

CARNETT JOHN  
Form 3  
October 10, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â CARNETT JOHN		(Month/Day/Year)	KEY ENERGY SERVICES INC [KEG]	
(Last)	(First)	(Middle)	10/01/2008	
1301 MCKINNEY STREET, Â SUITE 1800			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
HOUSTON, Â TX Â 77010			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			SVP-Pressure Pumping Ops	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	16,202 <sup>(6)</sup>	D	Â

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
Employee Stock Option (right to buy)	Â (1)	05/07/2013	Common Stock 16,667 \$ 11.81	D Â
Employee Stock Option (right to buy)	Â (1)	05/07/2013	Common Stock 8,333 \$ 10.22	D Â
Employee Stock Option (right to buy)	Â (2)	03/15/2016	Common Stock 25,000 \$ 15.05	D Â
Employee Stock Option (right to buy)	Â (3)	08/22/2017	Common Stock 24,000 \$ 14.32	D Â
Employee Stock Option (right to buy)	Â (4)	04/10/2018	Common Stock 15,000 \$ 15.07	D Â
Employee Stock Option (right to buy)	Â (5)	08/21/2018	Common Stock 15,750 \$ 16.5	D Â
Phantom Stock	Â (7)	12/22/2010	Common Stock 30,000 \$ (8)	D Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARNETT JOHN 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010	Â	Â	Â SVP-Pressure Pumping Ops	Â

## Signatures

By Kimberly R. Frye, Attorney-in-fact for John Carnett 10/10/2008

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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).

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

The option was granted under the Key Energy Group, Inc. 1997 Incentive Plan and is exercisable in three installments as follows: the first installment for 12,500 shares became exercisable on March 15, 2008; the second installment for 6,250 shares becomes exercisable on March 15, 2009; and the third installment for 6,250 shares becomes exercisable on March 15, 2010.

(3) The option was granted under the Key Energy Group, Inc. 1997 Incentive Plan and is exercisable in three annual installments. The first installment for 7,999 shares became exercisable on August 22, 2008; the second installment for 8,001 shares becomes exercisable on August 22, 2009; and the third installment for 8,000 shares becomes exercisable on August 22, 2010.

(4) The option was granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan and is exercisable in four equal annual installments beginning on April 10, 2009.

(5)

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The option was granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan and is exercisable in four annual installments as follows: 3,938 shares on August 21, 2009; 3,937 shares on August 21, 2010; 3,938 shares on August 21, 2011; and 3,937 shares on August 21, 2012.

- (6) Represents unvested award of restricted stock shares granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan. The restricted stock shares will vest in four equal annual installments beginning on August 21, 2009.
- (7) Each phantom share award granted December 22, 2006 shall vest in four equal annual installments on the anniversary of the grant date. The vested phantom shares are payable solely in cash within 20 days of the vesting date.
- (8) Each share of phantom stock is the economic equivalent of one share of KEG common stock.

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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