

PIPES THOMAS R  
Form 4  
December 27, 2010

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
PIPES THOMAS R

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)  
1301 MCKINNEY STREET, SUITE 1800

3. Date of Earliest Transaction (Month/Day/Year)  
12/22/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SVP, Industry Relations

HOUSTON, TX 77010

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

(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 Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Stock	12/22/2010		M		10,000	A	\$ 119,420 <sup>(2)</sup>	D	
Common Stock	12/22/2010		D		10,000	D	\$ 13.11 <sup>(1)</sup>	D	
Common Stock					3,000 <sup>(3)</sup>	I			By Courtney Pipes Management Trust
Common					2,000 <sup>(3)</sup>	I			By Lindsey

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Stock				Pipes Management Trust
Common Stock		500 <sup>(4)</sup>	I	By daughter
Common Stock		500 <sup>(5)</sup>	I	By daughter

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

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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
Phantom Stock	<u>(1)</u>	12/22/2010		M	10,000	<u>(6)</u> 12/22/2010	Common Stock	10,000	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PIPES THOMAS R 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010			SVP, Industry Relations	

## Signatures

By Joshua K. Hancock, Attorney-in-fact for Thomas R.  
Pipes

12/27/2010

\_\_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) 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 99,819 unvested shares of restricted stock granted under the 2007 Plan and the Key Energy Services, Inc. 2009 Equity and Cash Incentive Plan.

(3) These shares are held in a trust for the benefit of one of the reporting person's daughters who does not share his household. The reporting person's spouse is the trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purpose of Section 16 or for any other purpose.

(4) These shares are held in an account controlled by one of the reporting person's daughters, Courtney Pipes, with whom the reporting person does not share his household, and on which account the reporting person is a co-signer. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(5) These shares are held in an account controlled by one of the reporting person's daughters, Lindsey Pipes, with whom the reporting person does not share his household, and on which account the reporting person is a co-signer. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(6) 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 40,000 phantom shares, of which 10,000 shares vested on December 22, 2007, 10,000 shares vested on December 22, 2008, 10,000 shares vested on December 22, 2009 and 10,000 shares vested on December 22, 2010.

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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