Flynt Jim D Form 4 October 02, 2007

### FORM 4

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

Check this box

if no longer subject to Section 16.

Form 4 or Form 5 obligations

(Print or Type Responses)

(Last)

(Instr. 3)

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

Symbol

1. Name and Address of Reporting Person \* Flynt Jim D

(Middle)

KEY ENERGY SERVICES INC [KEGS]

6 DESTA DRIVE, SUITE 4400

(First)

(Street)

10/02/2007 4. If Amendment, Date Original

(Month/Day/Year)

Filed(Month/Day/Year)

3. Date of Earliest Transaction

MIDLAND, TX 79705

5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

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

SVP - Western Region

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

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

(City) (State) (Zip)

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

(Month/Day/Year)

3. 4. Securities Code (Instr. 8)

TransactionAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5)

Code V Amount (D) Price

(A)

5. Amount of Securities Beneficially Owned Following Reported Transaction(s)

6. Ownership Form: Direct (D) or Indirect Beneficial (I) (Instr. 4)

7. Nature of Indirect Ownership (Instr. 4)

(Instr. 3 and 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **TransactionDerivative** Code Securities Acquired

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amour Underlying Securit (Instr. 3 and 4)

#### Edgar Filing: Flynt Jim D - Form 4

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sh
Employee Stock Option (right to buy)	\$ 8.5	10/02/2007		D		25,000	(1)(2)	04/18/2010	Common Stock	25,0
Employee Stock Option (right to buy)	\$ 8.87	10/02/2007		A	25,000		(1)(2)	04/18/2010	Common Stock	25,0

Dalatianshin

## **Reporting Owners**

Reporting Owner Name / Address	Keiationsnips						
. 9	Director	10% Owner	Officer	Other			
Flynt Jim D 6 DESTA DRIVE, SUITE 4400 MIDLAND, TX 79705			SVP - Western Region				
Signatures							
By Newton W. Wilson III, Attorney Flynt	Jim D.	10/02/2007					
**Signature of Reporting Po	erson		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).

In a Form 3 filed on March 14, 2003, the reporting person reported that, on April 18, 2000, he was granted an employee stock option covering 50,000 shares of common stock, having an exercise price of \$8.50 per share (the market price of the stock on April 18, 2000), (1) and vesting (i) 12,500 shares on 4/18/2000 provided the stock price reaches \$13, (ii) 12,500 on 4/18/2001 provided the stock price reaches \$15, (iii) 12,500 on 4/18/2002 provided the stock price reaches \$17 and (iv) 12,500 on 4/18/2003 provided the stock price reaches

\$20.

It was recently determined that the actual date of grant of that option was April 27, 2000, when the market price of the Company's common stock was \$8.87 per share. To avoid adverse tax consequences resulting from vesting of a "discounted option" after December 31, 2004, the reporting person and the Company agreed to amend the option to provide that, with respect to the portion of the option

vesting after December 31, 2004 (representing 25,000 shares), the option will have an exercise price of \$8.87 per share. The amendment is reported in this Form 4 as a cancellation of a portion of the original option and the grant of a replacement option. In connection with the amendment, the reporting person became entitled to receive, on January 4, 2008, a cash payment of \$9,250, which is the amount of the increase in the aggregate exercise price of the option. The original option remains exercisable for 25,000 shares at the original exercise price of \$8.50 per share.

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