

BREAZZANO DAVID J
 Form 4
 May 11, 2011

FORM 4

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

OMB APPROVAL

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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 *
 BREAZZANO DAVID J

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)

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

Director 10% Owner
 Officer (give title below) Other (specify below)

1301 MCKINNEY STREET, SUITE 1800

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

(Street)
 HOUSTON, TX 77010

(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) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--------|---|--|-----------------------------------|------------|-------|
| | | | | Code | V | Amount | | | | (A) or (D) | Price |
| Common Stock | 05/09/2011 | | M | | | 15,000 | A | \$ 8 | 342,541 | D | |
| Common Stock | 05/09/2011 | | M | | | 25,000 | A | \$ 8.35 | 367,541 | D | |
| Common Stock | 05/09/2011 | | M | | | 10,000 | A | \$ 10.22 | 377,541 | D | |
| Common Stock | 05/09/2011 | | S | | | 3,700 | D | \$ 16.51 | 373,841 | D | |
| Common Stock | 05/09/2011 | | S | | | 2,100 | D | \$ 16.52 | 371,741 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|-----------|---------|---|
| Common Stock | 05/09/2011 | S | 5,600 | D | \$ 16.53 | 366,141 | D |
| Common Stock | 05/09/2011 | S | 1,900 | D | \$ 16.54 | 364,241 | D |
| Common Stock | 05/09/2011 | S | 400 | D | \$ 16.545 | 363,841 | D |
| Common Stock | 05/09/2011 | S | 4,700 | D | \$ 16.55 | 359,141 | D |
| Common Stock | 05/09/2011 | S | 1,300 | D | \$ 16.56 | 357,841 | D |
| Common Stock | 05/09/2011 | S | 2,978 | D | \$ 16.57 | 354,863 | D |
| Common Stock | 05/09/2011 | S | 1,000 | D | \$ 16.58 | 353,863 | D |
| Common Stock | 05/09/2011 | S | 1,200 | D | \$ 16.59 | 352,663 | D |
| Common Stock | 05/09/2011 | S | 100 | D | \$ 16.61 | 352,563 | D |
| Common Stock | 05/09/2011 | S | 1,200 | D | \$ 16.63 | 351,363 | D |
| Common Stock | 05/09/2011 | S | 51 | D | \$ 16.64 | 351,312 | D |
| Common Stock | 05/09/2011 | S | 56 | D | \$ 16.65 | 351,256 | D |

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.

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(9-02)

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

| 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. Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

| | | | | | | | | |
|-----------------------------|----------|------------|---|--------|------------|------------|--------------|--------|
| Stock Option (right to buy) | \$ 8 | 05/09/2011 | M | 15,000 | <u>(1)</u> | 10/16/2011 | Common Stock | 15,000 |
| Stock Option (right to buy) | \$ 8.35 | 05/09/2011 | M | 25,000 | <u>(2)</u> | 01/31/2012 | Common Stock | 25,000 |
| Stock Option (right to buy) | \$ 10.22 | 05/09/2011 | M | 10,000 | <u>(3)</u> | 07/18/2013 | Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BREAZZANO DAVID J 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010 | | X | | |

Signatures

By Joshua K. Hancock, Attorney-in-fact for David J. Breazzano

05/11/2011

__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) These options were granted on October 16, 2001 under the Key Energy Group, Inc. 1997 Incentive Plan (the "1997 Plan") and are fully vested.
- (2) These options were granted on January 31, 2002 under the 1997 Plan and are fully vested.
- (3) These options were granted on July 18, 2003 under the 1997 Plan and are fully vested.

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.