SKELLY JEFFREY S

Form 4 June 23, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

OMB APPROVAL

Expires:

January 31,

2005

0.5

Estimated average

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

2. Issuer Name and Ticker or Trading

KEY ENERGY SERVICES INC

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

SKELLY JEFFREY S

(Last)

(First)

(Middle)

(Zip)

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

1301 MCKINNEY STREET, SUITE 06/21/2010

1800

(Street) 4. If Amendment, Date Original

Symbol

[KEG]

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

Director 10% Owner X_ Officer (give title

Other (specify

SVP, Rig Services

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

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

HOUSTON, TX 77010

(City)

Common

Stock

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(State)

06/21/2010

(Month/Day/Year)

3. 4. Securities Acquired 5. Amount of Transaction(A) or Disposed of Code (D) (Instr. 3, 4 and 5) (Instr. 8)

Securities Beneficially Owned Following Reported

Transaction(s)

(Instr. 3 and 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect (I) (Instr. 4)

D

Beneficial Ownership (Instr. 4)

or Code V Price Amount (D)

50,000 A

(1)

\$0 A

(A)

50,000

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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. Transactio Code (Instr. 8)	5. Number proof 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 II S (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Performance Units (2)	<u>(2)</u>	06/21/2010		A	8,000	(2)	(2)	Common Stock	8,000	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SKELLY JEFFREY S 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010

SVP, Rig Services

Signatures

By Robert B. Rapfogel, Attorney-in-fact for Jeffrey S. Skelly

06/23/2010

**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).
- (1) Represents an award of 50,000 shares of unvested restricted stock granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan. These shares of restricted stock will vest in three annual installments beginning on June 21, 2011.
 - Represents performance units granted under the Key Energy Services, Inc. 2009 Equity and Cash Incentive Plan. Half of the performance units are subject to a performance period from March 1, 2010 through February 28, 2011, and half are subject to a performance period from March 1, 2011 through February 29, 2012. At the end of each performance period, either 0%, 50% or 100% of the performance
- (2) units subject to that performance period will vest based on the relative performance of Key Energy Services, Inc. within a peer group of companies as measured by total shareholder return. If any performance units vest at the end of a performance period, such vested performance units will be settled within sixty (60) days after the vesting date, solely in cash, in an amount equal to the closing price per share of Key Energy Services, Inc.'s common stock on the last trading day of the performance period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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