

Coyne Phil  
Form 4  
July 01, 2009

**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 \*  
Coyne Phil

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)  
06/29/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SVP - Wireline Services

(Street)  
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 Ownership (Instr. 4)
			Code	V	Amount or Price (\$)		
Common Stock	06/29/2009		F		2,478 (1) 5.78 (2)	D	D
Common Stock	06/29/2009		D		48,273 (3) \$ 0	D	D
Common Stock	06/29/2009		M		20,000 (4) 26,888	A	D
Common Stock	06/29/2009		D		20,000 (4) \$ 5.66 (4)	D	D

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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)	Amount or Number of Shares
Phantom Stock	(4)	06/29/2009		M	20,000	06/29/2009 12/22/2010	Common Stock	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Coyne Phil 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010			SVP - Wireline Services	

## Signatures

By Robert B. Rapfogel, Attorney-in-fact for Phil Coyne  
 Signature: \_\_\_\_\_ Date: 07/01/2009

\*\*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) Payment of tax liability by delivery of stock incident to the vesting on June 29, 2009 of 9,366 shares of restricted stock.
- (2) Vesting price is based on the closing price of common stock on June 26, 2009, pursuant to the Key Energy Group, Inc. 1997 Incentive Plan.
- (3) Forfeiture of unvested restricted stock upon the reporting person's end of employment with the company, pursuant to the Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan.
- (4) Each share of phantom stock was the economic equivalent of one share of Key Energy Services, Inc.'s common stock, which, pursuant to the plan under which it was granted, was required to be settled in cash based on the closing price on the date each share vested. 20,000 shares of the reporting person's phantom stock vested on June 29, 2009 in connection with the reporting person's end of employment with

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the company, and, as required under the plan, was settled in cash.

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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