

KEY ENERGY SERVICES INC  
 Form 4  
 February 25, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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 \*  
 MARCUM W PHILLIP

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  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/24/2010

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

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				(A) or (D)	Price
Common Stock	02/24/2010		M			50,000	A	\$ 8.5	132,953	D	
Common Stock	02/24/2010		S			3,700	D	\$ 10.3	129,253	D	
Common Stock	02/24/2010		S			7,500	D	\$ 10.31	121,753	D	
Common Stock	02/24/2010		S			200	D	\$ 10.315	121,553	D	
Common Stock	02/24/2010		S			3,400	D	\$ 10.32	118,153	D	

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Common Stock	02/24/2010	S	3,900	D	\$ 10.33	114,253	D
Common Stock	02/24/2010	S	2,200	D	\$ 10.34	112,053	D
Common Stock	02/24/2010	S	1,600	D	\$ 10.35	110,453	D
Common Stock	02/24/2010	S	1,200	D	\$ 10.36	109,253	D
Common Stock	02/24/2010	S	6,200	D	\$ 10.37	103,053	D
Common Stock	02/24/2010	S	2,200	D	\$ 10.38	100,853	D
Common Stock	02/24/2010	S	5,500	D	\$ 10.39	95,353	D
Common Stock	02/24/2010	S	3,700	D	\$ 10.4	91,653	D
Common Stock	02/24/2010	S	300	D	\$ 10.41	91,353	D
Common Stock	02/24/2010	S	1,100	D	\$ 10.42	90,253	D
Common Stock	02/24/2010	S	1,200	D	\$ 10.43	89,053	D
Common Stock	02/24/2010	S	500	D	\$ 10.45	88,553	D
Common Stock	02/24/2010	S	100	D	\$ 10.46	88,453	D
Common Stock	02/24/2010	S	1,000	D	\$ 10.47	87,453	D
Common Stock	02/24/2010	S	1,800	D	\$ 10.48	85,653	D
Common Stock	02/24/2010	S	900	D	\$ 10.49	84,753	D
Common Stock	02/24/2010	S	200	D	\$ 10.5	84,553	D
Common Stock	02/24/2010	S	500	D	\$ 10.51	84,053	D
Common Stock	02/24/2010	S	800	D	\$ 10.52	83,253	D
Common Stock	02/24/2010	S	300	D	\$ 10.53	82,953	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)	8. Amount or Number of Shares
Stock option (right to buy)	\$ 8.5	02/24/2010		M	50,000	<u>(1)</u> 04/18/2010	Common Stock	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARCUM W PHILLIP 1301 MCKINNEY STREET SUITE 1800 HOUSTON, TX 77010	X			

## Signatures

By Robert B. Rapfogel, Attorney-in-fact for W. Phillip Marcum 02/25/2010

\_\_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) The options were granted under the Key Energy Group, Inc. 1997 Plan and previously vested in four equal annual installments on April 18, 2000, 2001, 2002 and 2003.

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.