Flynt Jim D
Form 4
January 06, 2009

FORM 4

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

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

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).

(Print or Type Responses)

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

(Last) (First) (Middle)

6 DESTA DRIVE, SUITE 4400

(Street)

MIDLAND, TX 79705

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
KEY ENERGY SERVICES INC [KEG]

3. Date of Earliest Transaction (Month/Day/Year)
01/02/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP - Fluid Mgmt Ops

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

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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/02/2009		F		2,529 (1)	D	$ 4.41 (2)	29,542 (3)	D	
Common Stock	01/02/2009		F		5,028 (4)	D	$ 4.66 (5)	24,514 (3)	D	
Common Stock	01/02/2009		M		20,000	A	(6)	44,514 (3)	D	
Common Stock	01/02/2009		D		20,000	D	$ 4.66 (6)	24,514 (3)	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. 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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock	(6)	01/02/2009		M			20,000	01/02/2009	12/22/2010	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Flynt Jim D 6 DESTA DRIVE, SUITE 4400 MIDLAND, TX 79705			SVP - Fluid Mgmt Ops	

Signatures

By Kimberly R. Frye, Attorney-in-fact for Jim D. Flynt	01/05/2009
**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 January 2, 2009 of 9,557 shares of restricted stock.

(2) Vesting price is based on the closing price of common stock on December 31, 2008, pursuant to the company's 1997 Incentive Plan (the "1997 Plan").

(3) Included 9,557 restricted stock shares granted August 22, 2007 under the 1997 Plan and 19,000 restricted stock shares granted April 10, 2008 under the company's 2007 Equity and Cash Incentive Plan (the "2007 Plan"), all of which vested in full on January 2, 2009 upon the reporting person's end of employment with the company.

(4) Payment of tax liability by delivery of stock incident to the vesting on January 2, 2009 of 19,000 shares of restricted stock.

(5) Vesting price is based on the closing price of common stock on January 2, 2009, pursuant to the 2007 Plan.

(6) Each share of phantom stock was the economic equivalent of one share of the company'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 such shares vested. 20,000 shares of the reporting person's phantom stock vested on January 2, 2009 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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