the Premises which has been utilized primarily on the Premises by the Company and its Guests and any constructions or improvements made by the Company on the Premises, shall become the property of Owner without any obligation to indemnify or reimburse the Company for the cost and expense thereof or (ii) at Owner's request, the Company shall remove any such items, constructions or improvements made by the Company on the Premises, prior to the expiration or earlier termination of this Agreement, at the Company's sole expense.

9. **Owner Structures and Equipment.** To the extent of any structures already on the Premises, and in the event that Owner constructs any other structures on the Premises during the Term of this Agreement, the Company may use such structures in connection with the permitted uses of the Premises under this Agreement. It is intended that the Company shall have the use of (i) farm equipment, including, but not limited to, trucks, trailers, tractors, bat wings, disks and seed planting equipment, (ii) a shooting clay facility, (iii) a lodge and guest house, (iv) outbuildings, including an equipment storage area, game-cleaning facility, processing room, smoke house, walk-in coolers, hunting-dog kennels, outdoor fire pit, and seed and grain storage buildings, (v) 42-acre lake, pier, boat lifts or other lake facilities, and (vi) driving range and additional golf facilities, as available.
10. **Additional Services.** Owner may provide to the Company and the Company's Guests, at the Company's expense and upon reasonable request, general labor by Owner or Owner's agents at the rate(s) contemplated at Paragraph 4.c above.
11. **Rules.** The Company agrees to post on the Premises and to provide to all Guests a copy of Owner's Hornbeck Ranch Rules and Guidelines attached hereto as Exhibit "A" (the "Rules"). The Company agrees that it will comply with, and require all Guests to comply with, the Rules. Owner may change the Rules at any time by providing notice of same to the Company. Owner may, in his sole discretion, exclude from the Premises any Guest who violates the Rules or is otherwise deemed to be a nuisance.
12. **Compliance with Laws.** The Company agrees to comply with, and require all Guests to comply with, all federal, state and other laws regulating fishing, hunting, and conservation of wild game on the Premises.
13. **Protection of Property and Livestock.** The Company shall, and shall cause its Guests to, use every precaution to protect the Premises and the trees, plants and structures thereon against fire, cutting, driving of nails or other damage. The Company will be liable for any such destruction or damage on the Premises, regardless of the cause. The Company is expected to return the Premises to their original state of maintenance and repair upon the termination of this Agreement. The Company shall exercise the privileges granted in this Agreement so as to disturb the cattle and other livestock on the Premises as little as possible and shall promptly report to Owner and pay for any stock wounded or killed by the Company or its Guests on the Premises.
14. **Non-Exclusive Use.** The Company recognizes, understands and acknowledges that this Agreement is non-exclusive, and Owner holds the Premises for use as pasture land, timber land and for personal recreational and hunting use. The Company agrees that all rights, titles and privileges under this Agreement are, and shall be, at all times expressly subject to Owner's basic primary right to prevent any fire, nuisance or unnecessary injury to said Premises or to the commercial values thereof, and to develop, lease, use, enjoy and protect his said lands without restriction including, but not limited to, the right to exercise timber rights such as cruising, cutting and replanting. Therefore, the Company's exercise of its rights under this Agreement shall in no way impede or hinder Owner in the full enjoyment of the Premises as described or contemplated in this Agreement, and if in

Owner's land management operations it becomes necessary, expedient or advisable for Owner to prohibit, curtail, limit or suspend use of the Premises by the Company, Owner shall have the right to do so.

15. **Insurance.** At all times during the Term of this Agreement, the Company agrees to maintain a liability insurance policy that will cover all risks of the Company's use of the Premises, including all risks to Owner or his guests or agents, and any Guests on the Premises, in an amount of no less than the amount of coverage provided to the Company but, in any event, no less than One Million and No/100 Dollars (\$1,000,000.00), and to add Owner to the Company's policy as a loss payee and as an additional insured, at the Company's expense. Prior to the Company or any Guests entering the Premises, the Company shall furnish to Owner a certificate of insurance evidencing that such policy is in force and will continue in force during the Term of the Agreement, that Owner is a co-insured and covered by such policy during such period, and unconditionally obligate the insurer to notify Owner in writing at least thirty (30) days in advance of the effective date of any material change in or cancellation of such insurance.
16. **Assumption of Risk.** The Company acknowledges having inspected the Premises, is familiar with the condition thereof, and accepts access to the Premises under existing conditions. It is understood and acknowledged that Owner makes no warranty, either express or implied, as to the condition of the Premises, or any roads, buildings, gates or other improvements on the Premises and that there are numerous dangerous conditions, risks and hazards, including, BUT NOT LIMITED to, poisonous snakes, insects and spiders; blinds and tree stands, whether or not erected by Owner or the Company; erosion and general condition of the land, both on and off roadways, creating rough, hazardous and dangerous driving and walking conditions; animals both wild and domestic that may be diseased and/or potentially dangerous; deep water; persons with firearms both on or off the Premises; and the use of vehicles (including, without limitation, tractors and four-wheelers).
17. **Indemnity.** The Company has executed and hereby reaffirms that certain Indemnification Agreement dated May 5, 2003, as amended by the First Amendment to Indemnification Agreement dated February 13, 2004, and Second Amendment to Indemnification Agreement dated as of February 14, 2006, attached hereto as Exhibit "B" (collectively, the "Indemnification Agreement").
18. **Right to Search.** It is understood and agreed by the Company that Owner or Owner's agent, or any Game Warden with the Texas Department of Parks and Wildlife, shall have the absolute right at any time to make such search and investigations that they, or any of them, may desire, of the structures, the motor vehicles or game bags of the Company and any Guests, for the purpose of checking the game to ascertain if there have been any violations of the game laws, and the Company and such Guests waive all rights in connection with any such search or investigation.
19. **Notices.** Any notice, communication, request, reply, consent, advice or disclosure notice ("Notice") required or permitted to be given or made by any party to another in connection with this Agreement must be in writing and may be given or served by

(i) depositing such Notice in the United States mail, postage prepaid and registered or certified with return receipt requested, (ii) hand delivering such Notice, (iii) sending such Notice by an express air mail courier service for next business day delivery, or (iv) facsimile or electronic means, the receipt of which is confirmed in writing by the named recipient. Notice deposited in the mail in the manner described above shall be effective 72 hours after such deposit, and Notice hand delivered in person or delivered by facsimile, electronic means or express courier service shall be effective at the time of delivery. For purposes of delivering any Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

(a) If to the Company:

Hornbeck Offshore Services, Inc.
Attn: Samuel A. Giberga
103 Northpark Blvd, Suite 300
Covington, Louisiana 70433
Fax: (985) 727-2006
Email: samuel.giberga@hornbeckoffshore.com

(b) If to Owner:

Larry D. Hornbeck
P.O. Box 590
Lovelady, TX 75851-0590
Fax: (936) 636-2142

20. **Assignment.** This Agreement may be assigned by Owner. The Company shall not assign or transfer this Agreement without the prior written consent of Owner, which consent may be granted or withheld in Owner's sole discretion. This Agreement and the rights, interests and obligations hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.
21. **Miscellaneous.** This Agreement and the Exhibits attached hereto contain the complete agreement between Owner and the Company with respect to the subject matter hereof, and supersede all prior agreements and understandings between them with respect to such subject matter. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and together shall constitute one and the same agreement. IT IS AGREED THAT THIS AGREEMENT IS INTENDED TO GOVERN THE GENERAL USE OF THE PREMISES AND IS NOT A LEASE; AND THAT NO LEASEHOLD INTEREST OR TENANCY IS INTENDED TO BE OR SHALL BE CREATED HEREBY. This Agreement and the rights and obligations provided hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Owner and the Company have executed this Agreement effective as of the day and year first above written.

OWNER

THE COMPANY

/s/ Larry D. Hornbeck

Larry D. Hornbeck

Hornbeck Offshore Services, Inc.

By: /s/ Samuel A. Giberga

Samuel A. Giberga

General Counsel and Sr. Vice President

ACKNOWLEDGMENTS

I, Joan Hornbeck, wife of Larry D. Hornbeck, consent and agree to the terms and conditions contained in this Agreement.

/s/ Joan Hornbeck

Joan Hornbeck

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made effective as of the 5th day of May, 2003 (the "Effective Date"), by and between Hornbeck Offshore Services, Inc., a Delaware corporation (the "Company"), and Larry D. Hornbeck ("Indemnitee"), a director of the Company.

WHEREAS, Indemnitee owns certain property located in Houston County, Texas, as more particularly described on Exhibit "A" (the "Premises");

WHEREAS, from time to time Indemnitee allows the Company, and its subsidiaries and Affiliates and their respective employees, officers, directors, contractors, agents, vendors, clients and potential or prospective clients, invitees and other guests and family members of any of the foregoing (the "Users") to use the Premises and any improvements located thereon for business-related purposes (the term "business-related purposes" shall be interpreted as broadly as possible to encompass any and all activities which enhance or advance the purposes of the Company), including all business, recreational, social purposes (including, but not limited to hunting, fishing, skiing, and riding all terrain vehicles) (business-related purposes and recreational purposes are collectively referred to herein as the "Permitted Uses"); and

WHEREAS, as an inducement for Indemnitee to continue to allow the Users to use the Premises and any improvements thereon for the Permitted Uses, the Company desires to indemnify in all respects the Indemnitee as further provided herein.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. Indemnification. The Company shall protect, indemnify, defend and hold harmless Indemnitee, and Indemnitee's agents, representatives, employees, heirs, successors and assigns from and against all claims, demands, causes of action and damages whatsoever, including attorneys' fees, relating to any accident, incident or occurrence, arising out of, incidental to or in any way resulting from or related to any and all uses of the Premises or any improvements thereon or any and all uses of any lands, roadways, rivers, streams or lakes adjacent to or providing access to the Premises ("Adjacent Premises") by the Users or any other person permitted on the Premises or the Adjacent Premises by the Users, regardless of whether same may result from the NEGLIGENCE OR GROSS NEGLIGENCE of Indemnitee or Indemnitee's agents, representatives, employees or otherwise.

2. Advancement of Expenses. Expenses (including medical and attorneys' fees) incurred by Indemnitee, in defending any claims, demands or causes of action referenced in Section 1 hereof shall be paid by the Company in advance of the final disposition of such action, suit or proceeding at the written request of the Indemnitee. Prompt payment shall be made of any request for an advance pursuant to this Section 2.

3. Enforcement of Rights. The right to indemnification or advances as provided by this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction.

4. Certain Adjacent Property. Certain property (approximately 3000 acres) that is adjacent to the Premises and included in the “ any lands or roadways, rivers, streams or lakes adjacent to or providing access to the Premises” referred to in Section 1 above, is owned by Indemnitee’s brother, James R. Hornbeck. It is expressly intended by the parties to the Agreement that James R. Hornbeck and his agents, representatives, employees, heirs, successors and assigns be entitled as third party beneficiaries to the same protections afforded to Indemnitee hereunder with respect to any and all uses of his property by the Users.

5. Choice of Law. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Texas.

6. Notice/Cooperation by Indemnitee. Indemnitee shall give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to:

Hornbeck Offshore Services, Inc.
Attention: Chief Executive Officer
414 N. Causeway Boulevard
Mandeville, LA 70448

Notice shall be deemed received three (3) days after the date postmarked if sent by certified or registered mail, properly addressed. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee’s power.

7. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original.

8. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Indemnitee and Indemnitee’s estate, heirs, legal representatives and assigns.

9. Affiliates. The term “Affiliates” as used in this Agreement shall mean any entity for which forty percent (40%) or more of the ownership interests is controlled by the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below but it is effective for all purposes as of the Effective Date stated above.

Hornbeck Offshore Services, Inc.

By: /s/ Todd M. Hornbeck
Name: Todd M. Hornbeck
Title: President and CEO

AGREED TO AND ACCEPTED:
INDEMNITEE

/s/ Larry D. Hornbeck
Larry D. Hornbeck

**FIRST AMENDMENT TO
INDEMNIFICATION AGREEMENT**

THIS FIRST AMENDMENT TO INDEMNIFICATION AGREEMENT (the "Amendment") is made and entered into effective this 17th day of February, 2004, between Hornbeck Offshore Services, Inc., a Delaware corporation (the "Company") and Larry D. Hornbeck ("Indemnitee").

WITNESSETH THAT:

WHEREAS, Indemnitee has entered into that certain Indemnification Agreement dated the 5th day of May, 2003 (the "Agreement") with the Company relating to the Company's use of certain real property in Houston County, Texas; and

WHEREAS, the Sarbanes-Oxley Act of 2002 (the "Act"), which was signed into law effective July 30, 2002, prohibits public companies from making personal loans to their directors and executive officers; and

WHEREAS, since enactment of the Act, various legal scholars and practitioners have raised an issue as to whether Section 402 of the Act may be sufficiently broad to prohibit the advancement of expenses under indemnification agreements between public companies and their executive officers and directors, although to date there has been no authoritative guidance on this matter from any judicial authority or governmental entity or agency;

WHEREAS, the Company desires to clarify that, although it does not believe that the advancement of expenses is violative of Section 402 of the Act, if a determination is made by a judicial authority or governmental entity or agency or, absent such determination, any such party takes a position or issues guidance stating, that the advancement of expenses to an officer, director or employee pursuant to a company's indemnification obligations with respect to such individual (in a similar manner such as that contemplated in Section 2 of the Agreement) is prohibited under the Act, the Company shall not be obligated to advance expenses incurred by Indemnitee pursuant to Section 2 of this Agreement; and

WHEREAS, the Company shall rely on this Amendment in determining the Company's indemnification obligations to Indemnitee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by the parties, the parties hereto agree as follows:

Section 1 Amendment. Section 2 of the Agreement is hereby amended by adding the following text to the end of Section 2:

“Notwithstanding the foregoing or any other provision of this Agreement, Indemnitee shall not be entitled to the advancement of expenses under this Agreement if a determination has been made by a judicial authority or governmental entity or agency or, absent such determination, any such authority, entity or agency has taken a position or issued any guidance stating, that the advancement of expenses to Indemnitee in a manner similar to that contemplated in this Section 2 constitutes a personal loan in contravention of Section 402 of the Sarbanes-Oxley Act of 2002 or any similar law or regulation.”

Section 2 Entire Agreement. Except as set forth in Section 1 above, no other amendments are made to the Agreement hereby and the terms of the Agreement shall continue in full force and effect as set forth therein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on and as of the day and year first above written.

HORNBECK OFFSHORE SERVICES, INC.

By: /s/ Todd M. Hornbeck
President and CEO

INDEMNITEE

/s/ Larry D. Hornbeck
Larry D. Hornbeck

**SIGNATURE PAGE TO FIRST AMENDMENT TO
INDEMNIFICATION AGREEMENT**

**SECOND AMENDMENT TO
INDEMNIFICATION AGREEMENT**

THIS SECOND AMENDMENT TO INDEMNIFICATION AGREEMENT (the "Amendment") is made and entered into effective this 14th day of February, 2006, between Hornbeck Offshore Services, Inc., a Delaware corporation (the "Company") and Larry D. Hornbeck ("Indemnitee").

WITNESSETH THAT:

WHEREAS, Indemnitee has entered into that certain Indemnification Agreement dated the 5th day of May, 2003, as amended by that certain First Amendment to Indemnification dated the 17th of February, 2004 (collectively, the "Agreement"), with the Company relating to the Company's use of certain real property in Houston County, Texas; and

WHEREAS, in connection with the adoption of that certain Facilities Use Agreement dated the 14th day of February, 2006 between Indemnitee and the Company; and

WHEREAS, the Company shall rely on this Amendment in determining the Company's indemnification obligations to Indemnitee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by the parties, the parties hereto agree as follows:

Section 1 Amendment to WHEREAS clause of the May 5, 2003 Indemnification Agreement. The first "WHEREAS" clause is hereby amended by deleting it and replacing it in its entirety with the following text:

"WHEREAS, Indemnitee owns 4,000 acres of land, more or less, situated in Houston County, Texas, generally known as the Hornbeck Family Ranch (the "Premises"); and"

Section 2 Amendment to Section 1. Section 1 of the Agreement is hereby amended by deleting it and replacing it in its entirety with the following text:

"1. Indemnification. The Company shall protect, indemnify, defend and hold harmless Indemnitee, and Indemnitee's agents, representatives, employees, heirs, family members, invitees (other than the Users), successors and assigns from and against all claims, demands, causes of action and damages whatsoever, including attorneys' fees, relating to any accident, incident or occurrence, arising out of, incidental to or in any way resulting from or related to any and all uses of the Premises, including travel to and from the Premises and the Adjacent Premises (as defined below), or any improvements thereon or any and all uses of any lands, roadways, rivers, streams or lakes adjacent to or

providing access to the Premises ("Adjacent Premises") by the Users or any other person permitted on the Premises or the Adjacent Premises by the Users, regardless of whether same may result from the NEGLIGENCE OR GROSS NEGLIGENCE of Indemnitee or Indemnitee's agents, representatives, employees or otherwise.

Insofar as Indemnitee is concerned, the Company, on behalf of itself and the Users, assumes all risks and hazards in connection with the use of the Premises and the Adjacent Premises and all improvements situated on the Premises and the Adjacent Premises for any purpose, including, without limitation, those involved in traveling to and from the Premises and the Adjacent Premises, and the Company hereby covenants and agrees for itself, its successors, and assigns, that the Company will not make any claim or institute any suit or action at law or in equity against Indemnitee or Indemnitee's agents, representatives, employees, heirs, family members, invitees (other than the Users), successors or assigns related to the use of the Premises and the Adjacent Premises and all improvements situated on the Premises and the Adjacent Premises for any purpose, including, without limitation, those involved in traveling to and from the Premises and the Adjacent Premises.

Indemnitee shall have no obligation to maintain or repair the Premises or any part of the Premises or improvements situated on the Premises and shall have no liability for any injury resulting from Indemnitee's failure to maintain or repair the Premises or any such improvements."

Section 3 Deletion of Exhibit A. Exhibit A of the Agreement is hereby deleted in its entirety.

Section 4 Entire Agreement. Except as set forth in Sections 1, 2 and 3 above, no other amendments are made to the Agreement hereby and the terms of the Agreement shall continue in full force and effect as set forth therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on and as of the day and year first above written.

HORNBECK OFFSHORE SERVICES, INC.

By: /s/ Samuel A. Giberga
Name: Samuel A. Giberga
Title: Senior VP and General Counsel

INDEMNITEE

/s/ Larry D. Hornbeck
Larry D. Hornbeck

**SIGNATURE PAGE TO SECOND AMENDMENT TO
INDEMNIFICATION AGREEMENT**



HORNBECK OFFSHORE SERVICES, INC.

Service with Energy

NEWS RELEASE
06-004

Contacts: Carl Annessa, COO
Hornbeck Offshore Services
985-727-6801

For Immediate Release

Ken Dennard, Managing Partner
DRG&E / 832-594-4004

Hornbeck Offshore Denies Responsibility for Recent NJ Oil Spill

Covington, LA – February 16, 2006 – Confirming a press report in a trade publication earlier today, Hornbeck Offshore Services, Inc. (NYSE: HOS) announced that the Company was not responsible for the oil spill that occurred earlier this week into the waters of Arthur Kill near Perth Amboy, New Jersey. According to the United States Coast Guard, the terminal has assumed responsibility for cleaning the spill and has contracted Clean Harbors and Atlantic Response to help with the cleanup.

Carl Annessa, Hornbeck Offshore's Chief Operating Officer, stated, "There is currently an ongoing investigation by the controlling authorities into this incident with which Hornbeck Offshore is fully cooperating as a witness. One of our double-hulled tank barges, the *Energy 8001*, was present at the terminal at the time of the spill. However, the Company has been advised that it is not a target of the investigation. As a result, the Company does not expect this incident to have any effect on Hornbeck's financial condition or results of operations."

Hornbeck Offshore Services, Inc. is a leading provider of technologically advanced, new generation offshore supply vessels primarily in the U.S. Gulf of Mexico and select international markets, and is a leading transporter of petroleum products through its fleet of ocean-going tugs and tank barges primarily in the northeastern U.S. and in Puerto Rico. Hornbeck Offshore currently owns and operates a fleet of over 50 U.S.-flagged vessels service primarily the energy industry.

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103 Northpark Boulevard, Suite 300
Covington, Louisiana 70433

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