

KEY ENERGY SERVICES INC  
Form 10-K  
February 25, 2015  
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K  
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-08038

KEY ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

1301 McKinney Street

Suite 1800

Houston, Texas 77010

(Address of principal executive offices, including Zip Code)

(713) 651-4300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$0.10 par value

Securities registered pursuant to Section 12(g) of the Act:

Title of Class

None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes  No

04-2648081  
(I.R.S. Employer Identification No.)

Name of Exchange on Which Registered  
New York Stock Exchange

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes       No

The aggregate market value of the common stock of the registrant held by non-affiliates as of June 30, 2014, based on the \$9.14 per share closing price for the registrant's common stock as quoted on the New York Stock Exchange on such date, was \$1.2 billion (for purposes of calculating these amounts, only directors, officers and beneficial owners of 10% or more of the outstanding common stock of the registrant have been deemed affiliates).

As of February 17, 2015, the number of outstanding shares of common stock of the registrant was 154,398,693.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934 with respect to the 2014 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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For the Year Ended December 31, 2014  
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to statements of historical fact, this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature or that relate to future events and conditions are, or may be deemed to be, forward-looking statements. These “forward-looking statements” are based on our current expectations, estimates and projections about Key Energy Services, Inc. and its wholly owned and controlled subsidiaries, our industry and management’s beliefs and assumptions concerning future events and financial trends affecting our financial condition and results of operations. In some cases, you can identify these statements by terminology such as “may,” “will,” “should,” “predicts,” “expects,” “believes,” “anticipates,” “projects,” “potentially,” “continue” or the negative of such terms and other comparable terminology. These statements are only predictions and are subject to substantial risks and uncertainties and are not guarantees of performance. Future actions, events and conditions and future results of operations may differ materially from those expressed in these statements. In evaluating those statements, you should carefully consider the risks outlined in “Item 1A. Risk Factors.”

We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report except as required by law. All of our written and oral forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking statements.

Important factors that may affect our expectations, estimates or projections include, but are not limited to, the following:

- conditions in the oil and natural gas industry, especially oil and natural gas prices and capital expenditures by oil and natural gas companies;
- volatility in oil and natural gas prices;
- our ability to finance future growth of our operations or future acquisitions;
- our ability to implement price increases or maintain pricing on our core services;
- industry capacity;
- increased labor costs or unavailability of skilled workers;
- asset impairments or other charges;
- the periodic low demand for our services and resulting operating losses;
- our highly competitive industry as well as operating risks, which are primarily self-insured, and the possibility that our insurance may not be adequate to cover all of our losses or liabilities;
- the economic, political and social instability risks of doing business in certain foreign countries;
- significant costs and potential liabilities resulting from compliance with investigations relating to the possible violations the U.S. Foreign Corrupt Practices Act and other applicable laws;
- our historically high employee turnover rate and our ability to replace or add workers;
- our ability to incur debt or long-term lease obligations or to implement technological developments and enhancements;
- significant costs and liabilities resulting from environmental, health and safety laws and regulations, including those relating to hydraulic fracturing;
- severe weather impacts on our business;
- our ability to successfully identify, make and integrate acquisitions;
- the loss of one or more of our larger customers;
- the impact of compliance with climate change legislation or initiatives;
- our ability to generate sufficient cash flow to meet debt service obligations;
- the amount of our debt and the limitations imposed by the covenants in the agreements governing our debt;
- an increase in our debt service obligations due to variable rate indebtedness; and
- other factors affecting our business described in “Item 1A. Risk Factors.”



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PART I

ITEM 1. BUSINESS

General Description of Business

Key Energy Services, Inc. (NYSE: KEG), a Maryland corporation, is the largest onshore, rig-based well servicing contractor based on the number of rigs owned. References to “Key,” the “Company,” “we,” “us” or “our” in this report refer to Key Energy Services, Inc., its wholly owned subsidiaries and its controlled subsidiaries. We were organized in April 1977 and commenced operations in July 1978 under the name National Environmental Group, Inc. In December 1992, we became Key Energy Group, Inc. and we changed our name to Key Energy Services, Inc. in December 1998.

We provide a full range of well services to major oil companies, foreign national oil companies and independent oil and natural gas production companies. Our services include rig-based and coiled tubing-based well maintenance and workover services, well completion and recompletion services, fluid management services, fishing and rental services and other ancillary oilfield services. Additionally, certain of our rigs are capable of specialty drilling applications. We operate in most major oil and natural gas producing regions of the continental United States, and we have operations in Mexico, Colombia, Ecuador, the Middle East and Russia. In addition, we have a technology development and control systems business based in Canada.

The following is a description of the various products and services that we provide and our major competitors for those products and services.

Service Offerings

We revised our reportable business segments as of the fourth quarter of 2014. The revised reportable segments are U.S. Rig Services, Fluid Management Services, Coiled Tubing Services, Fishing and Rental Services and International. We also have a “Functional Support” segment associated with overhead and other costs in support of our reportable segments. Segment disclosures as of and for the years ended December 31, 2013 and 2012 have been revised to reflect the change in segments. We revised our segments to reflect changes in management’s resource allocation and performance assessment in making decisions regarding our business. Our U.S. Rig Services, Fluid Management Services, Coiled Tubing Services, Fishing and Rental Services operate geographically within the United States. The International reportable segment includes our operations in Mexico, Colombia, Ecuador, Russia, Bahrain and Oman. Our Canadian subsidiary is also reflected in our International reportable segment. We evaluate the performance of our segments based on gross margin measures. All inter-segment sales pricing is based on current market conditions. See “Note 22. Segment Information” in “Item 8. Financial Statements and Supplementary Data” for additional financial information about our reportable business segments and the various geographical areas where we operate.

U.S. Rig Services

Our U.S. Rig Services include the completion of newly drilled wells, workover and recompletion of existing oil and natural gas wells, well maintenance, and the plugging and abandonment of wells at the end of their useful lives. We also provide specialty drilling services to oil and natural gas producers with certain of our larger rigs that are capable of providing conventional and horizontal drilling services. Our rigs encompass various sizes and capabilities, allowing us to service all types of wells with depths up to 20,000 feet. Many of our rigs are outfitted with our proprietary KeyView® technology, which captures and reports well site operating data and provides safety control systems. We believe that this technology allows our customers and our crews to better monitor well site operations, improves efficiency and safety, and adds value to the services that we offer.

The completion and recompletion services provided by our rigs prepare wells for production, whether newly drilled or recently extended through a workover operation. The completion process may involve selectively perforating the well casing to access production zones, stimulating and testing these zones, and installing tubular and downhole equipment. We typically provide a well service rig and may also provide other equipment to assist in the completion process. Completion services vary by well and our work may take a few days to several weeks to perform, depending on the nature of the completion.

The workover services that we provide are designed to enhance the production of existing wells and generally are more complex and time consuming than normal maintenance services. Workover services can include deepening or extending wellbores into new formations by drilling horizontal or lateral wellbores, sealing off depleted production zones and accessing previously bypassed production zones, converting former production wells into injection wells for enhanced recovery operations and conducting major subsurface repairs due to equipment failures. Workover services may last from a few days to several weeks, depending on the complexity of the workover.

Maintenance services provided with our rig fleet are generally required throughout the life cycle of an oil or natural gas well. Examples of these maintenance services include routine mechanical repairs to the pumps, tubing and other equipment, removing debris and formation material from wellbores, and pulling rods and other downhole equipment from wellbores to



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identify and resolve production problems. Maintenance services are generally less complicated than completion and workover related services and require less time to perform.

Our rig fleet is also used in the process of permanently shutting-in oil or natural gas wells that are at the end of their productive lives. These plugging and abandonment services generally require auxiliary equipment in addition to a well servicing rig. The demand for plugging and abandonment services is not significantly impacted by the demand for oil and natural gas because well operators are required by state regulations to plug wells that are no longer productive.

We believe that the largest competitors for our U.S. Rig Services include Nabors Industries Ltd., Basic Energy Services, Inc., Superior Energy Services, Inc., Forbes Energy Services Ltd. and Pioneer Energy Services Corp.

Numerous smaller companies also compete in our rig-based markets in the United States.

#### Fluid Management Services

We provide transportation and well-site storage services for various fluids utilized in connection with drilling, completions, workover and maintenance activities. We also provide disposal services for fluids produced subsequent to well completion. These fluids are removed from the well site and transported for disposal in saltwater disposal (“SWD”) wells owned by us or a third party. Demand and pricing for these services generally correspond to demand for our well service rigs.

We believe that the largest competitors for our domestic fluid management services include Basic Energy Services, Inc., Superior Energy Services, Inc., Nabors Industries Ltd., Nuverra Environmental Solutions, Forbes Energy Services Ltd., and Stallion Oilfield Services Ltd. Numerous smaller companies also compete in the fluid management services market in the United States.

#### Coiled Tubing Services

Coiled Tubing Services involve the use of a continuous metal pipe spooled onto a large reel which is then deployed into oil and natural gas wells to perform various applications, such as wellbore clean-outs, nitrogen jet lifts, through-tubing fishing, and formation stimulations utilizing acid and chemical treatments. Coiled tubing, particularly larger diameter coil units, is also used for a number of horizontal well applications such as milling temporary isolation plugs that separate frac zones and various other pre- and post-hydraulic fracturing well preparation services.

Our primary competitors in the Coiled Tubing Services market include Schlumberger Ltd., Baker Hughes Incorporated, Halliburton Company and Superior Energy Services, Inc. Numerous smaller companies also compete in our coiled tubing services markets in the United States. Demand for these services generally correspond to demand for well completion services.

#### Fishing and Rental Services

We offer a full line of fishing services and rental equipment designed for use in providing both onshore and offshore drilling and workover services. Fishing services involve recovering lost or stuck equipment in the wellbore utilizing a broad array of “fishing tools.” Our rental tool inventory consists of drill pipe, tubulars, handling tools (including our patented Hydra-Walk<sup>®</sup> pipe-handling units and services), pressure-control equipment, pumps, power swivels, reversing units and foam air units.

As a result of the 2011 acquisition of Edge Oilfield Services, LLC and Summit Oilfield Services, LLC (collectively, “Edge”), our rental inventory also includes frac stack equipment used to support hydraulic fracturing operations and the associated flowback of frac fluids, proppants, oil and natural gas. We also provide well testing services.

Demand for our Fishing and Rental Services is also closely related to capital spending by oil and natural gas producers.

Our primary competitors for our Fishing and Rental Services include Baker Oil Tools (owned by Baker Hughes Incorporated), Weatherford International Ltd., Basic Energy Services, Inc., Smith Services (owned by Schlumberger), Superior Energy Services, Inc., Quail Tools (owned by Parker Drilling Company) and Knight Oil Tools. Numerous smaller companies also compete in our fishing and rental services markets in the United States.

#### International Segment

Our International segment includes operations in Mexico, Colombia, Ecuador, the Middle East and Russia. In addition, we have a technology development and control systems business based in Canada. Also, prior to the sale of our Argentina business in the third quarter of 2012, we operated in Argentina. We are reporting the results of our Argentina business as discontinued operations for the 2012 period. We provide rig-based services such as the maintenance, workover, and recompletion of existing oil wells, completion of newly-drilled wells, and plugging and abandonment of wells at the end of their useful lives in each of our international markets.

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In addition, in Mexico we provide drilling, coiled tubing, wireline and project management and consulting services.

Our work in Mexico also requires us to provide third-party services, which vary in scope by project.

In the Middle East, we operate in the Kingdom of Bahrain and Oman. On August 5, 2013, we agreed to the dissolution of AlMansoori Key Energy Services, LLC, a joint venture formed under the laws of Abu Dhabi, UAE, and the acquisition of the underlying business for \$5.1 million. See “Note 2. Acquisitions” in “Item 8. Financial Statements and Supplementary Data” for further discussion.

Our Russian operations provide drilling, workover, and reservoir engineering services. On April 9, 2013, we completed the acquisition of the remaining 50% noncontrolling interest in OOO Geostream Services Group (“Geostream”), a limited liability company incorporated in the Russian Federation, for \$14.6 million. We now own 100% of Geostream. See “Note 2. Acquisitions” in “Item 8. Financial Statements and Supplementary Data” for further discussion.

Our technology development and control systems business based in Canada is focused on the development of hardware and software related to oilfield service equipment controls, data acquisition and digital information flow.

**Functional Support Segment**

Our Functional Support segment includes unallocated overhead costs associated with sales, safety and administrative support for our U.S. and International reporting segments.

**Equipment Overview**

We categorize our rigs and equipment as marketed or stacked. We consider a marketed rig or piece of equipment to be a unit that is working, on standby, or down for repairs but with work orders assigned to it or that is available for work. A stacked rig or piece of equipment is a unit that is in the remanufacturing process and could not be put to work without significant investment in repairs and additional equipment or we intend to salvage the unit for parts, sell the unit or scrap the unit. The definitions of marketed and stacked are used for the majority of our equipment.

**Rigs**

As mentioned above, our fleet is diverse and allows us to work on all types of wells, ranging from very shallow wells to wells as deep as 20,000 feet. Typically, higher horsepower (“HP”) rigs will be utilized on deep wells while lower HP rigs will be used on shallow wells. In most cases, these rigs can be reassigned to other regions should market conditions warrant the transfer of equipment. The following table summarizes our rigs based on horsepower (“HP”) as of December 31, 2014:

	Horsepower		
	< 450 HP	≥ 450 HP	Total
Marketed	304	336	640
Stacked	257	63	320
Total	561	399	960

**Coiled Tubing**

Coiled tubing uses a spooled continuous metal pipe that is injected downhole in oil and gas wells in order to convey tools, log, stimulate, clean-out and perform other intervention functions. Typically, larger diameter coiled tubing is able to service longer lateral horizontal wells. The table below summarizes our Coiled Tubing Services fleet by pipe diameter as of December 31, 2014:

	Pipe Diameter		
	< 2"	≥ 2"	Total
Marketed	17	21	38
Stacked	3	10	13
Total	20	31	51

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## Fluid Management Services

We have an extensive and diverse fleet of oilfield transportation service vehicles. We broadly define an oilfield transportation service vehicle as any heavy-duty, revenue-generating vehicle weighing over one ton. Our transportation fleet includes vacuum trucks, winch trucks, hot oilers and other vehicles, including kill trucks and various hauling and transport trucks. The table below summarizes our Fluid Management Services fleet as of December 31, 2014:

	Marketed	Stacked	Total
Truck Type			
Vacuum Trucks	494	94	588
Winch Trucks	83	5	88
Hot Oil Trucks	49	8	57
Kill Trucks	68	9	77
Other	33	—	33
Total	727	116	843

## Disposal Wells

As part of our Fluid Management Services, we provide disposal services for fluids produced subsequent to well completion. These fluids are removed from the well site and transported for disposal in SWD wells. The table below summarizes our SWD facilities, and brine and freshwater stations by state as of December 31, 2014:

	Owned	Leased(1)	Total	
171,095		28,264	—	447,160

(1) Long-lived assets include: fixed assets, goodwill, intangibles and other assets.

(2) Functional Support is geographically located in the United States.

## NOTE 23. UNAUDITED QUARTERLY RESULTS OF OPERATIONS

The following table presents our summarized, unaudited quarterly information for the two most recent years covered by these consolidated financial statements (in thousands, except for per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2014:				
Revenues	\$356,141	\$350,595	\$365,798	\$354,802
Direct operating expenses	258,302	262,883	272,112	266,354
Net loss	(11,899)	) (52,196)	) (62,229)	) (52,304)
Loss attributable to Key	(11,899)	) (52,196)	) (62,229)	) (52,304)
Loss per share(1):				
Basic and Diluted	(0.08)	) (0.34)	) (0.41)	) (0.34)

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Key Energy Services, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2013:				
Revenues	\$428,449	\$411,390	\$389,673	\$362,164
Direct operating expenses	299,182	287,102	268,297	259,881
Net loss	(186	) (3,772	) (4,697	) (12,518
Loss attributable to Key	(274	) (4,128	) (4,848	) (12,518
Loss per share(1):				
Basic and Diluted	—	(0.03	) (0.03	) (0.08

(1) Quarterly earnings per common share are based on the weighted average number of shares outstanding during the quarter, and the sum of the quarters may not equal annual earnings per common share.

NOTE 24. CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Our 2021 Notes are guaranteed by virtually all of our domestic subsidiaries, all of which are wholly owned. The guarantees are joint and several, full, complete and unconditional. There are no restrictions on the ability of subsidiary guarantors to transfer funds to the parent company.

As a result of these guarantee arrangements, we are required to present the following condensed consolidating financial information pursuant to SEC Regulation S-X Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered."

CONDENSED CONSOLIDATING BALANCE SHEETS

	December 31, 2014				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Assets:					
Current assets	\$39,020	\$341,188	\$53,587	\$—	\$433,795
Property and equipment, net	—	1,128,776	106,482	—	1,235,258
Goodwill	—	578,358	4,381	—	582,739
Deferred financing costs, net	10,735	—	—	—	10,735
Intercompany notes and accounts receivable and investment in subsidiaries	3,170,874	1,426,160	42,352	(4,639,386	) —
Other assets	—	56,664	14,307	—	70,971
<b>TOTAL ASSETS</b>	<b>\$3,220,629</b>	<b>\$3,531,146</b>	<b>\$221,109</b>	<b>\$(4,639,386</b>	<b>) \$2,333,498</b>
Liabilities and equity:					
Current liabilities	\$22,046	\$192,079	\$27,733	\$—	\$241,858
Long-term debt and capital leases, less current portion	748,426	—	—	—	748,426
Intercompany notes and accounts payable	1,162,648	2,696,051	123,810	(3,982,509	) —
Deferred tax liabilities	228,199	398	(134	) (69	) 228,394
Other long-term liabilities	1,264	55,182	311	—	56,757
Equity	1,058,046	587,436	69,389	(656,808	) 1,058,063
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$3,220,629</b>	<b>\$3,531,146</b>	<b>\$221,109</b>	<b>\$(4,639,386</b>	<b>) \$2,333,498</b>



## Key Energy Services, Inc. and Subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING BALANCE SHEETS

	December 31, 2013			Eliminations	Consolidated
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
Assets:					
Current assets	\$50,321	\$398,188	\$57,644	\$—	\$506,153
Property and equipment, net	—	1,244,216	121,430	—	1,365,646
Goodwill	—	597,457	27,418	—	624,875
Deferred financing costs, net	13,897	—	—	—	13,897
Intercompany notes and accounts receivable and investment in subsidiaries	3,421,607	1,364,174	12,939	(4,798,720 )	—
Other assets	—	34,278	42,621	—	76,899
<b>TOTAL ASSETS</b>	<b>\$3,485,825</b>	<b>\$3,638,313</b>	<b>\$262,052</b>	<b>\$(4,798,720 )</b>	<b>\$2,587,470</b>
Liabilities and equity:					
Current liabilities	\$26,097	\$182,497	\$23,750	\$—	\$232,344
Long-term debt and capital leases, less current portion	763,981	—	—	—	763,981
Intercompany notes and accounts payable	1,162,648	2,667,943	97,050	(3,927,641 )	—
Deferred tax liabilities	280,828	4,643	(1,819 )	801	284,453
Other long-term liabilities	1,195	54,486	(82 )	—	55,599
Equity	1,251,076	728,744	143,153	(871,880 )	1,251,093
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$3,485,825</b>	<b>\$3,638,313</b>	<b>\$262,052</b>	<b>\$(4,798,720 )</b>	<b>\$2,587,470</b>

## Key Energy Services, Inc. and Subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

	Year Ended December 31, 2014				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	\$—	\$1,325,670	\$125,262	\$(23,596)	) 1,427,336
Direct operating expense	—	979,018	90,584	(9,951)	) 1,059,651
Depreciation and amortization expense	—	187,676	13,062	—	200,738
General and administrative expense	941	239,276	23,054	(13,625)	) 249,646
Impairment expense	—	92,489	28,687	—	121,176
Operating loss	(941)	) (172,789)	) (30,125)	) (20)	) (203,875)
Interest expense, net of amounts capitalized	54,195	—	32	—	54,227
Other (income) expense, net	(1,976)	) 666	2,276	43	1,009
Loss from continuing operations before taxes	(53,160)	) (173,455)	) (32,433)	) (63)	) (259,111)
Income tax benefit	68,883	10,551	1,179	(130)	) 80,483
Income (loss) from continuing operations	15,723	(162,904)	) (31,254)	) (193)	) (178,628)
Discontinued operations	—	—	—	—	—
Net income (loss)	15,723	(162,904)	) (31,254)	) (193)	) (178,628)
Income attributable to noncontrolling interest	—	—	—	—	—
INCOME (LOSS) ATTRIBUTABLE TO KEY	\$15,723	\$(162,904)	) \$(31,254)	) \$(193)	) \$(178,628)
	Year Ended December 31, 2013				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	\$—	\$1,494,683	\$161,536	\$(64,543)	) \$1,591,676
Direct operating expense	—	1,046,376	118,028	(49,942)	) 1,114,462
Depreciation and amortization expense	—	214,334	10,963	—	225,297
General and administrative expense	1,077	202,599	33,336	(15,259)	) 221,753
Operating income (loss)	(1,077)	) 31,374	(791)	) 658	30,164
Interest expense, net of amounts capitalized	55,747	(606)	) 63	—	55,204
Other (income) expense, net	(3,616)	) (1,126)	) 316	3,623	(803)
Income (loss) from continuing operations before taxes	(53,208)	) 33,106	(1,170)	) (2,965)	) (24,237)
Income tax (expense) benefit	(13,385)	) 15,456	993	—	3,064
Income (loss) from continuing operations	(66,593)	) 48,562	(177)	) (2,965)	) (21,173)
Discontinued operations	—	—	—	—	—
Net income (loss)	(66,593)	) 48,562	(177)	) (2,965)	) (21,173)



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Income attributable to noncontrolling interest	—	—	595	—	595
INCOME (LOSS) ATTRIBUTABLE TO KEY	\$(66,593	) \$48,562	\$(772	) \$(2,965	) \$(21,768

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Key Energy Services, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

	Year Ended December 31, 2012				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	\$—	\$1,867,198	\$165,248	\$(72,376)	) \$1,960,070
Direct operating expense	—	1,254,087	117,293	(62,535)	) 1,308,845
Depreciation and amortization expense	—	205,755	8,028	—	) 213,783
General and administrative expense	1,046	216,069	24,853	(11,472)	) 230,496
Operating income (loss)	(1,046)	) 191,287	15,074	1,631	) 206,946
Interest expense, net of amounts capitalized	54,690	(1,292)	) 170	(2)	) 53,566
Other income, net	(5,500)	) (1,474)	) (3,142)	) 3,467	) (6,649)
Income (loss) from continuing operations before taxes	(50,236)	) 194,053	18,046	(1,834)	) 160,029
Income tax expense	(48,893)	) (3,385)	) (5,073)	) (1)	) (57,352)
Income (loss) from continuing operations	(99,129)	) 190,668	12,973	(1,835)	) 102,677
Discontinued operations	—	—	(93,568)	) —	) (93,568)
Net income (loss)	(99,129)	) 190,668	(80,595)	) (1,835)	) 9,109
Income attributable to noncontrolling interest	—	—	1,487	—	) 1,487
<b>INCOME (LOSS) ATTRIBUTABLE TO KEY</b>	<b>\$(99,129)</b>	<b>) \$190,668</b>	<b>\$(82,082)</b>	<b>) \$(1,835)</b>	<b>) \$7,622</b>

Key Energy Services, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2014				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	\$—	\$158,707	\$5,461	\$—	\$164,168
Cash flows from investing activities:					
Capital expenditures	—	(154,952 )	(6,687 )	—	(161,639 )
Payment of accrued acquisition cost of the 51% noncontrolling interest in AlMansoori Key Energy Services LLC	—	(5,100 )	—	—	(5,100 )
Intercompany notes and accounts	—	(18,892 )	—	18,892	—
Other investing activities, net	—	19,899	—	—	19,899
Net cash used in investing activities	—	(159,045 )	(6,687 )	18,892	(146,840 )
Cash flows from financing activities:					
Repayment of long-term debt	(3,573 )	—	—	—	(3,573 )
Proceeds from borrowings on revolving credit facility	260,000	—	—	—	260,000
Repayments on revolving credit facility	(275,000 )	—	—	—	(275,000 )
Repurchases of common stock	(2,245 )	—	—	—	(2,245 )
Intercompany notes and accounts	18,892	—	—	(18,892 )	—
Other financing activities, net	(1,240 )	—	—	—	(1,240 )
Net cash used in financing activities	(3,166 )	—	—	(18,892 )	(22,058 )
Effect of changes in exchange rates on cash	—	—	3,728	—	3,728
Net increase (decrease) in cash and cash equivalents	(3,166 )	(338 )	2,502	—	(1,002 )
Cash and cash equivalents at beginning of period	23,115	788	4,403	—	28,306
Cash and cash equivalents at end of period	\$19,949	\$450	\$6,905	\$—	\$27,304

## Key Energy Services, Inc. and Subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2013				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	\$—	\$222,364	\$6,279	\$—	\$228,643
Cash flows from investing activities:					
Capital expenditures	—	(157,443 )	(6,694 )	—	(164,137 )
Acquisition of the 50% noncontrolling interest in Geostream	—	(14,600 )	—	—	(14,600 )
Intercompany notes and accounts	—	(68,597 )	—	68,597	—
Other investing activities, net	—	17,856	—	—	17,856
Net cash used in investing activities	—	(222,784 )	(6,694 )	68,597	(160,881 )
Cash flows from financing activities:					
Repayments of capital lease obligations	—	(393 )	—	—	(393 )
Proceeds from borrowings on revolving credit facility	220,000	—	—	—	220,000
Repayments on revolving credit facility	(300,000 )	—	—	—	(300,000 )
Payment of deferred financing cost	(69 )	—	—	—	(69 )
Repurchases of common stock	(3,196 )	—	—	—	(3,196 )
Intercompany notes and accounts	68,597	—	—	(68,597 )	—
Other financing activities, net	(1,834 )	—	—	—	(1,834 )
Net cash used in financing activities	(16,502 )	(393 )	—	(68,597 )	(85,492 )
Effect of changes in exchange rates on cash	—	—	87	—	87
Net decrease in cash and cash equivalents	(16,502 )	(813 )	(328 )	—	(17,643 )
Cash and cash equivalents at beginning of period	39,617	1,601	4,731	—	45,949
Cash and cash equivalents at end of period	\$23,115	\$788	\$4,403	\$—	\$28,306

Key Energy Services, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

## CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2012				
	Parent Company (in thousands)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	\$—	\$349,208	\$20,452	\$—	\$369,660
Cash flows from investing activities:					
Capital expenditures	—	(430,045 )	(17,115 )	—	(447,160 )
Intercompany notes and accounts	676	49,926	—	(50,602 )	—
Other investing activities, net	(676 )	19,127 )	—	—	18,451
Net cash used in investing activities	—	(360,992 )	(17,115 )	(50,602 )	(428,709 )
Cash flows from financing activities:					
Proceeds from long term debt	205,000	—	—	—	205,000
Repayments of capital lease obligations	—	(1,959 )	—	—	(1,959 )
Proceeds from borrowings on revolving credit facility	275,000	—	—	—	275,000
Repayments on revolving credit facility	(405,000 )	—	—	—	(405,000 )
Payment of deferred financing cost	(4,597 )	—	—	—	(4,597 )
Repurchases of common stock	(7,519 )	—	—	—	(7,519 )
Intercompany notes and accounts	(49,926 )	(676 )	—	50,602	—
Other financing activities, net	4,986	8,035	—	—	13,021
Net cash provided by financing activities	17,944	5,400	—	50,602	73,946
Effect of changes in exchange rates on cash	—	—	(4,391 )	—	(4,391 )
Net increase (decrease) in cash and cash equivalents	17,944	(6,384 )	(1,054 )	—	10,506
Cash and cash equivalents at beginning of period	21,673	7,985	5,785	—	35,443
Cash and cash equivalents at end of period	\$39,617	\$1,601	\$4,731	\$—	\$45,949

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## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our principal executive and financial officers have concluded that our disclosure controls and procedures were effective as of the end of such period.

### Management’s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting can also be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. Management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria described in 2013 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on

this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2014.

Our internal control over financial reporting has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our last fiscal quarter of 2014, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

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Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Item 10 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after the close of the year ended December 31, 2014.

ITEM 11. EXECUTIVE COMPENSATION

Item 11 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after the close of the year ended December 31, 2014.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Item 12 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after the close of the year ended December 31, 2014.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Item 13 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after the close of the year ended December 31, 2014.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Item 14 is incorporated by reference to our definitive proxy statement to be filed pursuant to Regulation 14A under the Exchange Act. We expect to file the definitive proxy statement with the SEC within 120 days after the close of the year ended December 31, 2014.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following financial statements and exhibits are filed as part of this report:

1. Financial Statements — See “Index to Consolidated Financial Statements” at Page 44.
2. We have omitted all financial statement schedules because they are not required or are not applicable, or the required information is shown in the financial statements or the notes to the financial statements.
3. Exhibits

The Exhibit Index, which follows the signature pages to this report and is incorporated by reference herein, sets forth a list of exhibits to this report.



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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KEY ENERGY SERVICES, INC.

By:                    /s/ J. MARSHALL DODSON  
                          J. Marshall Dodson,  
                          Senior Vice President and Chief Financial Officer  
                          (As duly authorized officer and  
                          Principal Financial Officer)

Date: February 24, 2015

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Richard J. Alario and J. Marshall Dodson, and each of them, his true and lawful attorney-in-fact and agent, with full powers of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting to said attorneys-in-fact, and each of them, full power and authority to perform any other act on behalf of the undersigned required to be done in connection therewith.

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in their capacities and on February 24, 2015.

Signature	Title
/s/ RICHARD J. ALARIO Richard J. Alario	Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)
/s/ J. MARSHALL DODSON J. Marshall Dodson	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ MARK A. COX Mark A. Cox	Vice President and Controller (Principal Accounting Officer)
/s/ LYNN R. COLEMAN Lynn R. Coleman	Director
/s/ KEVIN P. COLLINS Kevin P. Collins	Director
/s/ WILLIAM D. FERTIG William D. Fertig	Director
/s/ W. PHILLIP MARCUM W. Phillip Marcum	Director
/s/ RALPH S. MICHAEL, III Ralph S. Michael, III	Director
/s/ WILLIAM F. OWENS William F. Owens	Director
/s/ ROBERT K. REEVES Robert K. Reeves	Director
/s/ MARK H. ROSENBERG Mark H. Rosenberg	Director
/s/ ARLENE M. YOCUM Arlene M. Yocum	Director

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EXHIBIT INDEX

Exhibit No.	Description
2.1	Asset Purchase Agreement, dated as of July 2, 2010, by and among Key Energy Pressure Pumping Services, LLC, Key Electric Wireline Services, LLC, Key Energy Services, Inc., Portofino Acquisition Company (now known as Universal Pressure Pumping, Inc.) and Patterson UTI Energy, Inc. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 6, 2010, File No. 001-08038.)
2.2	Amending Letter Agreement, dated September 1, 2010, by and among Key Energy Pressure Pumping Services, LLC, Key Electric Wireline Services, LLC, Key Energy Services, Inc., Portofino Acquisition Company (now known as Universal Pressure Pumping, Inc.) and Patterson UTI Energy, Inc. (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, File No. 001-08038)
2.3	Amending Letter Agreement, dated October 1, 2010, by and among Key Energy Pressure Pumping Services, LLC, Key Electric Wireline Services, LLC, Key Energy Services, Inc., Portofino Acquisition Company (now known as Universal Pressure Pumping, Inc.) and Patterson UTI Energy, Inc. (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, File No. 001-08038)
2.4	Purchase and Sale Agreement, dated as of July 23, 2010, by and among OFS Holdings, LLC, a Delaware limited liability company, OFS Energy Services, LLC, a Delaware limited liability company, Key Energy Services, Inc., a Maryland corporation, and Key Energy Services, LLC, a Texas limited liability company. (Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K/A filed on October 8, 2010, File No. 001-08038.)
2.5	Amendment No. 1 to Purchase and Sale Agreements, dated as of August 27, 2010, by and among OFS Holdings, LLC, a Delaware limited liability company, OFS Energy Services, LLC, a Delaware limited liability company, Key Energy Services, Inc., a Maryland corporation, and Key Energy Services, LLC, a Texas limited liability company. (Incorporated by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K/A filed on October 8, 2010, File No. 001-08038.)
2.6	Amendment No. 2 to Purchase and Sale Agreements, dated as of September 30, 2010, by and among OFS Holdings, LLC, a Delaware limited liability company, OFS Energy Services, LLC, a Delaware limited liability company, Key Energy Services, Inc., a Maryland corporation, and Key Energy Services, LLC, a Texas limited liability company. (Incorporated by reference to Exhibit 2.3 of the Company's Current Report on Form 8-K/A filed on October 8, 2010, File No. 001-08038.)
2.7	Agreement and Plan of Merger, dated as of July 13, 2011, by and among Key Energy Services, Inc., Key Merger Sub I, Key Merger Sub II, Edge Oilfield Services, L.L.C.,

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Summit Oilfield Services, L.L.C., the Edge Holders and the Summit Holders (Incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K filed on July 15, 2011, File No. 001-08038.)

3.1 Articles of Restatement of Key Energy Services, Inc. (Incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 001-08038.)

3.2 Unanimous consent of the Board of Directors of Key Energy Services, Inc., dated January 11, 2000, limiting the designation of the additional authorized shares to common stock. (Incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, File No. 001-08038.)

3.3 Seventh Amended and Restated By-laws of Key Energy Services, Inc. as amended through February 26, 2014 (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on February 26, 2014, File No. 001-08038.)

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Exhibit No.	Description
4.1.1	Indenture, dated as of November 29, 2007, among Key Energy Services, Inc., the guarantors party thereto and The Bank of New York Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on November 30, 2007, File No. 001-08038.)
4.1.2	First Supplemental Indenture, dated as of January 22, 2008, among Key Marine Services, LLC, the existing Guarantors and The Bank of New York Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.5 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, File No. 001-08038.)
4.1.3	Second Supplemental Indenture, dated as of January 13, 2009, among Key Energy Mexico, LLC, the existing Guarantors and The Bank of New York Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.6 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 001-08038.)
4.1.4	Third Supplemental Indenture, dated as of July 31, 2009, among Key Energy Services California, Inc., the existing Guarantors and The Bank of New York Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.5 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 001-08038.)
4.1.5	Fourth Supplemental Indenture dated as of March 1, 2011 by and among Key Energy Services, Inc., the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on March 1, 2011, File No. 001-08038.)
4.1.6	Fifth Supplemental Indenture dated as of January 17, 2013 by and among Key Energy Services, Inc., the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.1.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
4.2.1	Indenture, dated as of March 4, 2011, among Key Energy Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on March 4, 2011, File No. 001-08038.)
4.2.2	First Supplemental Indenture, dated as of March 4, 2011, among Key Energy Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed on March 4, 2011, File No. 001-08038.)
4.2.3	

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Amended First Supplemental Indenture, dated as of March 8, 2012, by and among Key Energy Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed March 9, 2012, File No. 001-08038.)

4.2.4 Second Supplemental Indenture, dated as of January 17, 2013, among Key Energy Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Incorporated by reference to Exhibit 4.2.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)

4.2.5 Form of global note for 6.750% Senior Notes due 2021 (Incorporated by reference from Exhibit A to Exhibit 4.8.)

4.2.6 Form of global note for 6.750% Senior Notes due 2021. (Incorporated by reference from Exhibit A to Rule 144A/Regulation S Appendix to Exhibit 4.1 of the Company's Current Report on Form 8-K filed March 9, 2012, File No. 001-08038.)

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Exhibit No.	Description
4.2.7	Registration Rights Agreement with MHR Group dated July 26, 2012. (Incorporated by reference to Exhibit 4.2.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, File No. 001-0838.)
10.1.1†	Key Energy Services, Inc. 2007 Equity and Cash Incentive Plan. (Incorporated by Reference to Appendix A of the Company's Schedule 14A Proxy Statement filed on November 1, 2007, File No. 001-08038.)
10.1.2†	Form of Nonstatutory Stock Option Agreement under 2007 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 001-08038.)
10.1.3†	Form of Restricted Stock Award Agreement under 2007 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated April 16, 2008, File No. 001-08038.)
10.2.1†	Key Energy Services, Inc. 2009 Equity and Cash Incentive Plan. (Incorporated by Reference to Appendix A of the Company's Schedule 14A Proxy Statement filed on April 16, 2009, File No. 001-08038.)
10.2.2†	Form of Restricted Stock Award Agreement under 2009 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 001-08038.)
10.2.3†	Form of Nonqualified Stock Option Agreement under 2009 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 001-08038.)
10.2.4†	Form of Restricted Stock Unit Award Agreement (Canadian) under 2009 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.2.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.2.5†	Form of Restricted Stock Unit Award Agreement (Non-Canadian) under 2009 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.2.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.2.6†	Form of Performance Unit Award Agreement under the Key Energy Services, Inc. 2009 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed January 20, 2012, File No. 001-08038.)
10.3†	

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Key Energy Services, Inc. 2012 Performance Unit Plan. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 20, 2012, File No. 001-08038.)

10.4.1† Key Energy Services, Inc. 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Appendix A of the Company's Proxy Statement on Schedule 14A filed on April 11, 2012, File No. 001-08038.)

10.4.2† Form of Restricted Stock Award Agreement under 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 25, 2013, File No. 001-08038.)

10.4.3† Form of Performance Unit Award Agreement under 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed January 25, 2013, File No. 001-08038.)



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Exhibit No.	Description
10.4.4†	Form of Nonstatutory Stock Option Agreement under 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.4.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.4.5†	Form of Restricted Stock Unit Award Agreement (Canadian) under 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.4.6†	Form of Restricted Stock Unit Award Agreement (Non-Canadian) under 2012 Equity and Cash Incentive Plan. (Incorporated by reference to Exhibit 10.4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.5†	Key Energy Services, Inc. 2013 Performance Unit Plan. (Incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, File No. 001-0838.)
10.6†	Restated Employment Agreement, dated effective as of December 31, 2007, among Richard J. Alario, Key Energy Services, Inc. and Key Energy Shared Services, LLC. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 7, 2008, File No. 001-08038.)
10.7†	Employment Agreement, dated as of March 26, 2009, by and between Trey Whichard and Key Energy Shared Services, LLC. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated April 1, 2009, File No. 001-08038.)
10.8†	Restated Employment Agreement, dated effective as of December 31, 2007, among Newton W. Wilson III, Key Energy Services, Inc. and Key Energy Shared Services, LLC. (Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed on January 7, 2008, File No. 001-08038.)
10.9†	Amended and Restated Employment Agreement, dated October 22, 2008, between Kimberly R. Frye, Key Energy Services, Inc. and Key Energy Shared Services, LLC. (Incorporated by reference to Exhibit 10.14 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 001-08038.)
10.10†	Restated Employment Agreement dated effective as of December 31, 2007, among Kim B. Clarke, Key Energy Services, Inc. and Key Energy Shared Services, LLC (Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed on January 7, 2008, File No. 001-08038.)
10.11†	Employment Agreement, dated effective as of March 25, 2013, among J. Marshall Dodson and Key Energy Services, LLC (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated March 28, 2013, File No. 001-08038.)

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- 10.12† Form of Amendment to Employment Agreement, in the form executed on March 29, 2010, by and between Key Energy Services, Inc., Key Energy Shared Services, LLC, and each of Richard J. Alario, T.M. Whichard III, Newton W. Wilson III, Kim B. Clarke and Kim R. Frye. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated April 1, 2010, File No. 001-08038.)
- 10.13\* Key Energy Services, Inc. Clawback Policy.
- 10.14.1 Credit Agreement, dated as of March 31, 2011, among Key Energy Services, Inc., each of the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, and Capital One, N.A. and Wells Fargo Bank, N.A., as co-documentation agents. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on April 5, 2011, File No. 001-08038.)

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Exhibit No.	Description
10.14.2	First Amendment to Credit Agreement, dated as of July 27, 2011, among Key Energy Services, Inc., each of the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, and Capital One, N.A., Wells Fargo Bank, N.A., Credit Agricole Corporate and Investment Bank and DnB NOR Bank ASA, as co-documentation agents (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 29, 2011, File No. 001-08038.)
10.14.3	Second Amendment to Credit Agreement, dated as of December 5, 2014, among Key Energy Services, Inc., each of the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., as syndication agent, and Capital One, N.A., Wells Fargo Bank, N.A., Credit Agricole Corporate and Investment Bank and DnB NOR Bank ASA, as co-documentation agents (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on December 8, 2014, File No. 001-08038.)
10.15	Twenty-First Amendment to Office Lease dated May 15, 2014 Crescent 1301 McKinney, L.P. and Key Energy Services, Inc. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 16, 2014 File No. 001-08038.)
10.16.1†	Key Energy Services, Inc. 2014 Equity and Cash Incentive Plan. (Incorporated by reference to Appendix A of the Company's Proxy Statement on Schedule 14A filed on May 7, 2014, File No. 001-08038.)
10.16.2†*	Form of Restricted Stock Award Agreement under 2014 Equity and Cash Incentive Plan.
10.16.3†*	Form of Performance Unit Award Agreement under 2014 Equity and Cash Incentive Plan.
10.16.4†*	Form of Director Restricted Stock Unit Agreement under 2014 Equity and Cash Incentive Plan.
21*	Significant Subsidiaries of the Company.
23*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of CEO pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act. of 2002.
31.2*	Certification of CFO pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101\* Interactive Data File.

† Indicates a management contract or compensatory plan, contract or arrangement in which any Director or any Executive Officer participates.

\* Filed herewith.

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