

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 02/01/10 for the Period Ending 02/01/10

Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
CIK	0000046765
Symbol	HP
SIC Code	1381 - Drilling Oil and Gas Wells
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): **February 1, 2010**

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: February 1, 2010

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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Helmerich & Payne, Inc.

Credit Suisse Annual Energy Summit

February 2, 2010



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

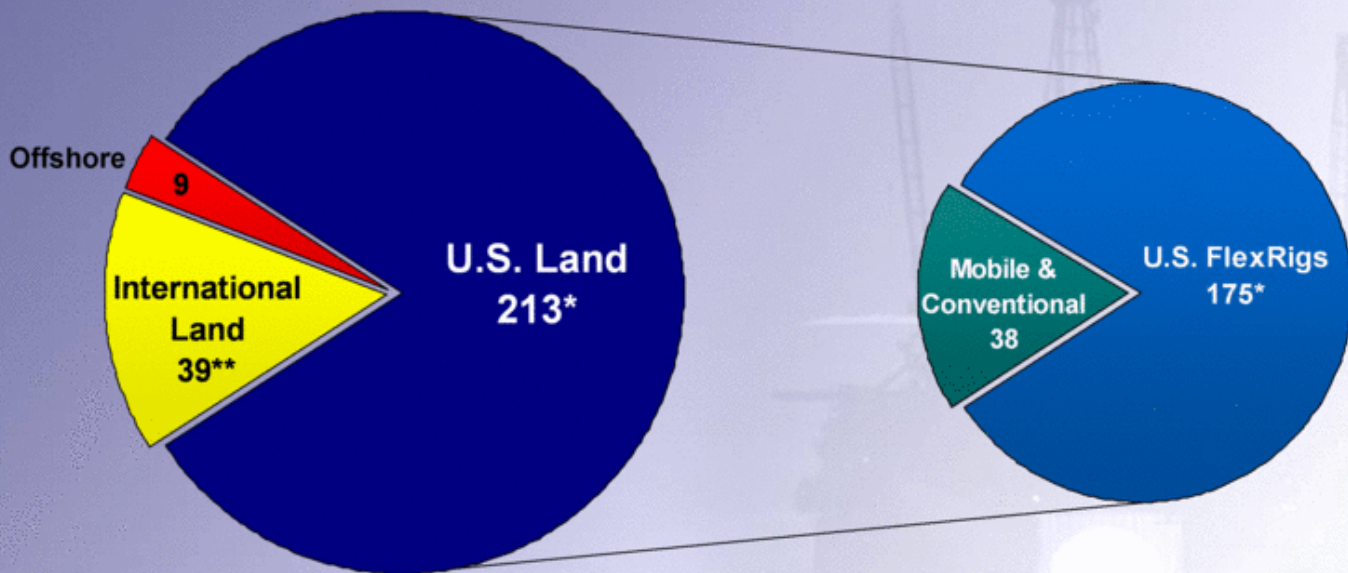


The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the “Risk Factors” and “Management’s Discussion & Analysis of Results of Operations 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

261 Total Rigs (Includes New Build Commitments)

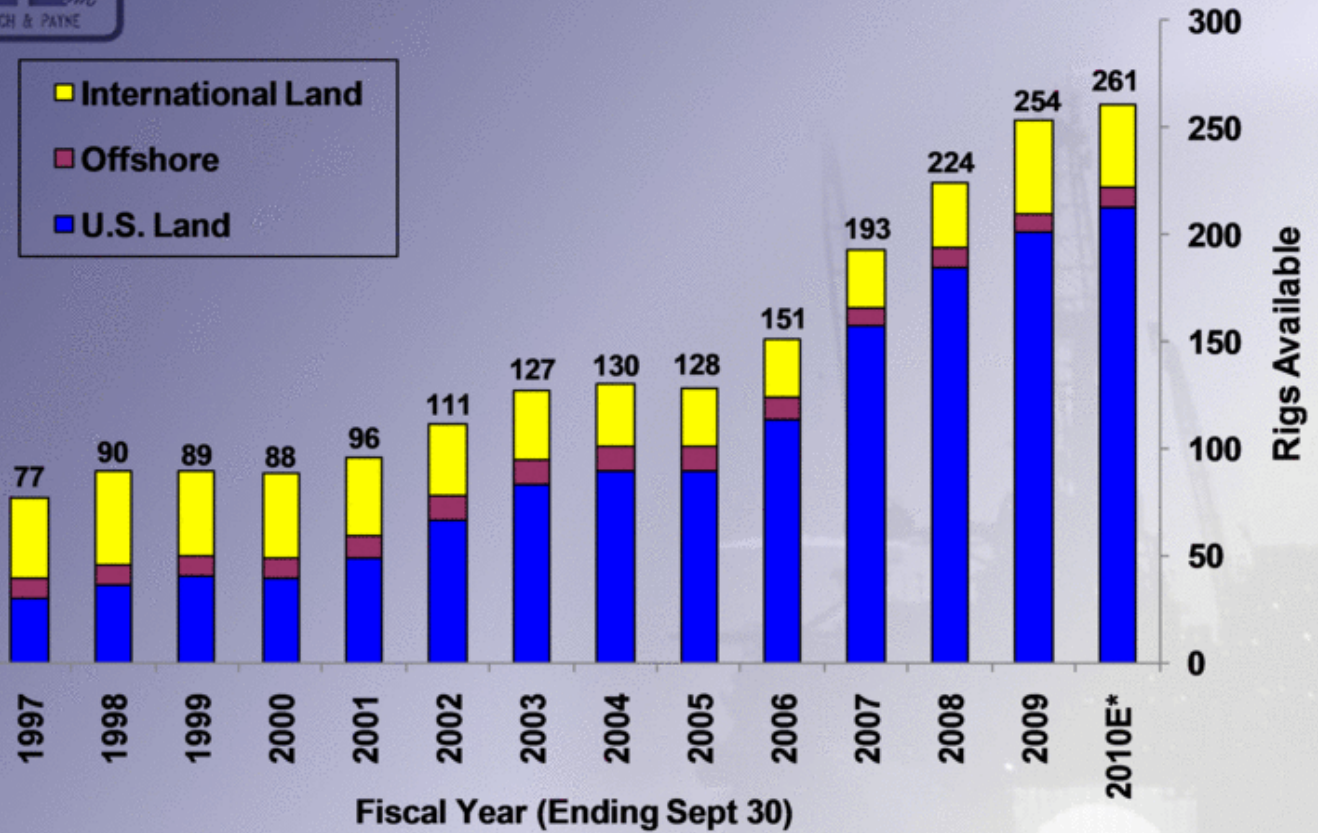


* Includes three new rigs with previously announced customer commitments scheduled for completion by April 2010.

** Includes 15 FlexRigs.



H&P's Global Rig Fleet

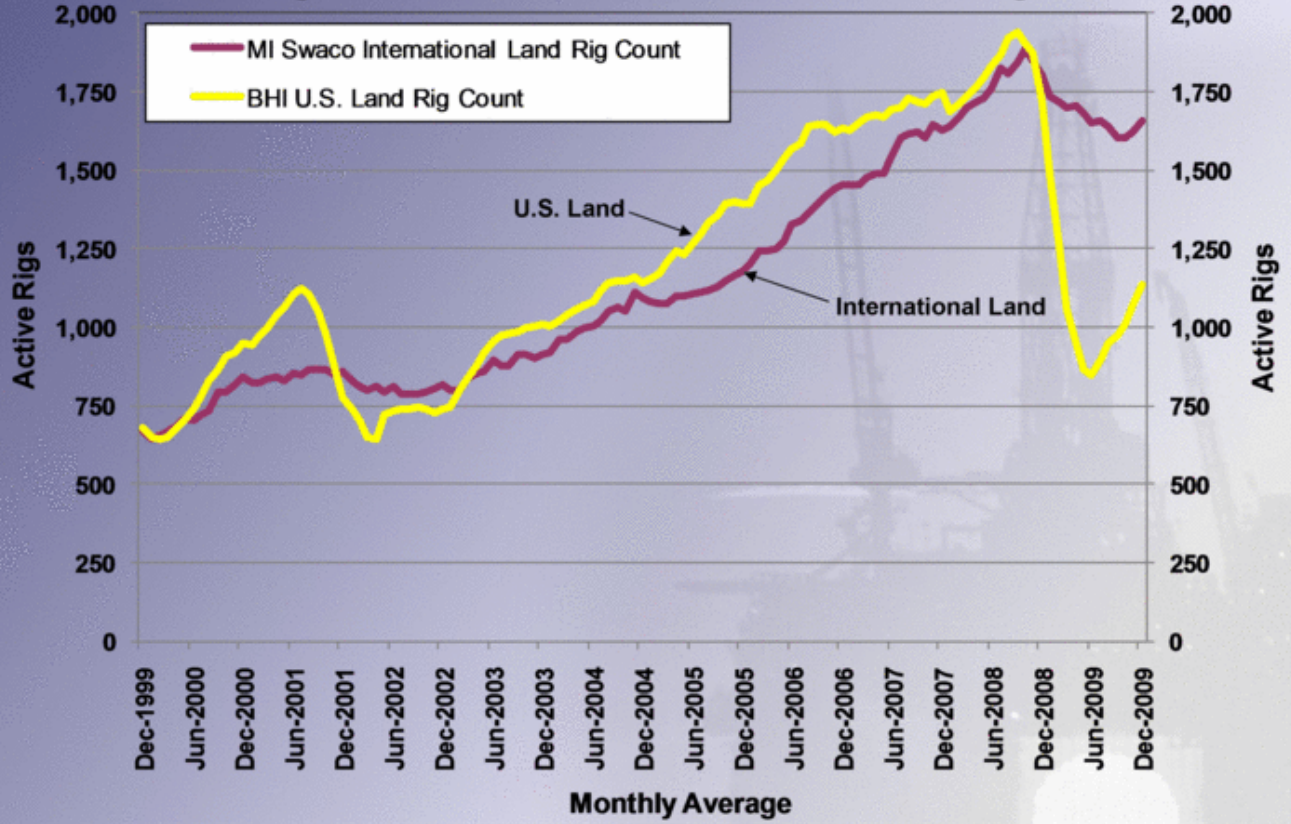


* Estimates include existing rigs and announced new build commitments.



Improving Rig Counts

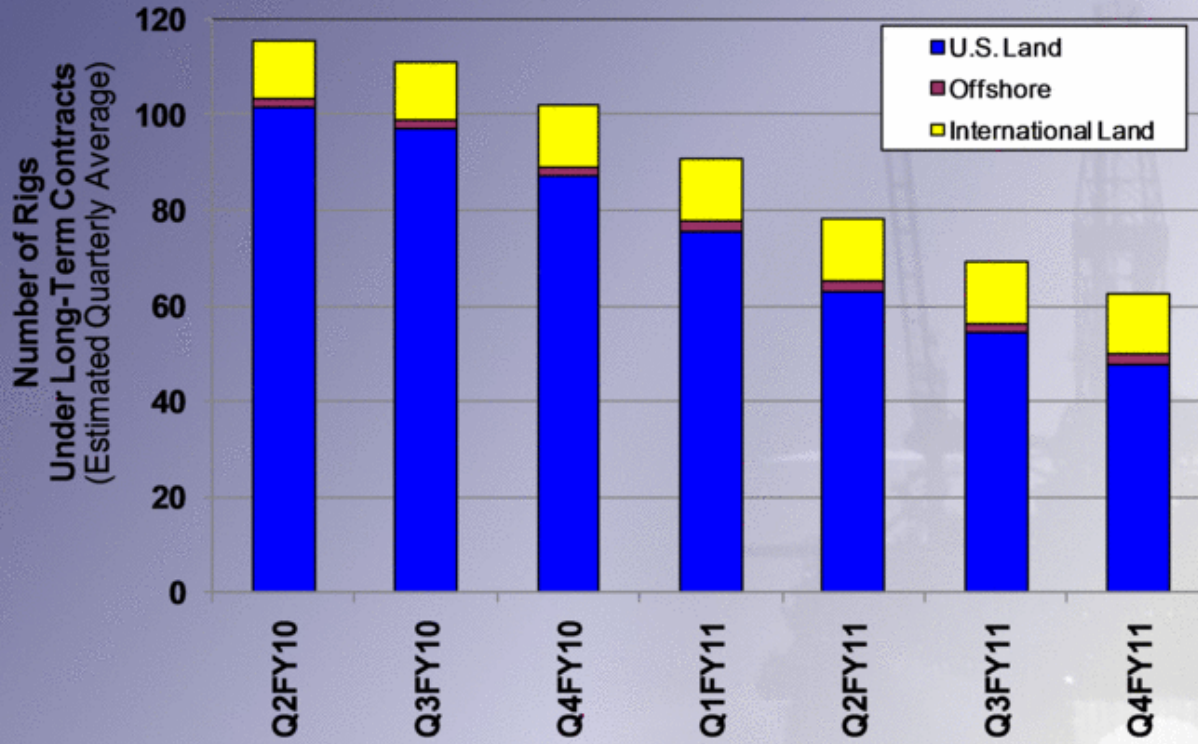
Baker Hughes U.S. Land and MI Swaco International Land Rig Counts





H&P's Global Fleet Under Term Contracts

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

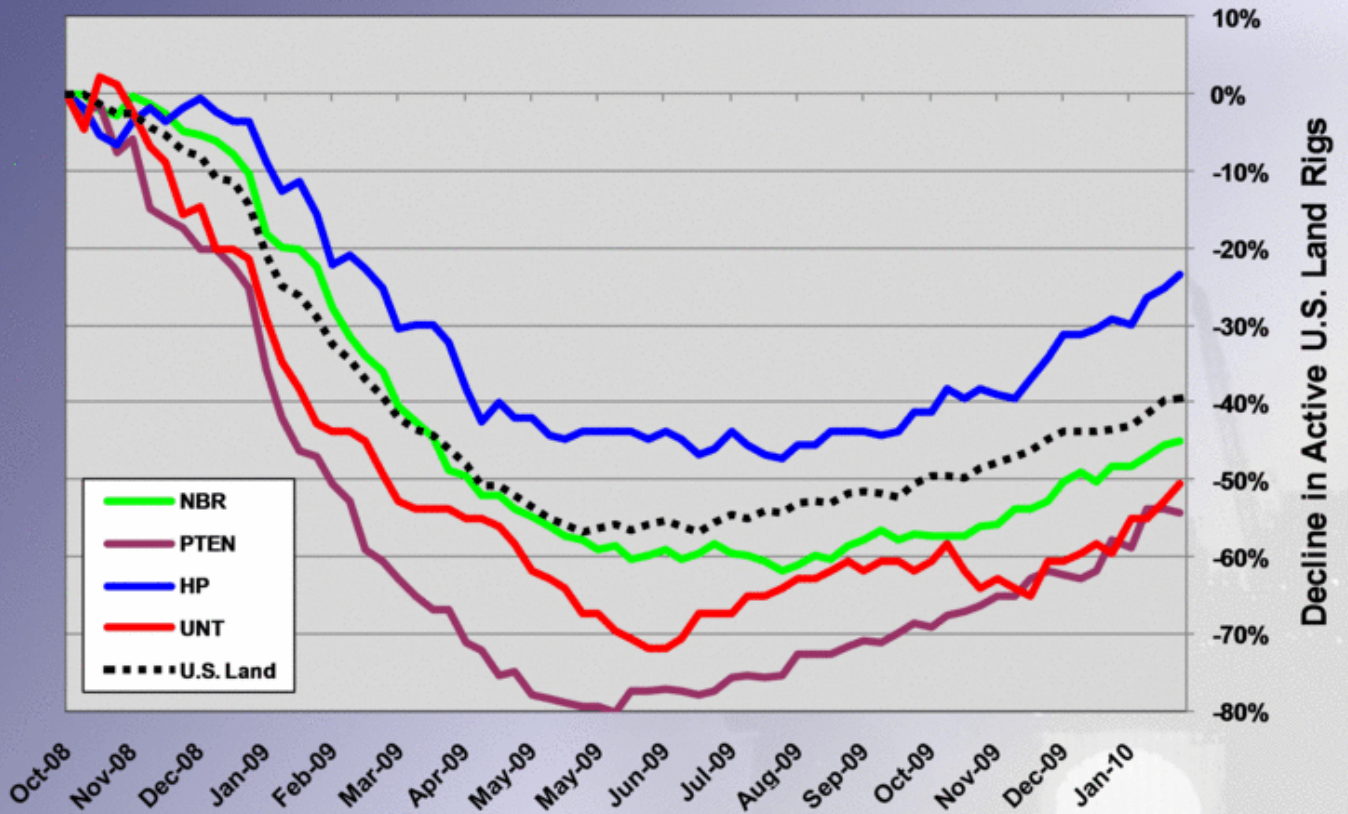


* Includes delayed new builds which are expected to generate revenue but not revenue days.



Changes in Lower 48 U.S. Land Rig Count

Estimated Change Since Peak in Active U.S. Land Rigs
(Smith Bits Weekly Rig Count - October 17, 2008 to January 29, 2010)





Coming out of the Downturn

- **We are encouraged by improving market conditions**
- **We have the industry's most technologically advanced fleet**
- **Since the peak in late 2008**
 - **We have attracted 30 new FlexRig customers**
 - **We maintained our organizational and systems strength**
 - **We kept most of our skilled people**



Continuing Concerns

- **Natural gas storage**
- **Economic recovery**
- **Winter temperatures and heating demand**
- **Activity required to offset declining production**
- **Impact of increasing shale gas potential**
- **LNG import potential**



Market Trends Favor H&P

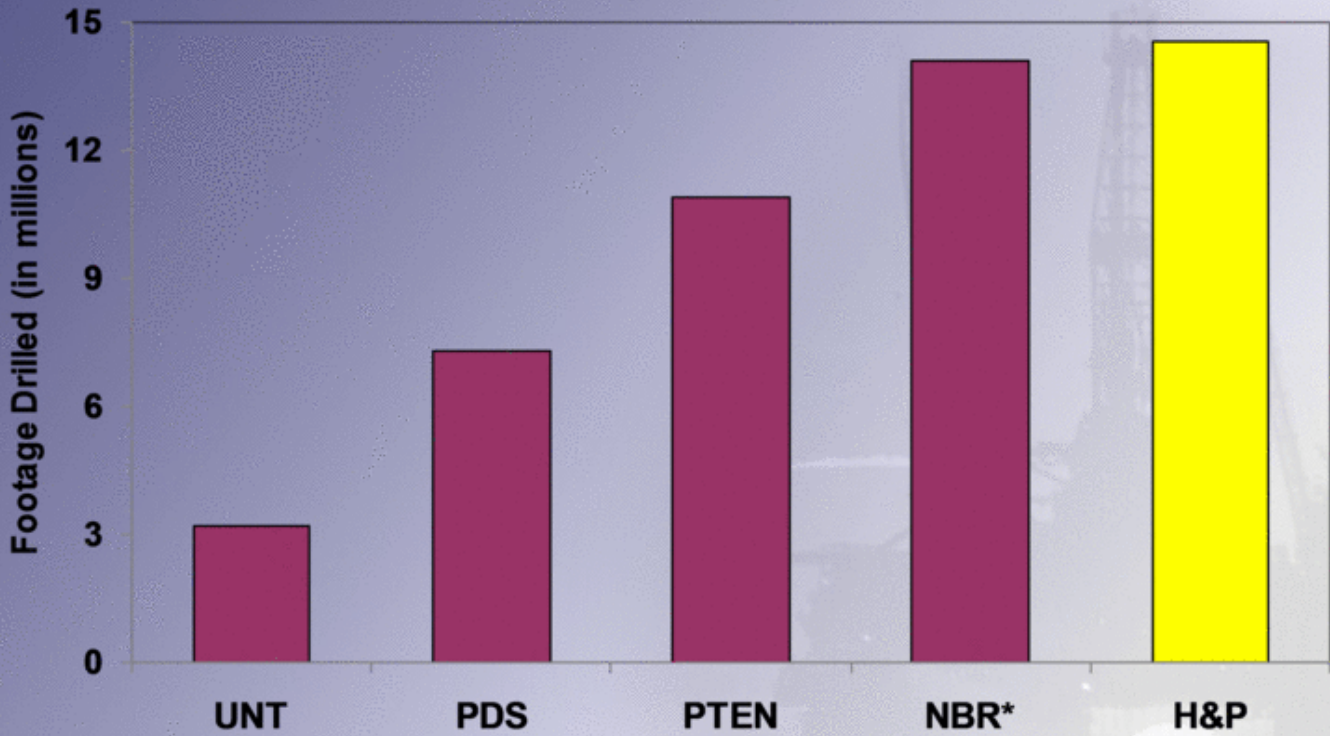
- **Drilling is becoming more challenging and highly-capable rigs are expected to be in short supply**
- **Growing focus on technology-based solutions that enable lower total well costs**
- **Increasing safety and environmental sensitivity**
- **Unconventional plays are the most economically viable and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



U.S. Land Footage Drilled

U.S. Land Footage Drilled

(Rig Data Driller Ranking - January 2009 to December 2009)



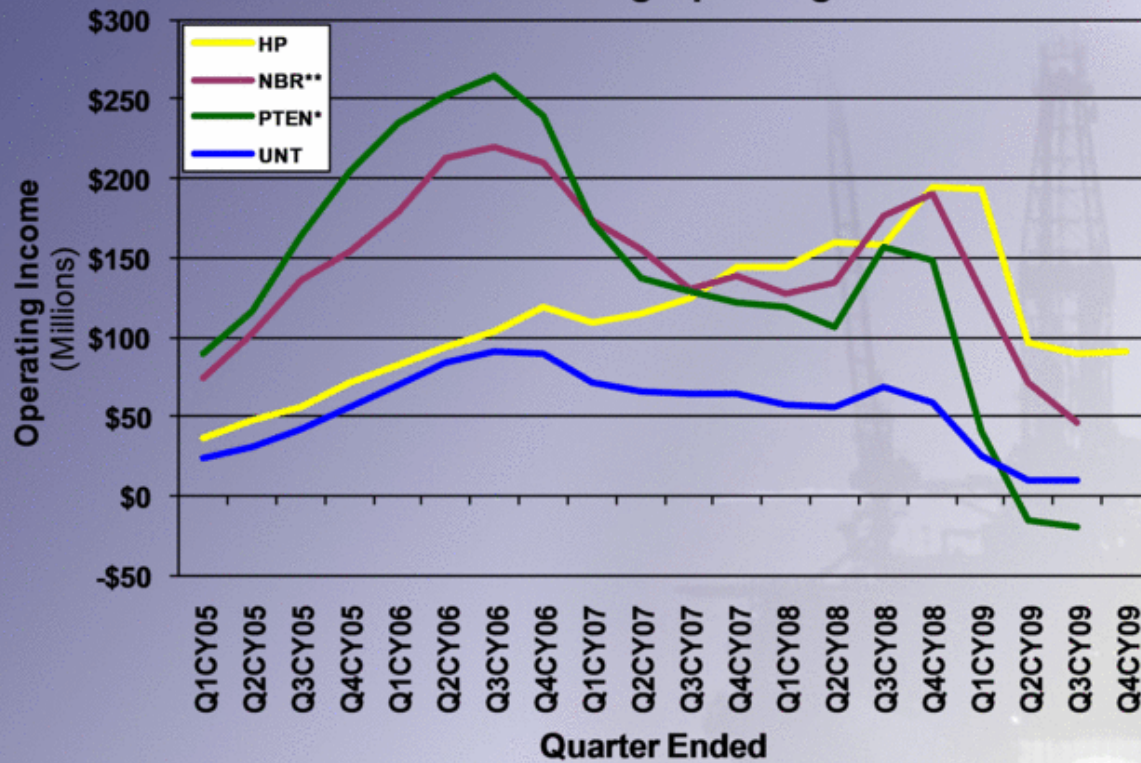
* NBR's footage drilled corresponds to Nabors Drilling USA, LP.

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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.

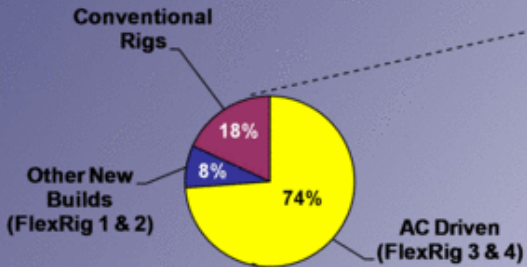
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H&P is Leading the U.S. Land Retooling Effort

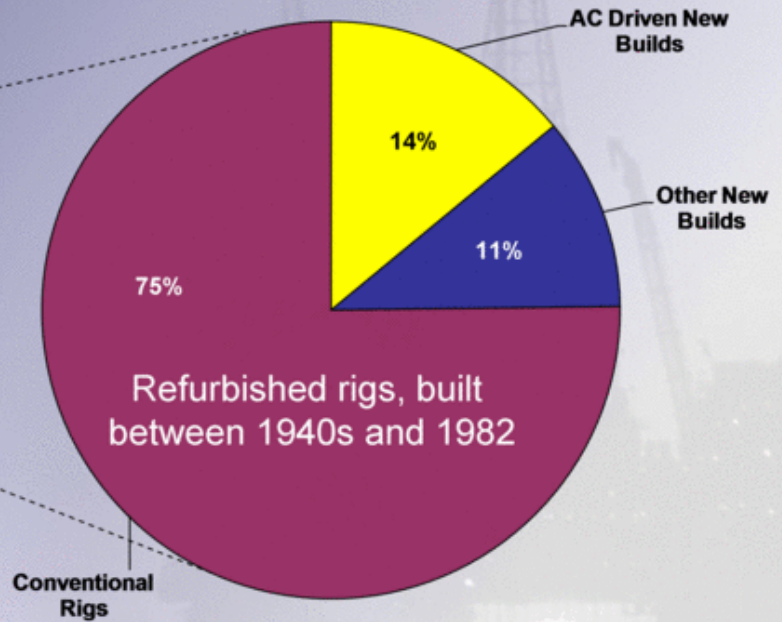
H&P's Available U.S. Land Fleet

(210 Rigs as of 1/28/10)



Total Available U.S. Land Fleet (Estimates)

(~2,500 Rigs)



Note: The above estimates corresponding to the total available U.S. fleet are derived from multiple sources including Rig Data, Smith Bits and corporate filings. Only rigs with equal to or greater than 600 horsepower drawworks ratings are considered.

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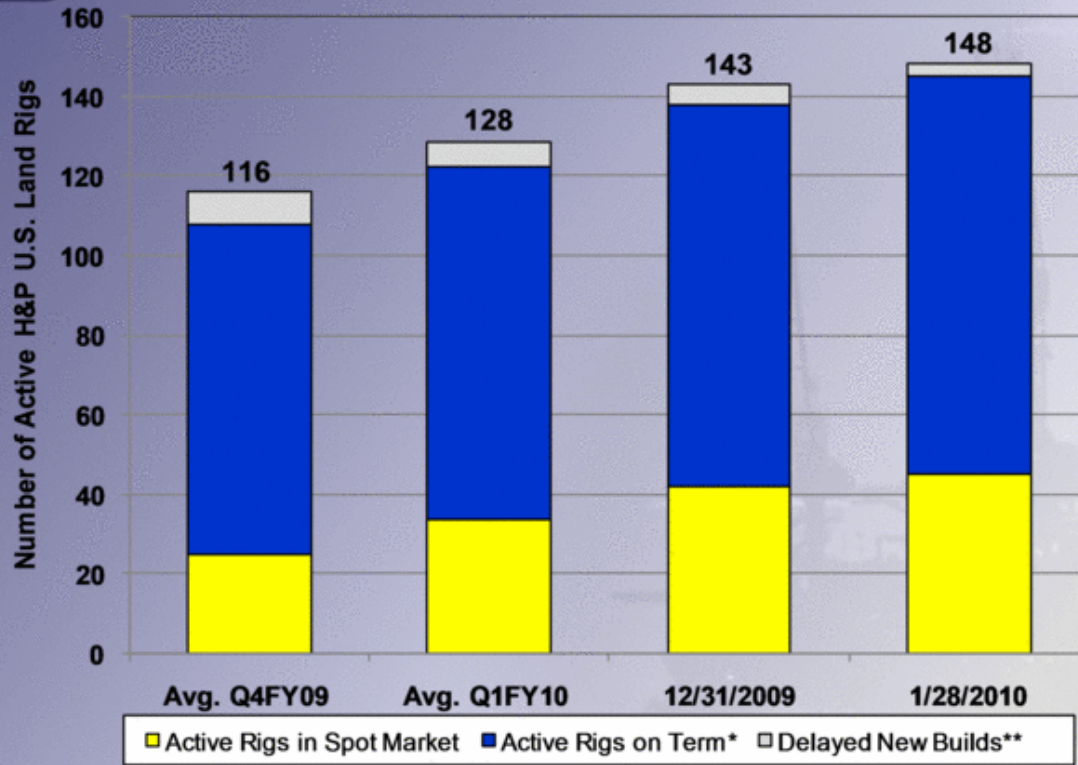


H&P's U.S. Land Operations

- **H&P's active rig count continues to increase.**
- **Spot market pricing is beginning to improve in selected unconventional plays, especially for our larger FlexRigs.**
- **Customers are high-grading their fleets with FlexRigs.**
- **We expect a 15 to 20 percent sequential increase in average activity (or revenue days) from the first to the second fiscal quarter of 2010.**
- **Average rig margin per day (excluding the impact of early termination and new build delivery delay revenues) is expected to slightly decline from the first to the second fiscal quarter of 2010.**
- **Larger FlexRigs are all currently contracted.**



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



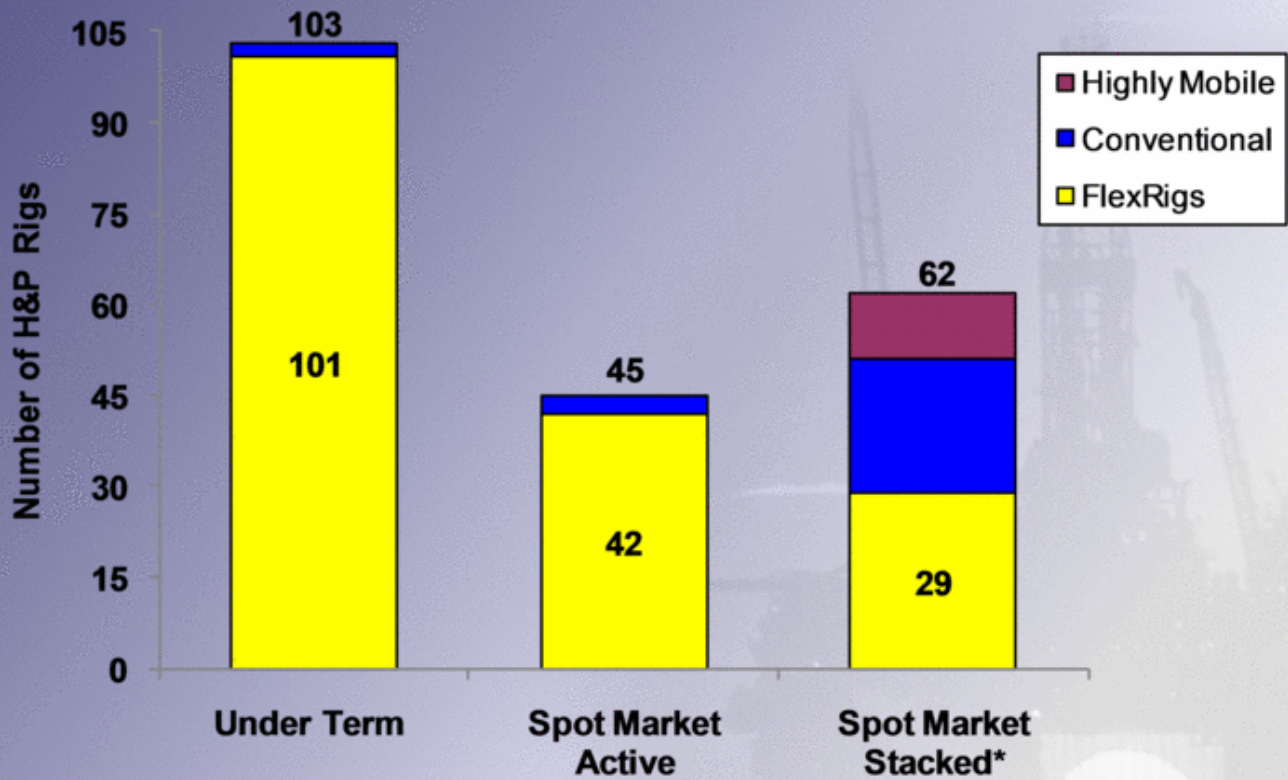
* Active rigs on term (in blue) generated both revenue and revenue days, including a few rigs on standby.

** Includes delayed new builds (in gray) which generated revenue but did not generate revenue days.



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

(as of January 28, 2010)

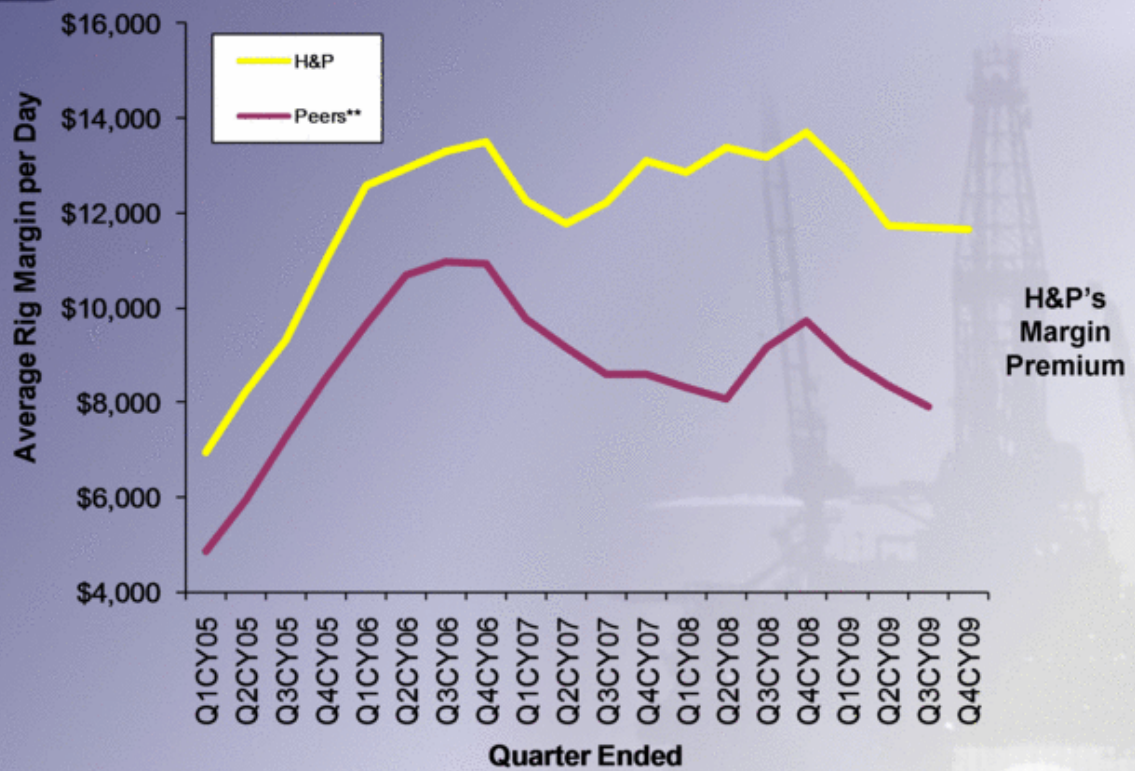


* Includes three FlexRigs with signed contracts. All of the remaining 26 uncontracted FlexRigs are FlexRig4's, which target shallower depth wells.



Technology and Quality Service Make a Difference

U.S. Land Average Daywork Margins*



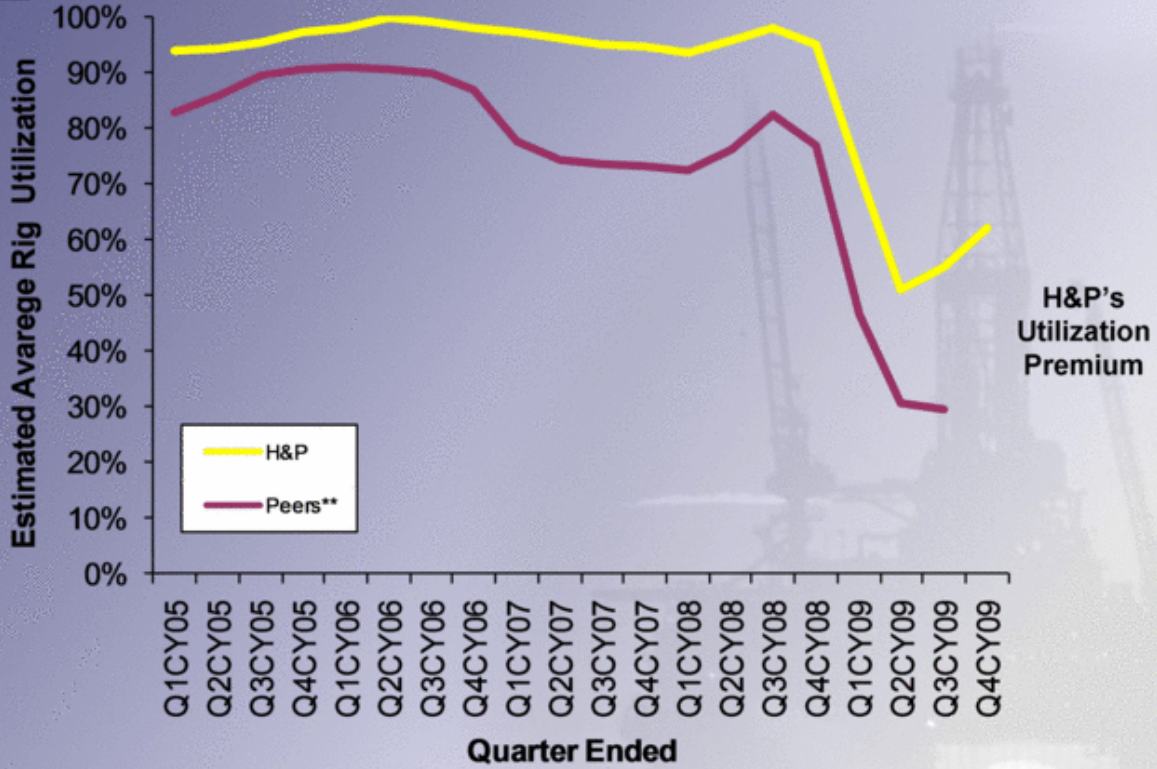
H&P's Margin Premium

* Does not include the impact of early contract termination revenue.
** Represents the weighted-average rig margin per day for PTEN, NBR and UNT in the Lower 48.



Technology and Quality Service Make a Difference

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.

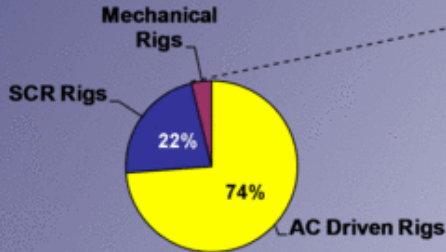
** Represents estimated average combined utilization for PTEN, NBR and UNT in the Lower 48.



H&P and U.S. Land Fleet (by Rig Type)

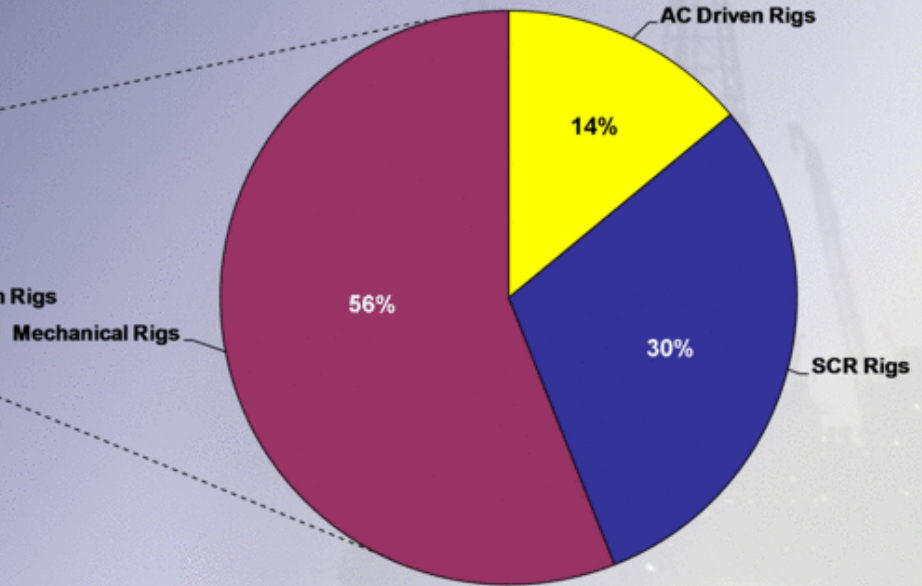
H&P's Available U.S. Land Fleet

(210 Rigs as of 1/28/10)




Total Available U.S. Land Fleet (Estimates)

(~2,500 Rigs)



Note: The above estimates corresponding to the total available U.S. fleet are derived from multiple sources including Rig Data, Smith Bits and corporate filings. Only rigs with equal to or greater than 600 horsepower drawworks ratings are considered.

A background image showing an oil rig on the left and a group of workers in hard hats and safety gear on the right. The workers are standing in a line, some holding white hard hats. The overall scene is in a blue-tinted, semi-transparent style.

H&P's International Land Operations

- **We expect quarterly activity (or revenue days) for the segment to sequentially increase by about five percent from the first to the second fiscal quarter of 2010.**
- **We expect our average rig margin per day to decline by up to 30 percent over the same time period.**
- **The Company collected a modest payment from PDVSA late last week.***

* As of January 29, 2010, the total invoiced amount by the Company that remains due from PDVSA is valued at approximately \$51 million (U.S. currency equivalent), including approximately \$43 million in invoices issued since the Company changed its revenue recognition to cash basis for its Venezuelan operation.



H&P's International Land Operations

Rig Fleet Status (As of January 28, 2010)

	Active	Contracted	Idle	Total	Long-term Contracts
Argentina	5		4	9	4
Colombia	4		2	6	2
Ecuador	4			4	
Mexico	6			6	6
Tunisia	1		1	2	
Venezuela			11	11	
Other		1 ⁽¹⁾		1	1
Total	20	1	18	39	13⁽²⁾

1) Includes one rig under a long-term contract still in the U.S. waiting on the operator to determine an international location.

2) 13 of 15 FlexRigs (included in the international fleet of 39 rigs) are under long-term contracts.



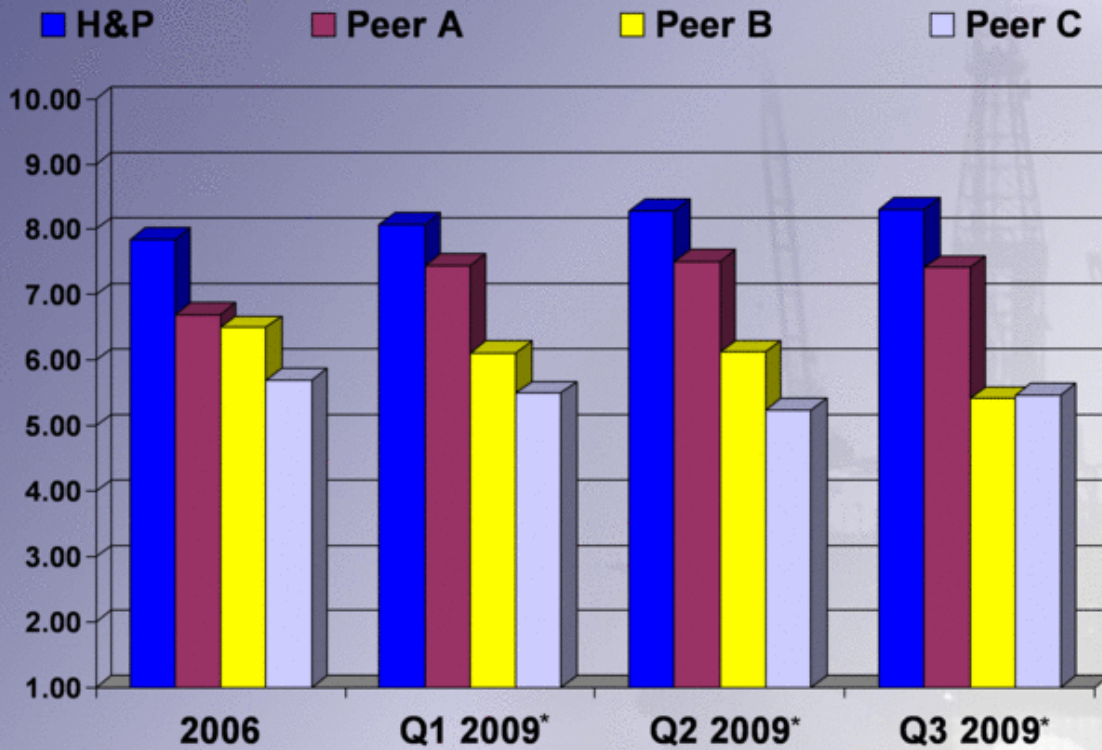
H&P's Offshore Operations

- **Seven of the Company's nine offshore platform rigs are active.**
- **Two of the seven active rigs are under long-term contracts.**
- **Average rig margins are expected to decline but remain strong at over \$20,000 per day.**
- **We are now working on three platform rigs owned by customers under management contracts, two in the U.S. and one in Equatorial Guinea.**



Customer Satisfaction Index

10 = "Highly Satisfied", 1 = "Highly Dissatisfied"



Source: EnergyPoint Research, Inc.

* Trailing four quarters average

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End of Presentation

HELMERICH & PAYNE, INC.