

KEY ENERGY SERVICES INC
 Form 4
 June 12, 2008

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, SUITE 1800
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 06/11/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP - Eastern Region

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	06/11/2008		M	10,000 A \$ 10.53	10,000	D	
Common Stock	06/11/2008		M	12,500 A \$ 15.05	22,500	D	
Common Stock	06/11/2008		S	22,500 D \$ 17.2124	0	D	

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

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number.

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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title or Number of Shares
Employee Stock Option (right to buy)	\$ 10.53	09/11/2008		M	10,000	<u>(1)</u> 09/09/2014	Common Stock 10,000
Employee Stock Option (right to buy)	\$ 15.05	06/11/2008		M	12,500	<u>(2)</u> 03/15/2016	Common Stock 12,500

Reporting Owners

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

Signatures

By Kimberly R. Frye, Attorney-in-Fact for Phil Coyne 06/12/2008

__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 option vested as follows: (i) 3,333 shares on 09/09/2005; (ii) 3,333 shares on 09/09/2006; and (iii) 3,334 shares on 09/09/2007.

(2) The stock option granted March 15, 2006 vests and is exercisable as follows: (i) 12,500 shares on 03/15/2008; (ii) 6,250 shares on 3/15/2009; and (iii) 6,250 shares on 03/10/2010.

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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