FRYE KIMBERLY R

Form 4

December 23, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB APPROVAL OMB

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SECURITIES

subject to Section 16. Form 4 or Form 5 obligations

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if no longer

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

FRYE KIMBERLY R

2. Issuer Name and Ticker or Trading

Symbol

KEY ENERGY SERVICES INC

[KEG]

3. Date of Earliest Transaction

(Month/Day/Year) 12/22/2009

(Middle)

below)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner Other (specify X_ Officer (give title

SVP, GC and Secretary

1301 MCKINNEY STREET, SUITE 1800

(Street)

(State)

(First)

(City)

(Last)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

HOUSTON, TX 77010

(City)	(State) (Table Table	e I - Non-D	erivative Sec	curities Acq	uired, Disposed o	of, or Beneficial	ly Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)		3. Transactio	4. Securities		5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)	•	any	Code	(D)		Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 a	and 5)	Owned	Indirect (I)	Ownership
						Following Reported	(Instr. 4)	(Instr. 4)
					(A)	Transaction(s)		
			Code V		or (D) Price	(Instr. 3 and 4)		
Common Stock	12/22/2009		M	2,500 A	A (1)	139,757 (2)	D	
Common Stock	12/22/2009		D	2,500 D	\$ 9.02 (1)	137,257 (2)	D	

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

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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. Transactic 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock	<u>(1)</u>	12/22/2009		M	2,500	<u>(3)</u>	12/22/2010	Common Stock	2,500

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

FRYE KIMBERLY R 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010

SVP, GC and Secretary

Signatures

By Robert B. Rapfogel, Attorney-in fact for Kimberly R. Frye

12/23/2009

De

(In

**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) 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.
- (2) Includes 133,980 unvested shares of restricted stock granted under the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan.
- 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. The original grant was for 10,000 phantom shares, of which 2,500 shares vested on December 22, 2007, 2,500 shares vested on December 22, 2008 and 2,500 shares vested on December 22, 2009.

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.

Reporting Owners 2