

CARNETT JOHN  
Form 4  
November 09, 2009

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CARNETT JOHN

2. Issuer Name and Ticker or Trading Symbol  
KEY ENERGY SERVICES INC  
[KEG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1301 MCKINNEY STREET, SUITE 1800

3. Date of Earliest Transaction (Month/Day/Year)  
11/01/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SVP, Pressure Pumping Services

(Street)  
HOUSTON, TX 77010

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| Common Stock                    |                                      |                                                    |                                | (A) or (D) Price                                                  | 77,940 <sup>(1)</sup> <sub>(2)</sub>                                                          | D                                                        |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 3) |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title                                      | Amount or Number of Shares |
| Employee Stock Option (right to buy)       | \$ 11.81                                               |                                      |                                                    |                                |                                                                                         | <u>(3)</u> 05/07/2013                                    |                                                               | Common Stock                               | 16,667                     |
| Employee Stock Option (right to buy)       | \$ 10.22                                               |                                      |                                                    |                                |                                                                                         | <u>(3)</u> 05/07/2013                                    |                                                               | Common Stock                               | 8,333                      |
| Employee Stock Option (right to buy)       | \$ 15.05                                               |                                      |                                                    |                                |                                                                                         | <u>(3)</u> 03/15/2016                                    |                                                               | Common Stock                               | 25,000                     |
| Employee Stock Option (right to buy)       | \$ 14.32                                               |                                      |                                                    |                                |                                                                                         | <u>(3)</u> 08/22/2017                                    |                                                               | Common Stock                               | 24,000                     |
| Employee Stock Option (right to buy)       | \$ 15.07                                               |                                      |                                                    |                                |                                                                                         | <u>(4)</u> 04/10/2018                                    |                                                               | Common Stock                               | 15,000                     |
| Employee Stock Option (right to buy)       | \$ 16.5                                                |                                      |                                                    |                                |                                                                                         | <u>(4)</u> 08/21/2018                                    |                                                               | Common Stock                               | 15,750                     |
| Phantom Stock                              | <u>(5)</u>                                             |                                      |                                                    |                                |                                                                                         | <u>(6)</u> 12/22/2010                                    |                                                               | Common Stock                               | 20,000                     |

## Reporting Owners

| Reporting Owner Name / Address                                          | Relationships |           |                                |       |
|-------------------------------------------------------------------------|---------------|-----------|--------------------------------|-------|
|                                                                         | Director      | 10% Owner | Officer                        | Other |
| CARNETT JOHN<br>1301 MCKINNEY STREET<br>SUITE 1800<br>HOUSTON, TX 77010 |               |           | SVP, Pressure Pumping Services |       |

## Signatures

By Robert B. Rapfogel, Attorney-in-fact for John  
Carnett

11/09/2009

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

"Exit" Form 4 voluntarily filed solely to report that, although the filer still holds the office indicated in Box 5 above, the filer is no longer a Section 16 reporting person as of November 1, 2009. The number of securities reported above reflects the filer's ownership as of the filing date.

(1) All 77,940 shares are unvested shares of restricted stock granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan ("2007 Plan").

(2) The options were granted under the Key Energy Group, Inc. 1997 Incentive Plan and are fully vested and exercisable.

(3) The options were granted under the 2007 Plan and are fully vested and exercisable.

(4) Each share of phantom stock is the economic equivalent of one share of Key Energy Services, Inc.'s common stock, which, pursuant to the plan under which it was granted, is required to be settled in cash based on the closing price on the date each share vests.

The phantom share award granted on December 22, 2006 vests in four equal annual installments on the anniversary of the grant date. The vested phantom shares are payable solely in cash within 20 business days after the vesting date. Ther original grant was for 40,000 phantom shares, of which 10,000 shares vested on December 22, 2007 and 10,000 shares vested on December 22, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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