

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 06/17/09 for the Period Ending 06/17/09

Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
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Industry	Oil & Gas Drilling
Sector	Energy
Fiscal Year	09/30

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): June 17, 2009

HELMERICH & PAYNE, INC.

(Exact name of registrant as specified in its charter)

State of Incorporation: **Delaware**

COMMISSION FILE NUMBER 1-4221

Internal Revenue Service – Employer Identification No. 73-0679879

**1437 South Boulder Avenue, Suite 1400, Tulsa, Oklahoma 74119
(918)742-5531**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 7.01 REGULATION FD DISCLOSURE

Helmerich & Payne, Inc. will deliver an investor and securities analyst presentation that includes the slides attached as Exhibit 99.1 to this Current Report on Form 8-K, which are incorporated herein by reference.

This information is not “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing made pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. The furnishing of these slides is not intended to constitute a representation that such information is required by Regulation FD or that the materials they contain include material information that is not otherwise publicly available.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slides to be shown during an investor and securities analyst presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly authorized the undersigned to sign this report on its behalf.

HELMERICH & PAYNE, INC.
(Registrant)

/S/ Steven R. Mackey
Steven R. Mackey
Executive Vice President

DATE: June 17, 2009

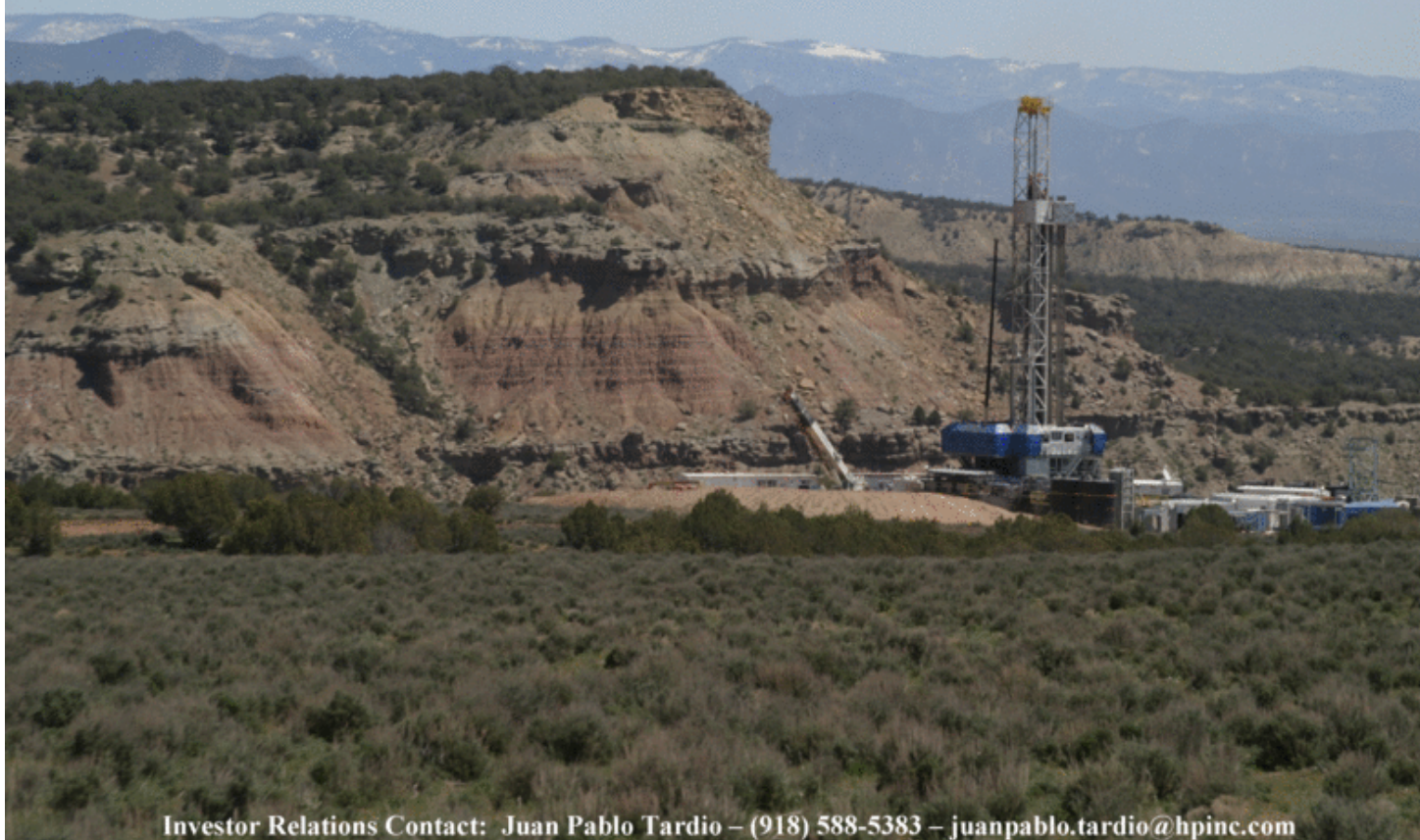
EXHIBIT INDEX

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Helmerich & Payne, Inc.

Presentation to Investors

June 17, 2009



Investor Relations Contact: Juan Pablo Tardio – (918) 588-5383 – juanpablo.tardio@hpinc.com

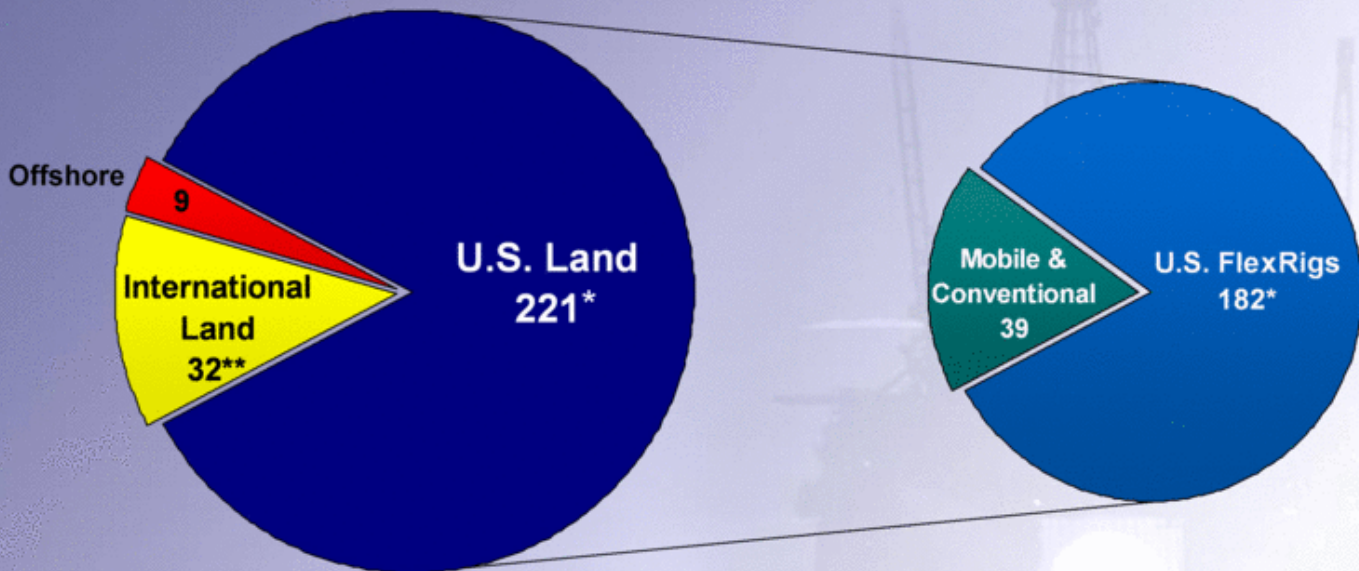


The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the “Risk Factors” and “Management’s Discussion & Analysis of Results of Operations and Financial Condition” sections of the Company’s SEC filings, including but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q.



H&P's Global Rig Fleet

262 Total Rigs (Includes New Build Commitments)

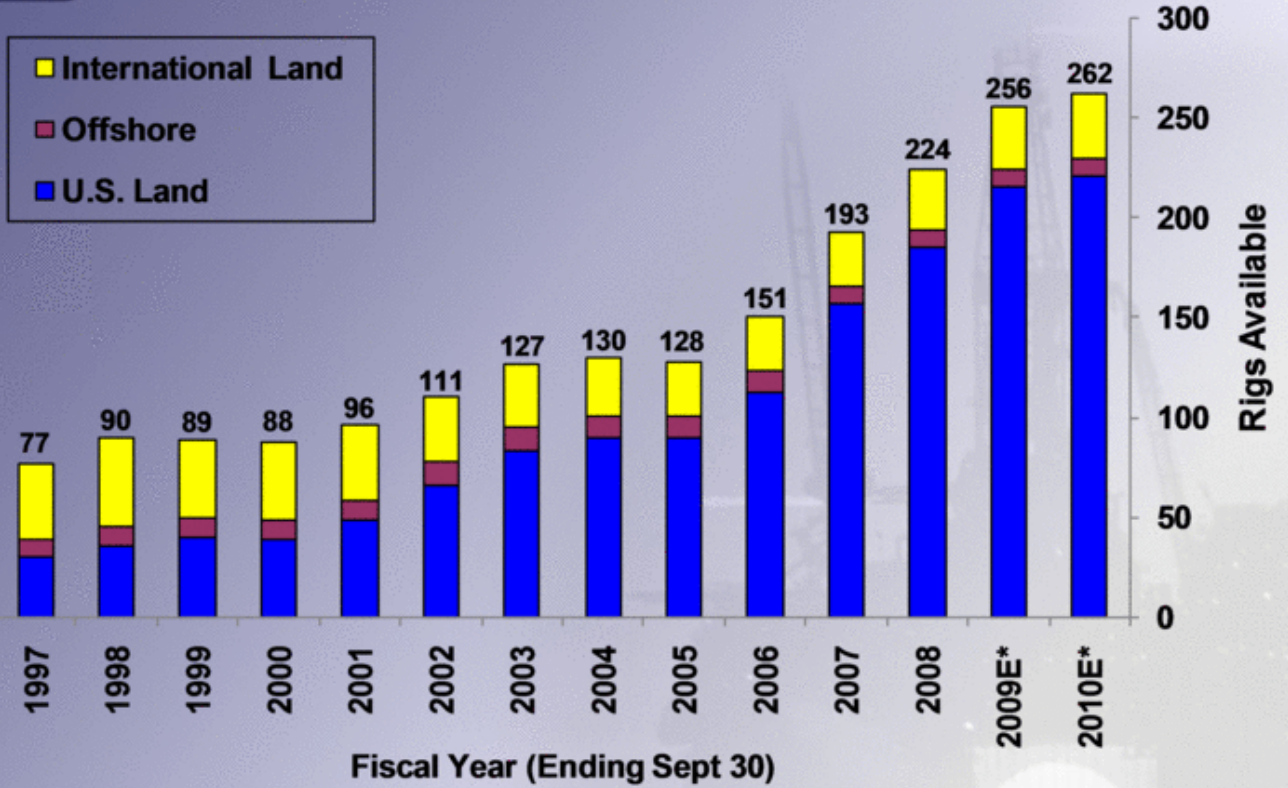


* Includes 12 rigs under construction and scheduled for completion by the end of the second quarter of fiscal 2010.

** Includes 1 FlexRig in Tunisia, 6 FlexRigs in South America and 1 FlexRigs pending delivery in fiscal 2009.



H&P's Global Rig Fleet



* Estimates include existing rigs and announced new build commitments.



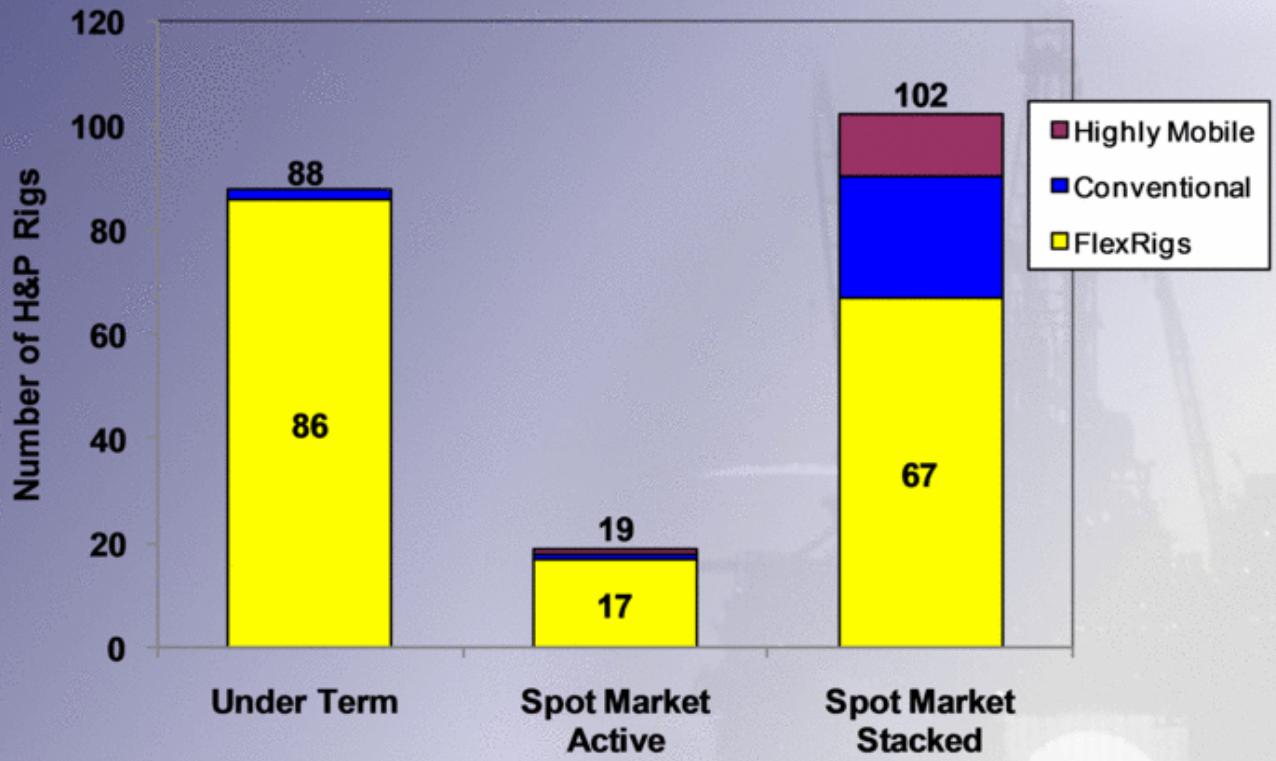
H&P's U.S. Land Operations

- H&P's U.S. land rig count has stabilized since April 30, 2009, the date of our last quarterly conference call.
- 107 of 209 rigs were contracted and generating revenue as of June 15, 2009, 88 of which were under long-term contracts.
- 19 of the 107 rigs described above were active in the spot market, including 17 FlexRigs.
- Since April 30, 2009, an additional two new build FlexRigs with long-term contracts (for a total of 37) have received early termination notices.
- The two incremental early terminated new build FlexRigs are expected to generate approximately \$1.3 million and \$5.7 million of early termination revenue in the third and fourth fiscal quarters of 2009, respectively.



H&P's U.S. Land Fleet Status

(as of June 15, 2009)

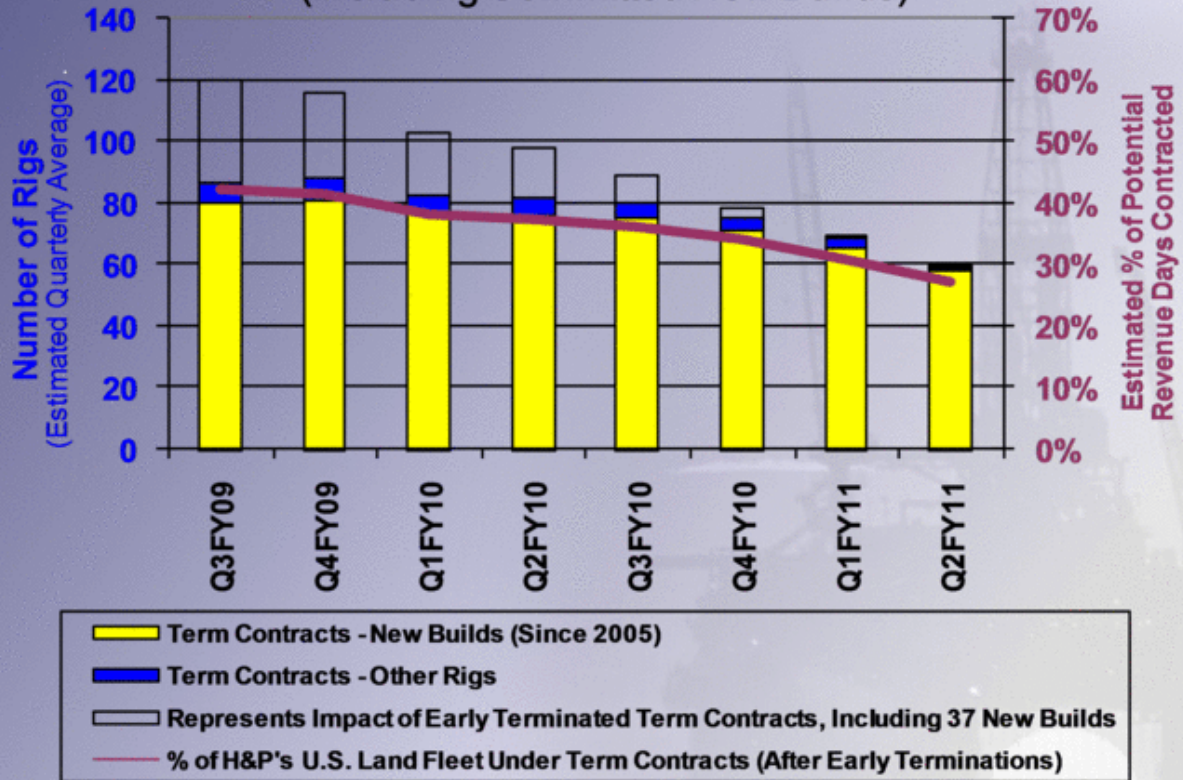




H&P's U.S. Land Fleet Under Term Contracts

(as of June 15, 2009)

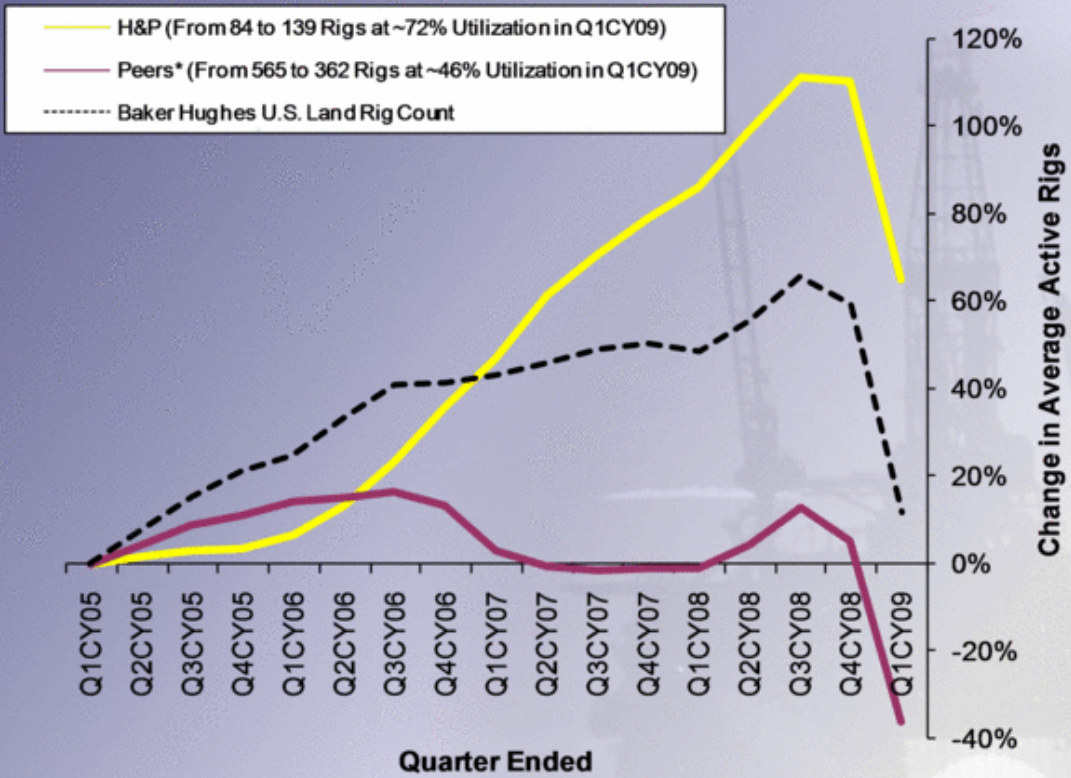
Term Contract Status - H&P U.S. Land (Including Committed New Builds)





Evolution of U.S. Land Drilling Activity

Growth / Decline in U.S. Land Average Rig Activity

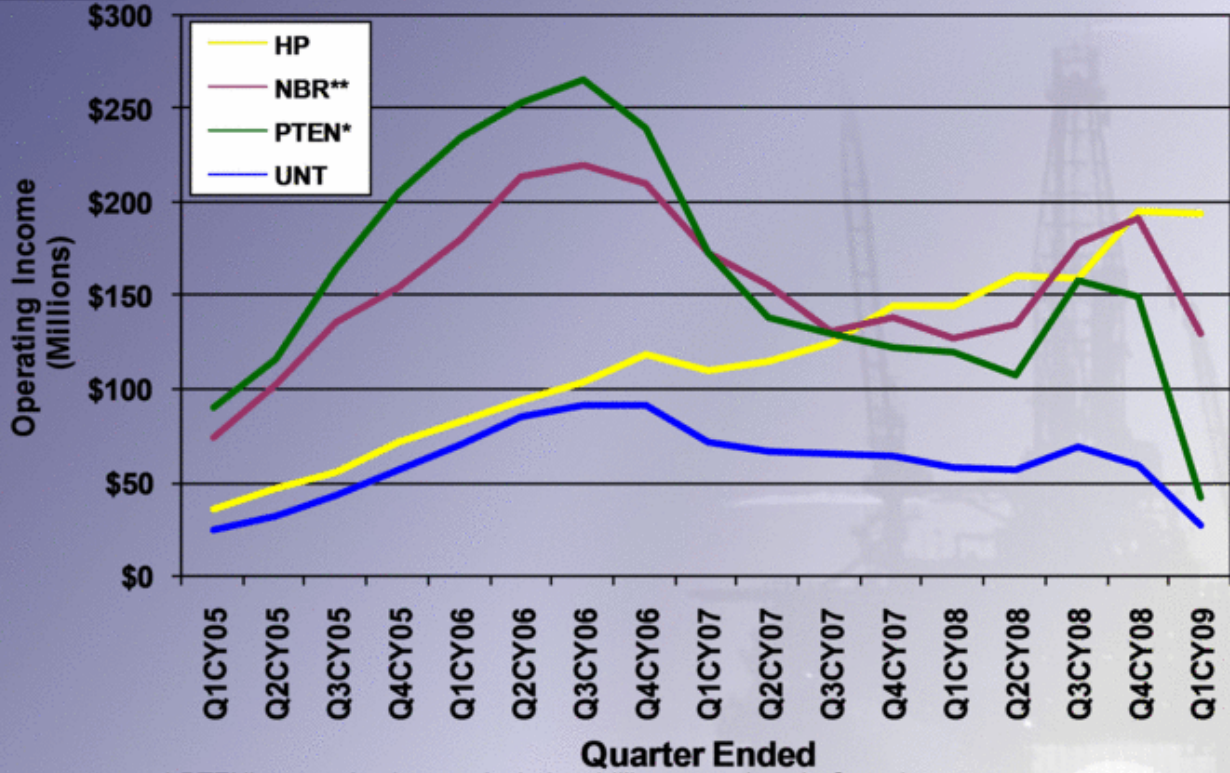


*Represents average active rigs for PTEN, NBR and UNT.



Most Profitable Driller in U.S. Land Business

U.S. Land Drilling Operating Income



* PTEN's operating income includes drilling operations in Canada.

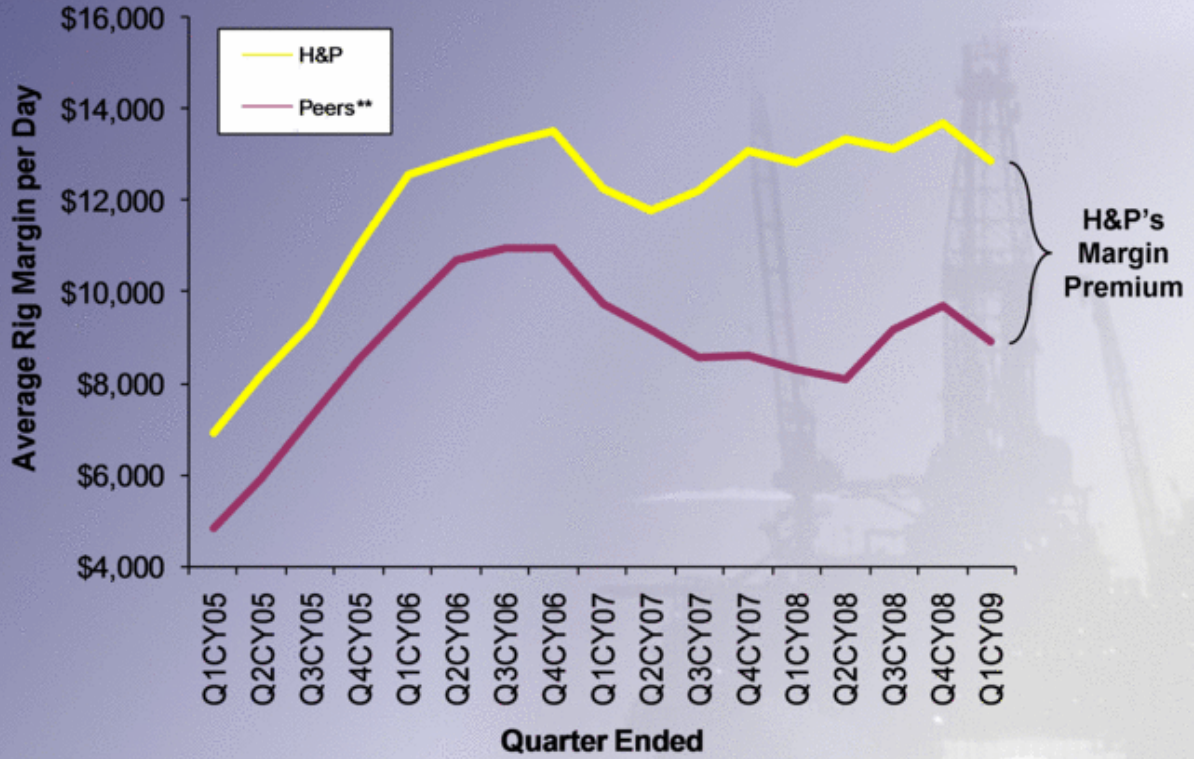
** NBR's operating income corresponds to its U.S. Lower 48 Land Drilling segment.

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Technology and Quality Service Make a Difference

U.S. Land Average Daywork Margins*



* Does not include the impact of early contract termination revenue.

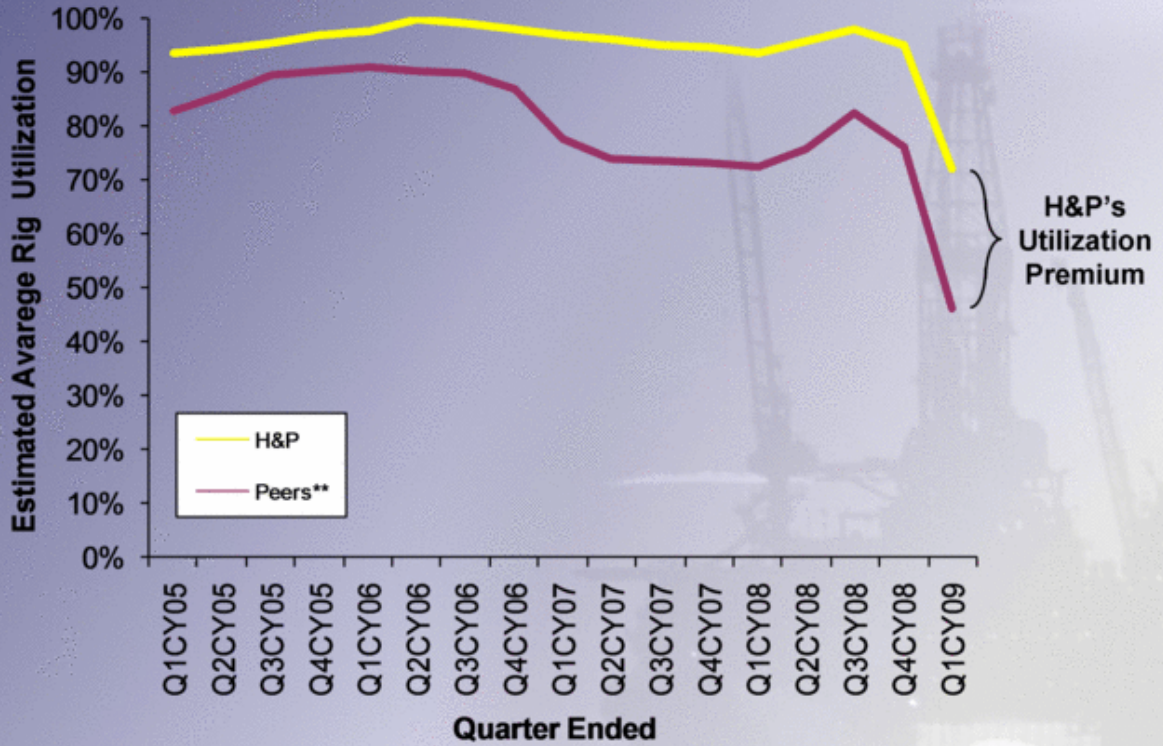
** Represents weighted-average rig margin per day for PTEN, NBR and UNT in the Lower 48.

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Impact of Downturn on Utilization

U.S. Land Estimated Average Rig Utilization*



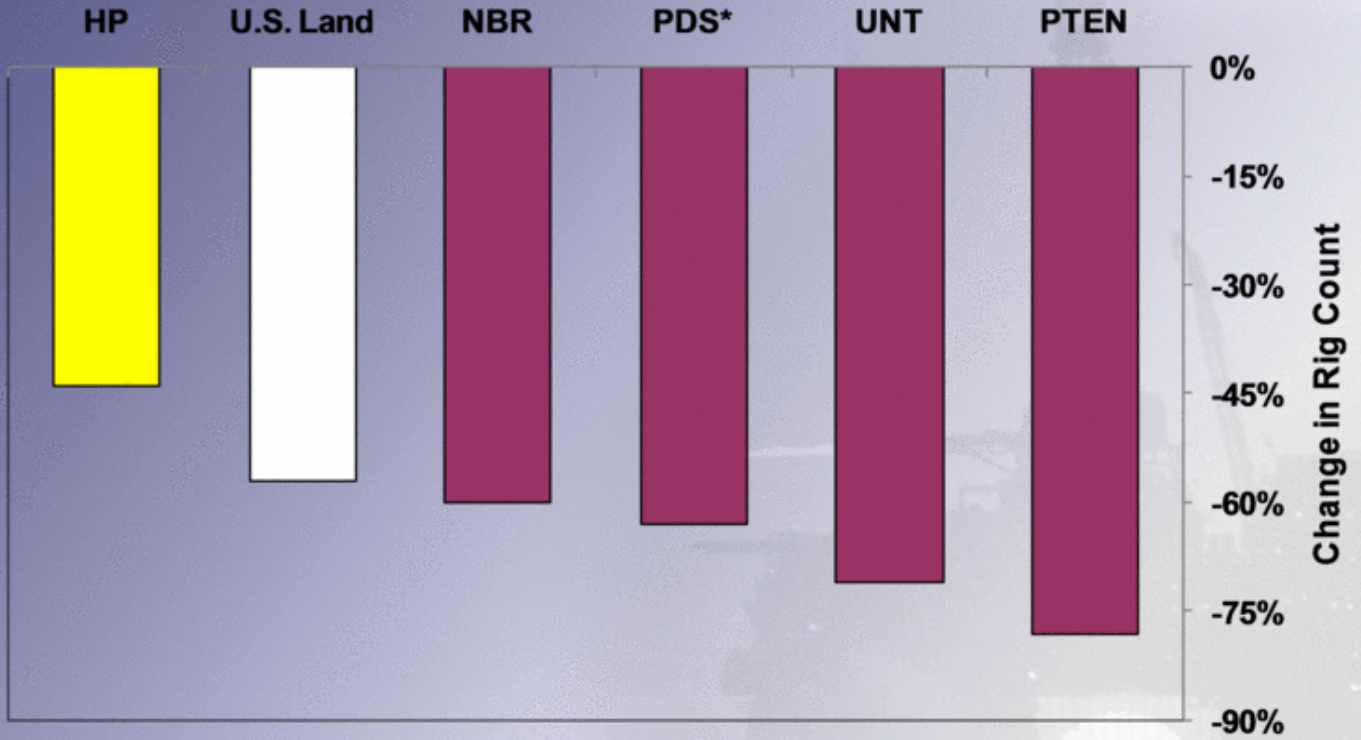
* Utilization is herein calculated to be average active rigs divided by estimated available marketable rigs during the period.

** Represents estimated average combined utilization for PTEN, NBR and UNT in the Lower 48.



Changes in U.S. Land Rig Count

Estimated Change Since Peak in Active U.S. Land Rigs
(Smith Bits Weekly Rig Count - October 17, 2008 to June 12, 2009)



* PDS's active rig count includes both PDS and GW rigs.



New Builds – H&P's FlexRig Program

The FlexRig Difference: Key Advantages

- **Increased drilling productivity and reliability**
 - Variable frequency (AC) drives with increased precision and measurability
 - Computerized electronic driller that precisely controls weight on bit, rotation and pressure
 - Designed to move quickly from well to well
- **Accelerated well programs and NPV gains**
- **A significantly enhanced and safer workplace**
- **Minimized impact to the environment**
- **Total well cost savings even at premium dayrates**



A Strong Field Organization

- Performance is not only about better rigs
- It's also about:
 - People
 - Safety
 - Experience
 - Training
 - Culture
 - Supply chain
 - Maintenance
 - Processes
 - Organizational network
 - Support structure



Value Proposition Example – H&P vs. Competitors

	Estimated Field Competitor Average	H&P FlexRig3 2008
1. Drilling days	13	7.8
Completion days	2	2
Moving days	5	3
Total rig revenue days per well	20	12.8
2. Drilling contractor dayrate	\$19,500	\$26,500
Operator's other intangible cost per day estimate	\$15,000	\$15,000
Total daily cost estimate	\$34,500	\$41,500
Total cost per well (daily services)	\$690,000	\$531,200
3. Total well savings with H&P – per well per year		\$158,800 \$4.5MM



This Value Proposition Example Remains Valid

	Estimated Field Competitor Average (Spot)	H&P FlexRig3 Early 2009 (Term Contract)
1. Drilling days	13	7.8
Completion days	2	2
Moving days	<u>5</u>	<u>3</u>
Total rig revenue days per well	20	12.8
2. Drilling contractor dayrate	\$15,000	\$26,500
Operator's other intangible cost per day estimate	<u>\$12,000</u>	<u>\$12,000</u>
Total daily cost estimate	\$27,000	\$38,500
Total cost per well (daily services)	\$540,000	\$492,800
3. Total well savings with H&P – per well per year		\$47,200 \$1.3MM



Value added from FlexRig operations

- Significant H&P dayrate premium
- Increased wells per rig per year: 10.3 wells
- Early production: Incremental wells on production
- Lowest total well cost



H&P's International Land Operations

- **Limited progress in terms of receivable collections from PDVSA**
- **Will continue with previously stated approach in trying to work through issues in Venezuela (only three of 11 rigs remain active)**
- **Eight of 32 total rigs are on term contracts (including seven FlexRigs), and another ten are active without term commitments**
- **14 of 32 H&P rigs are now idle**



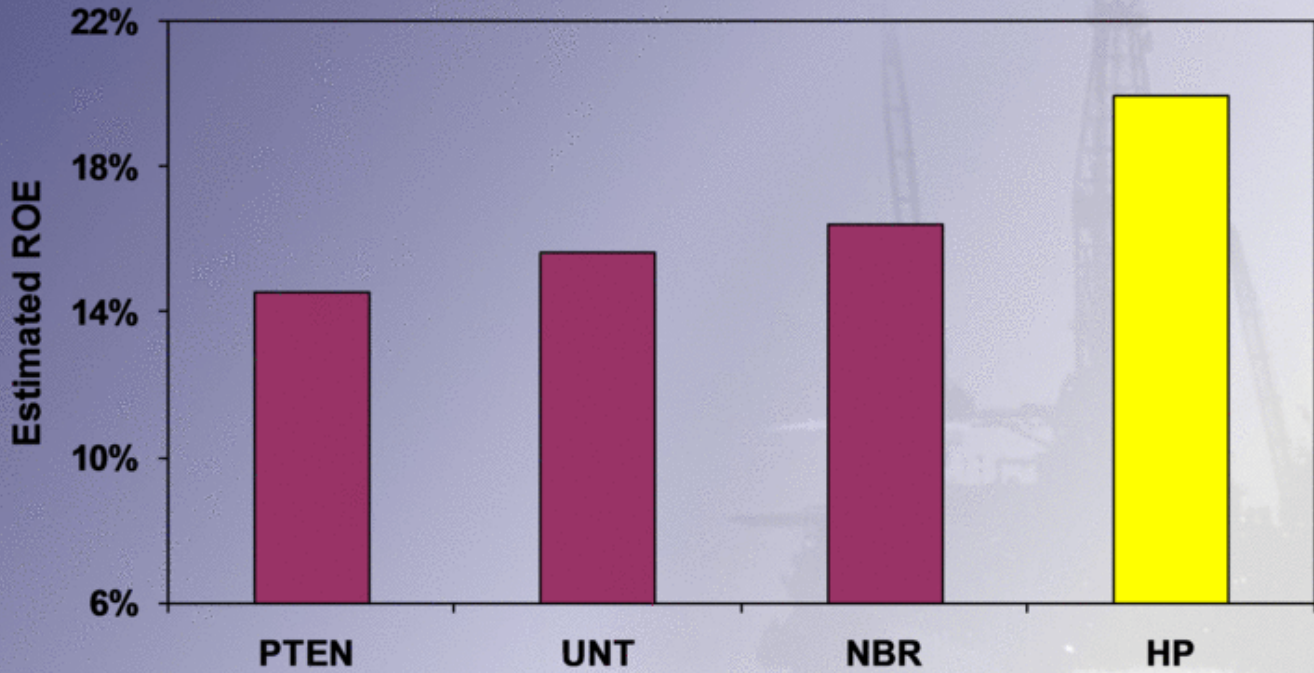
H&P's Offshore Operations

- **Seven of the Company's offshore platform rigs are active**
- **Two are idle and one is expected to be released in the fourth fiscal quarter**
- **Two of the six remaining rigs are under long-term contracts**



Peer Group Return on Equity

Return on Equity* 12 Months Ended March 31, 2009



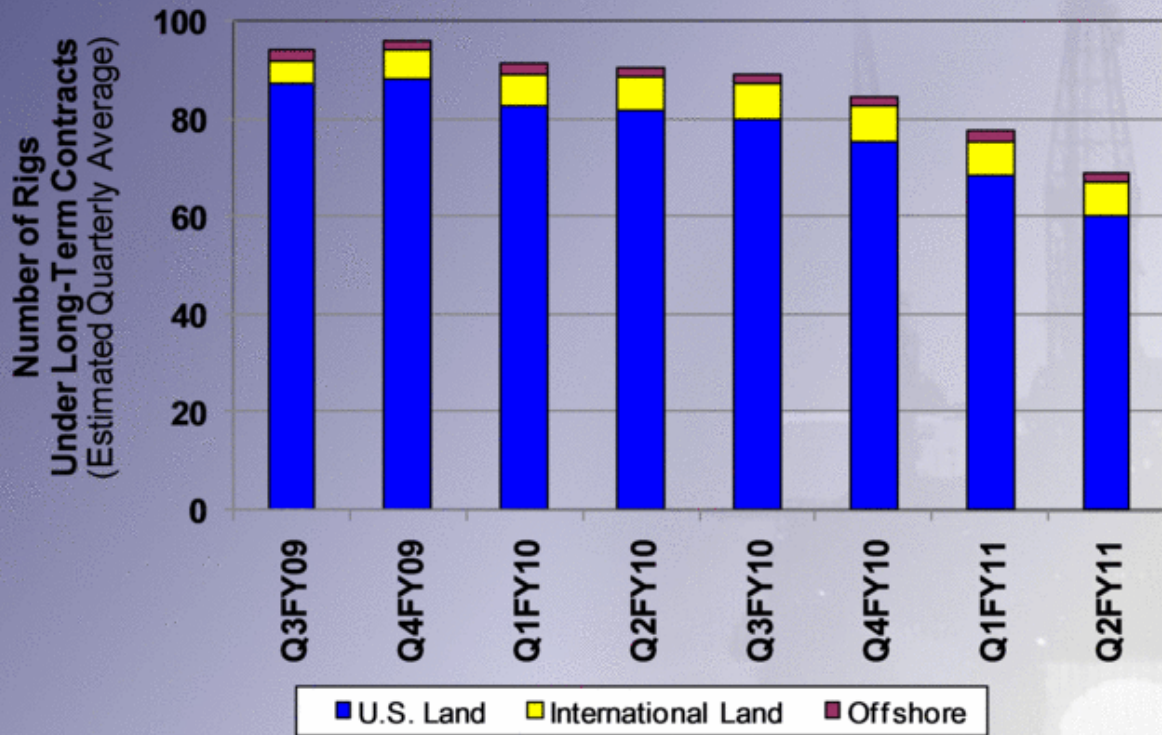
* NBR's, PTEN's and UNT's calculations exclude Q4CY08 & Q1CY09 charges that were a result of impairments, including ceiling test write-downs.



H&P's Global Fleet Under Term Contracts

(as of June 15, 2009)

Term Contract Status - H&P Global Fleet (Including Committed New Builds)





Market Trends Favor H&P

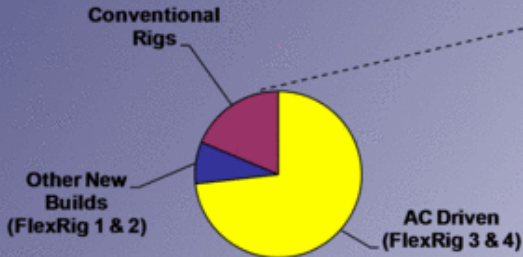
- **Drilling is becoming more challenging and highly-capable rigs are expected to be in short supply**
- **Growing focus on technology-based solutions that enable lower total well costs**
- **Increasing safety and environmental sensitivity**
- **Unconventional plays tend to require highly-capable rigs and appear to be the most economically viable**



H&P is Leading the U.S. Land Retooling Effort

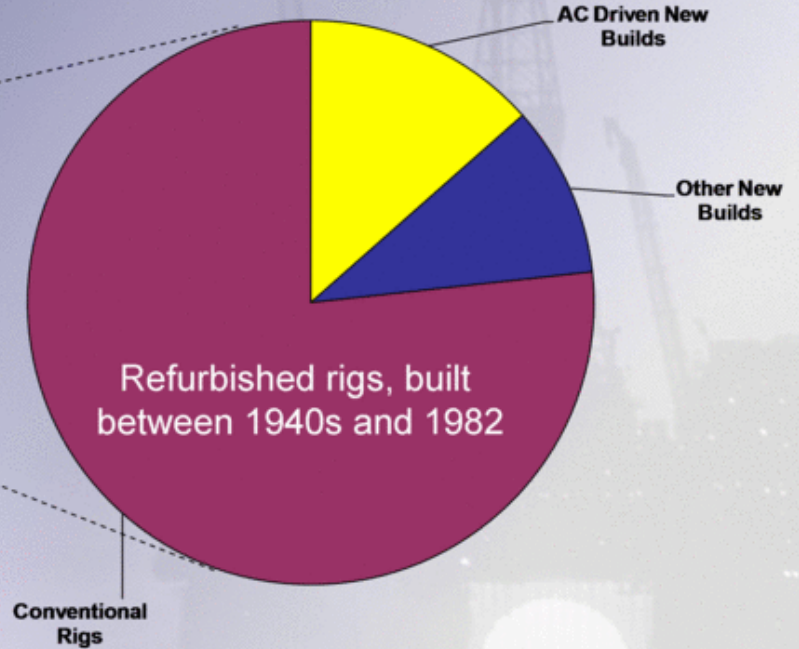
H&P's Available U.S. Land Fleet

(209 Rigs as of 6/15/09)



Total Available U.S. Land Fleet (Estimates)

(~2,450 Rigs)





End of Presentation

HELMERICH & PAYNE, INC.