

PIPES THOMAS R
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 and Ticker or Trading Symbol	
Â PIPES THOMAS R		(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-Well Srvc Rig 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	500	D	Â
Common Stock	18,795 ⁽⁶⁾	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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.

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	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	Â (1)	05/07/2013	Common Stock	20,000	\$ 11.81	D	Â
Employee Stock Option (right to buy)	Â (1)	05/07/2013	Common Stock	10,000	\$ 10.22	D	Â
Employee Stock Option (right to buy)	Â (2)	03/15/2016	Common Stock	20,000	\$ 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	20,670	\$ 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
PIPES THOMAS R 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010	Â	Â	Â SVP-Well Srvc Rig Ops	Â

Signatures

By Kimberly R. Frye, Attorney-in-fact for Thomas R. Pipes 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 10,000 shares became exercisable on March 15, 2008; the second installment for 5,000 shares becomes exercisable on March 15, 2009; and the third installment for 5,000 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.

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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: 5,168 shares on August 21, 2009; 5,167 shares on August 21, 2010; 5,168 shares on August 21, 2011; and 5,167 shares on August 21, 2012.
- (5) 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.
 - (6) 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.
 - (7) 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. 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.