

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 09/08/05 for the Period Ending 09/08/05

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

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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): September 8, 2005

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 filed 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
Vice President

DATE: September 8, 2005

EXHIBIT INDEX

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

Helmerich & Payne, Inc.

Lehman Brothers 2005 CEO Energy/Power Conference
September 8, 2005

NYSE Stock Symbol: HP
Common Dividend: \$0.33
Average Basic Shares Outstanding: 51 Million
Internet Address: www.hpinc.com

Investor Relations Contacts:
Doug Fears, CFO
918.588.5208
doug.fears@hpinc.com
Juan Pablo Tardio, Manager, Investor Relations
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 Company's Form 10-K filed with the Securities and Exchange Commission on December 13, 2004.

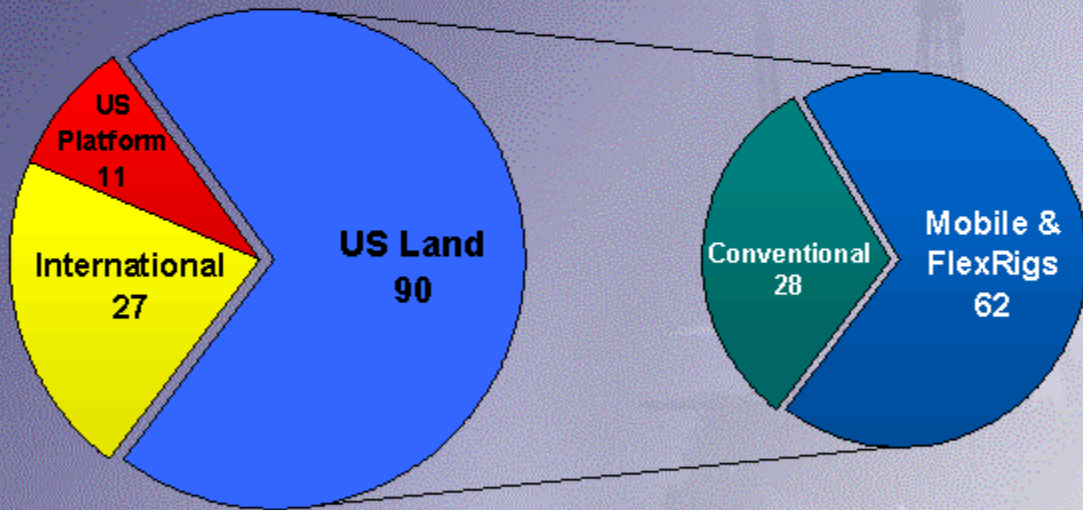


What Is Different About This Cycle

- Potential for an up cycle that is prolonged and less volatile.
- First up cycle for H&P as a pure play driller.
- 25 new FlexRigs scheduled for construction.
- Increase in rig fleet of 72% from 2000 to 2006.
- 50 new FlexRigs have established the new performance standard for the industry.



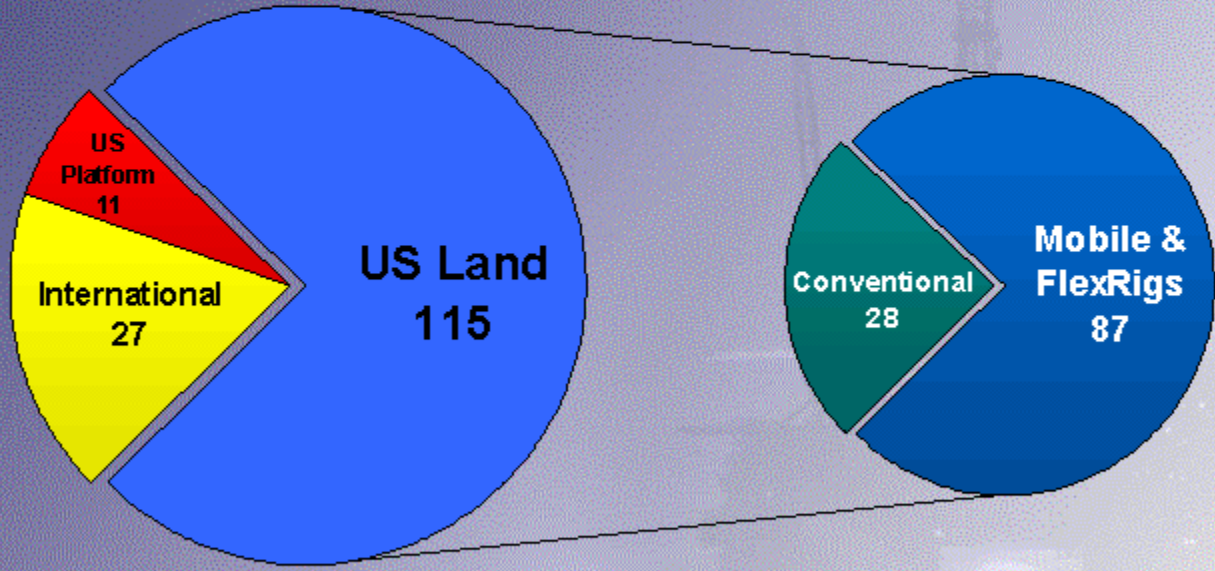
The Three Distinct Markets Of H&P's Rig Fleet



**128 Total Rigs
September 2005**



The Three Distinct Markets Of H&P's Rig Fleet



**153 Total Rigs
September 2006**



H&P Rig 201 on Customer's Platform

Before and After Hurricane Katrina





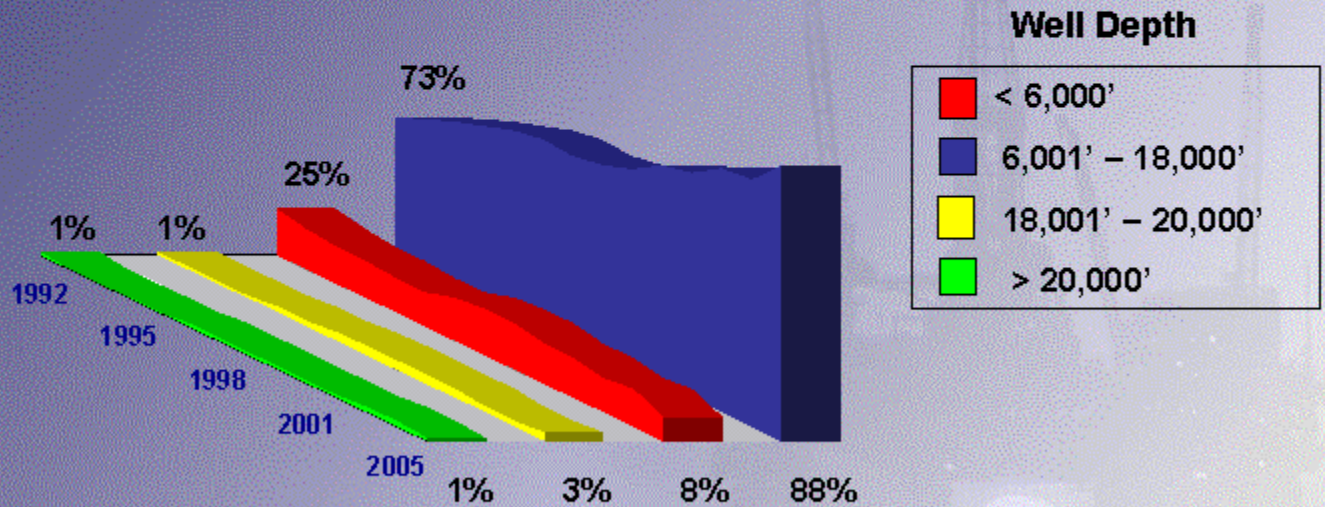
What is so distinctive about the FlexRig?





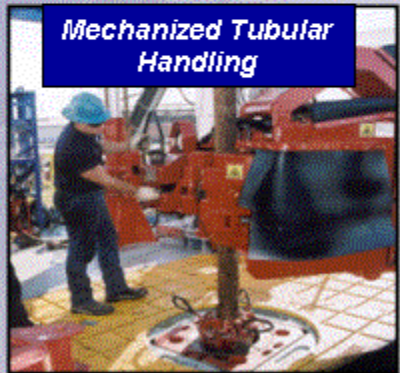
FlexRigs Strategically Positioned

Active U.S. Land Drilling Rigs

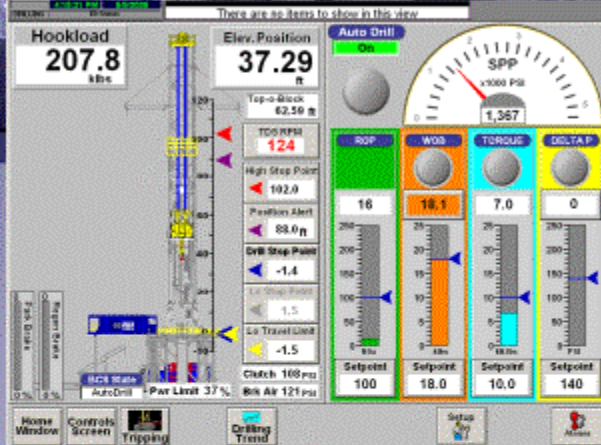


Source: Smith International, Inc.
May 1992 through May 2005

Leader in New Ideas & Applied Technology

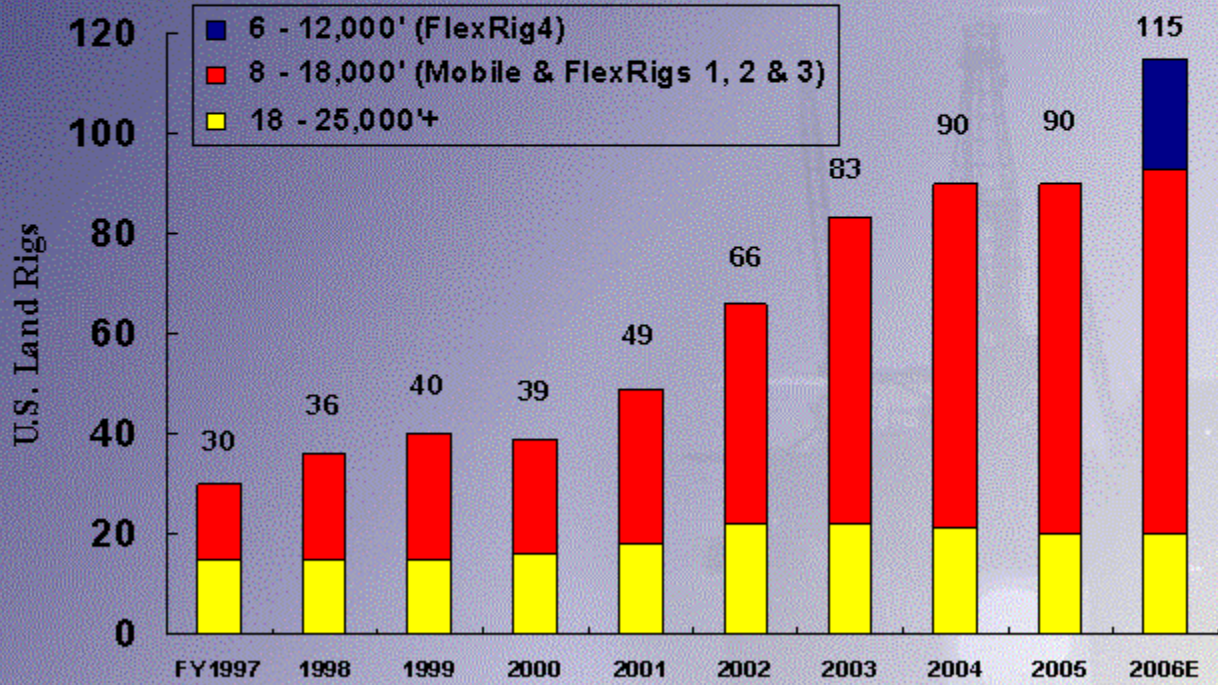


H&P's Organizational Support Structure



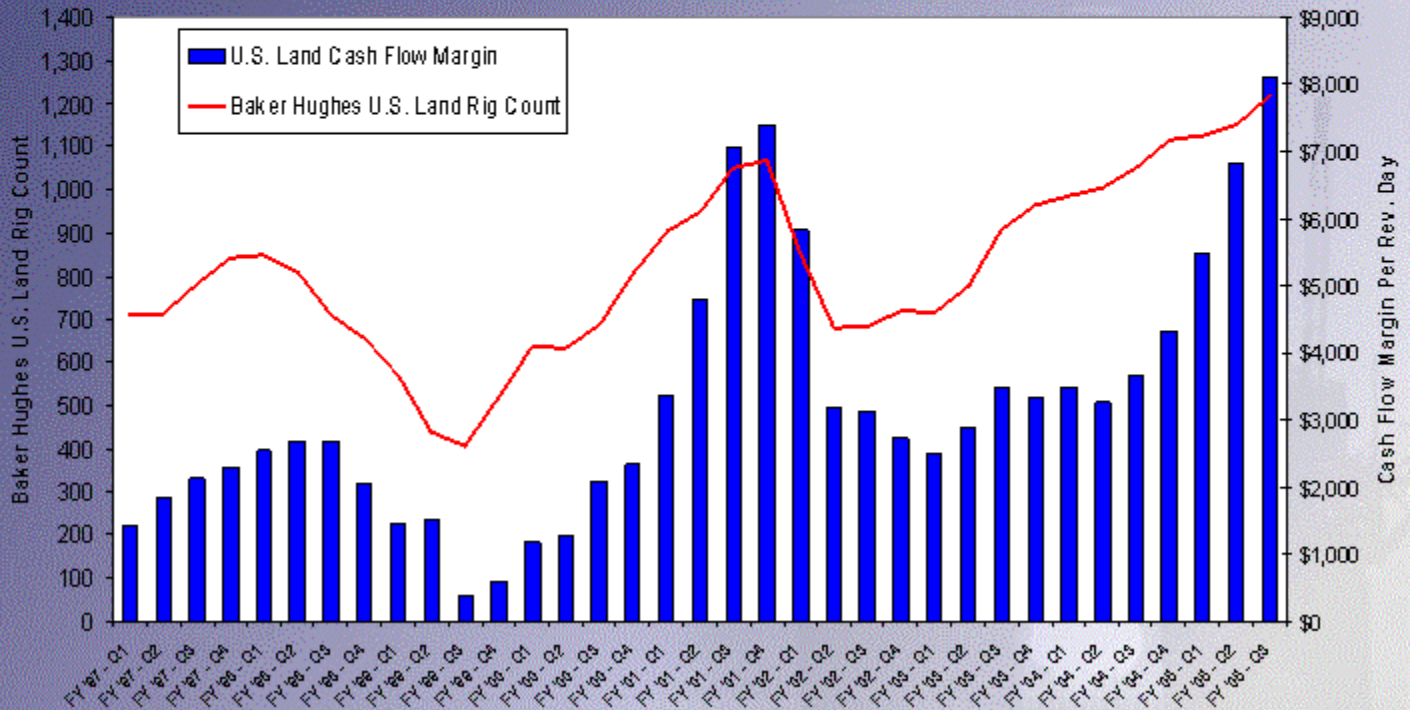


Move from Deep to Mid-Depth Land Rigs



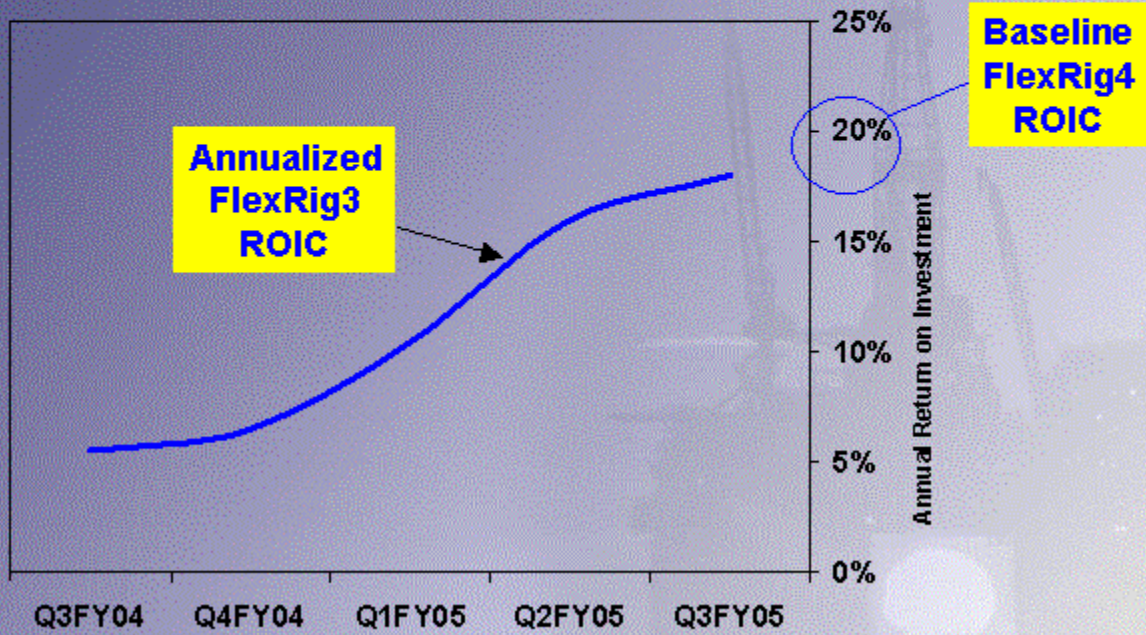


U.S. Land Cash Flow Margin





FlexRig3 Project Return Estimates

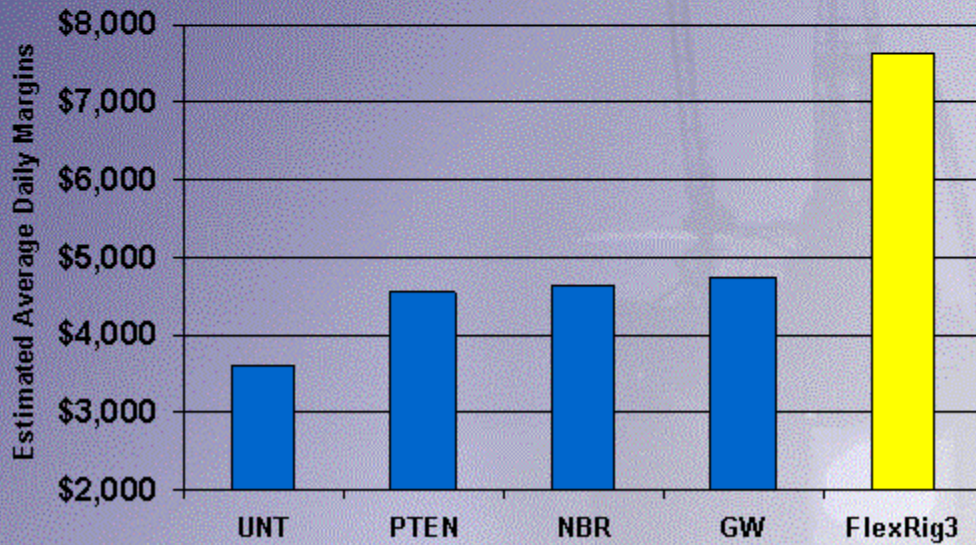




Technology and Quality Service Make a Difference

U.S. Land Daywork Drilling Margins

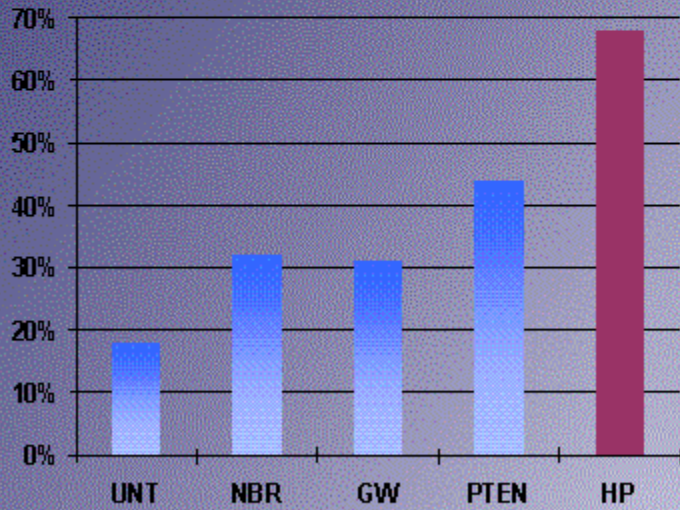
(Twelve Months through June 2005)



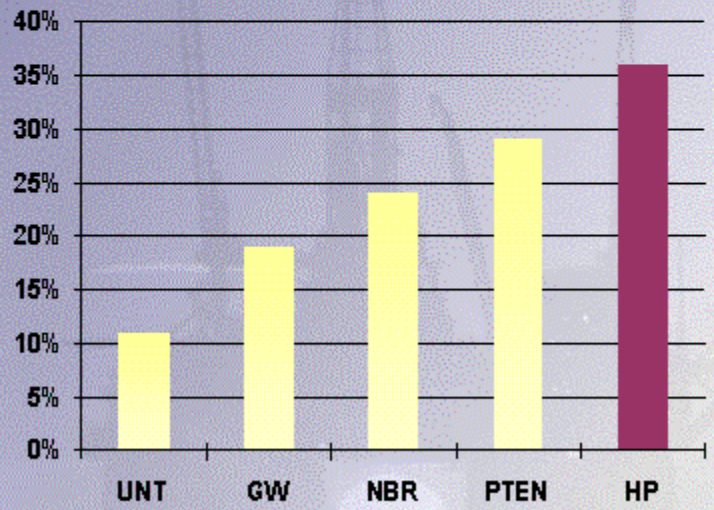


EPS & CFPS – Street Estimates

Estimated FY2005 - FY2006
EPS Growth



Estimated FY2005 - FY2006
CFPS Growth



Source: Thomson Financial
August 3, 2005



New Build Inflection Point:

- **How did we get here?**
- **Where are we going?**
- **The line of demarcation.**



EPS Sensitivity *

	<u>Annual EPS Increases</u>
US Land \$1000 Average Margin Per Rig Day Increase	.36
Announced New Builds 25 FlexRigs Working A Full Year	.88

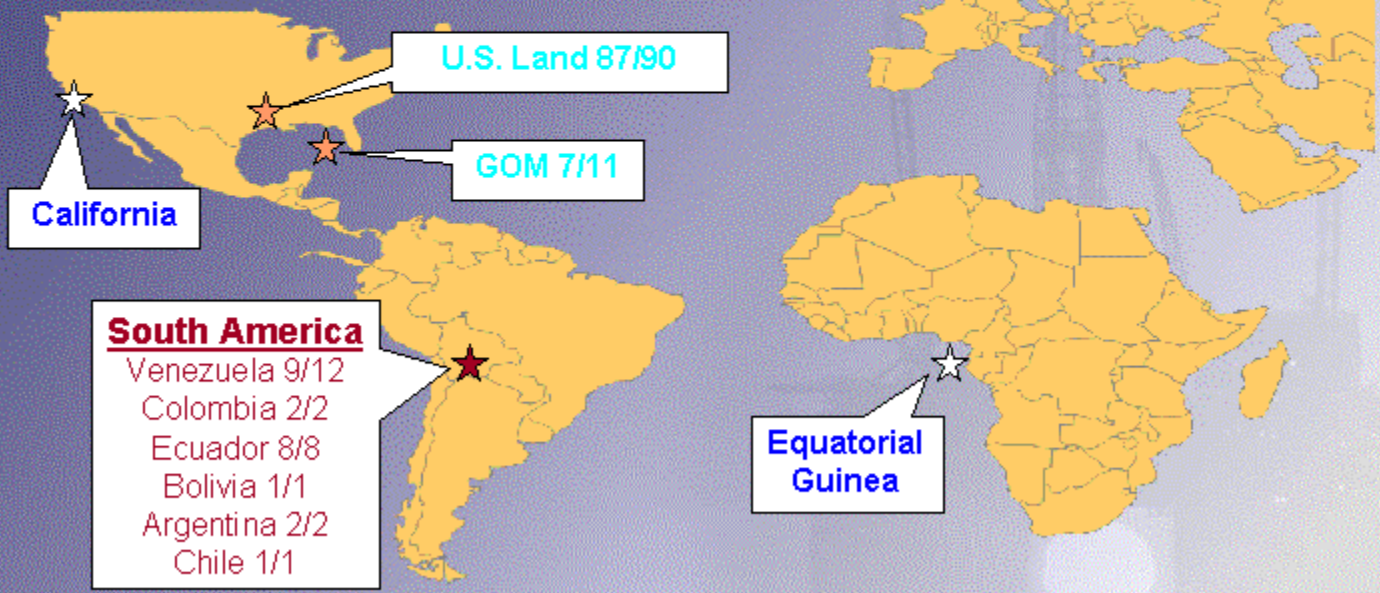
*** Using 3Q05 Earnings & Statistics As Baseline
See Forward Looking Statement Disclaimer – Page 2**



Rig Locations



U.S. Rigs
International Rigs
Total H&P Rigs
25 U.S. Construction
3 Management Contracts



Rig Status as of 1-September 2005



	<u>Rigs Available</u>	<u>Rigs Working/Contracted</u>	<u>% Activity</u>
U.S. Land, FlexRig & Mobile	62	62	100%
U.S. Land, Conventional	28	25	89%
U.S. Platform	11	8	73%
International Land	<u>27</u>	<u>24</u>	<u>89%</u>
Total	128	119	93%
Management Contracts:			
U.S. GOM & CA		2	
Equatorial Guinea		<u>1</u>	
Total Rigs Working/Contracted		122	

Segment Outlook – U.S. Land

Strong and Improving!



- Sustained rig demand
 - Potential for continuing dayrate increases
 - Potential for additional term contracts
 - New rig construction
 - Growing customer focus on safety and performance

New Build Program



22 FlexRig4s and 3 FlexRig3 new-builds

- **Expect outstanding financial returns**
- **Strong validation for FlexRig value proposition**
- **Operator benefits:**
 - **Significant total drilling costs savings**
 - **Accelerated well delivery and production**
 - **Enhanced safety and environmental sensitivity**



Segment Outlook – Offshore, U.S. GOM

Steady, Good Potential

- Increasing platform rig demand and supply
- Operating leverage available for potential recovery
- Rig management contract opportunities

Segment Outlook – International

Recovering! Highest Activity
in S. America since 1998



- **Venezuela – 9 rigs are working. 3 rigs available with strong prospects.**
- **Colombia – Both rigs working. Should continue for FY05.**
- **Ecuador – All eight rigs working. Strong market.**
- **Bolivia/Argentina – All four committed.**
- **Chile – New contract.**

H&P is the Leader in Field Performance

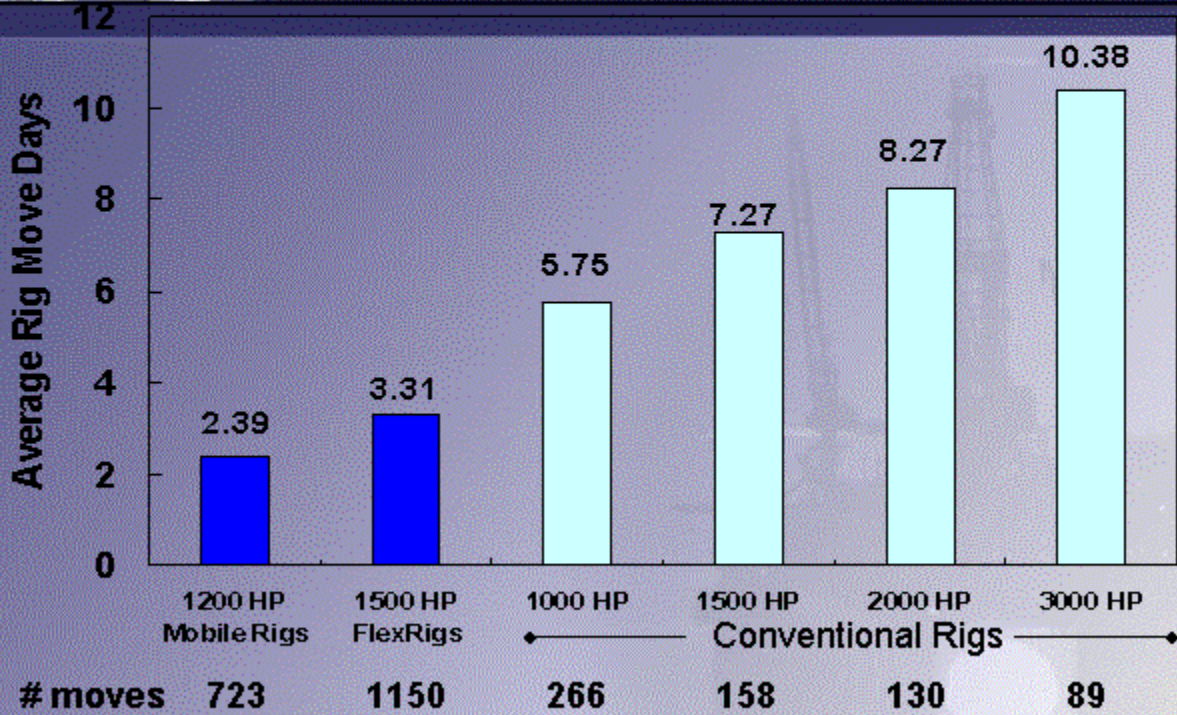


- **Innovative technology**
- **Reduced move times**
- **Reliability**
- **Drilling performance**

H&P Land Rig Moves 1998 to 2004



(Rig move time: Time from rig release on last well to spud of next well including time to rig down, transport, rig up and prepare to spud.)

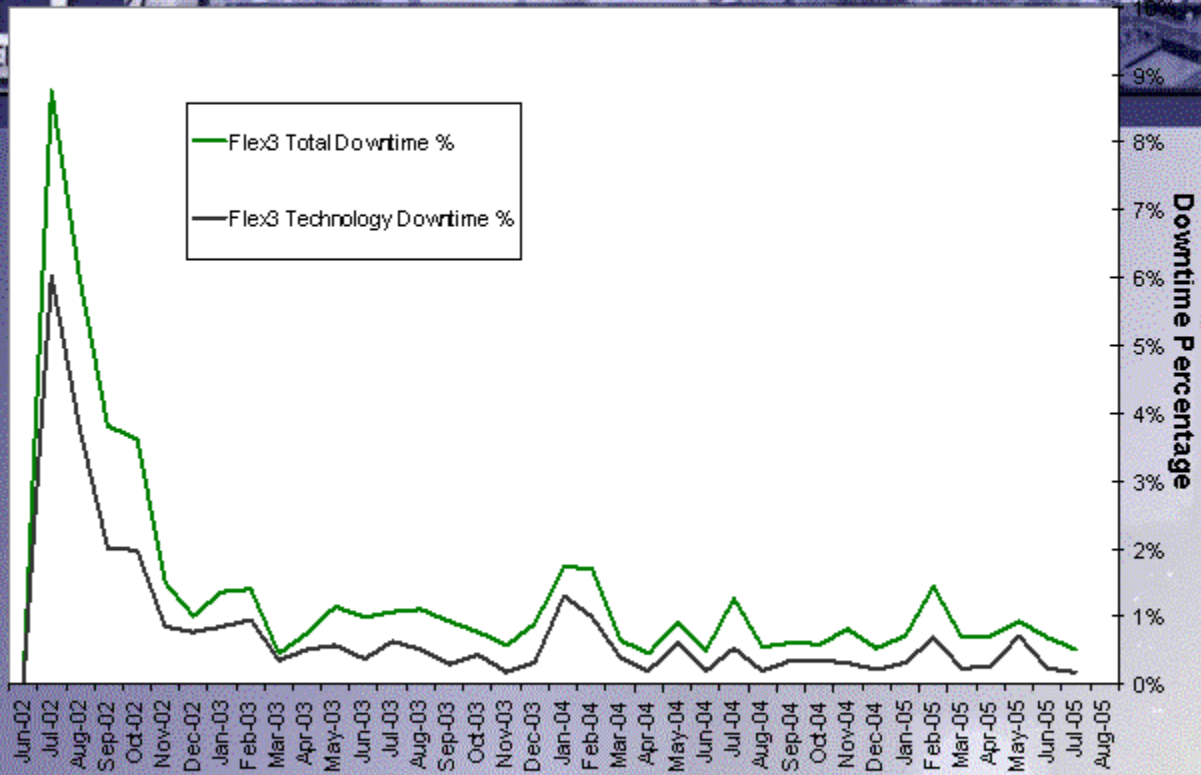


H&P FlexRig³ Downtime Performance

June 2002 – July 2005



FlexRigs Contracted





FlexRig3



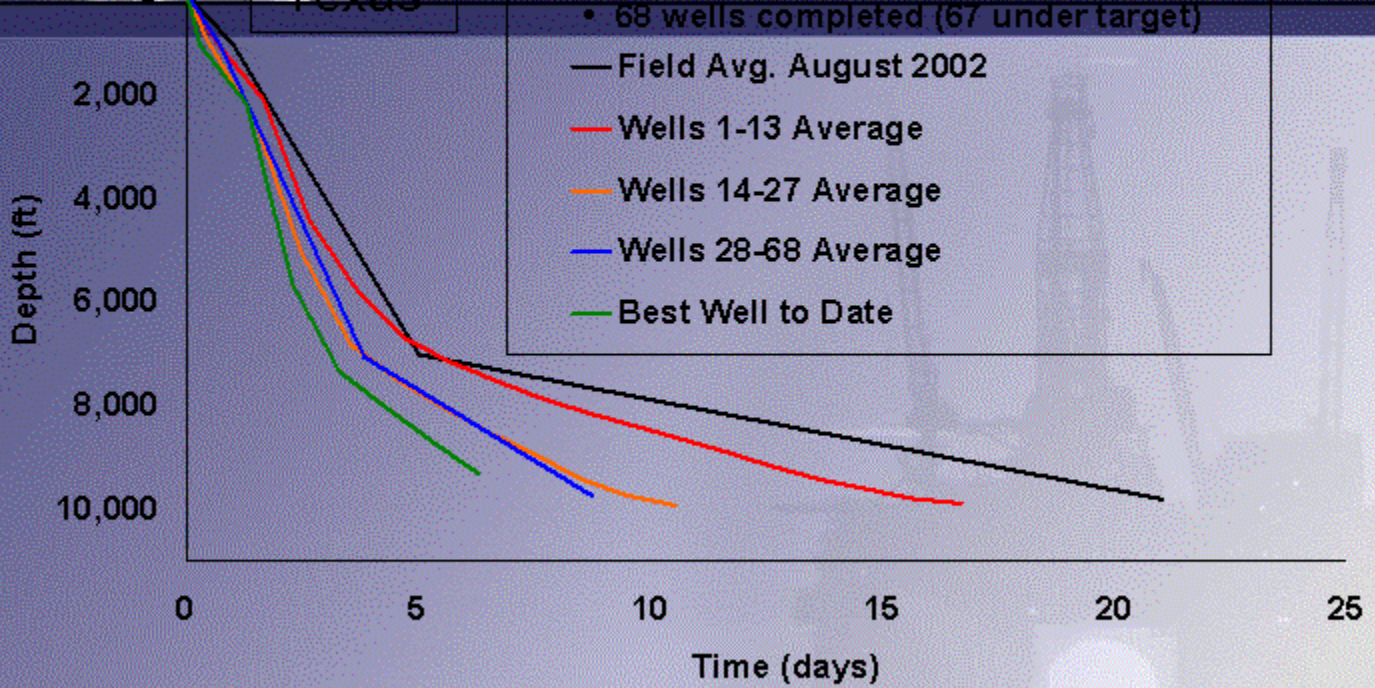
Highlights of Rigs 210 – 241

1. **Field Performance vs. customer's planned drill curves**
 - 838 complete wells as of 1 September 2005
 - 485 wells (65%) under
 - 31 wells (4%) on
 - 227 wells (31%) over
2. **53% of FlexRig3s are currently drilling directional, more technically difficult wells.**

Example of Best Value: H&P 213 FlexRig3



East Texas



Best Value – Reduced Well Cycle Time



	Estimated Field Average	H&P R213 Sep 05
1. Drilling days	13	7.7
Completion days	2	2
Moving days	5	3
Well cycle in days	20	12.7
2. Contractor rate/day	\$16,500	\$20,500
Operator's other intangible cost per day estimate	\$9,500	\$9,500
Operator's daily "spread" cost estimate	\$26,000	\$30,000
Intangible cost per well	\$520,000	\$381,000
3. Total Well Savings – per well per year		\$139,000 \$4.0MM
4. Value captured by H&P – per year		\$1.5MM

Best Value Reduced Well Cycle Time



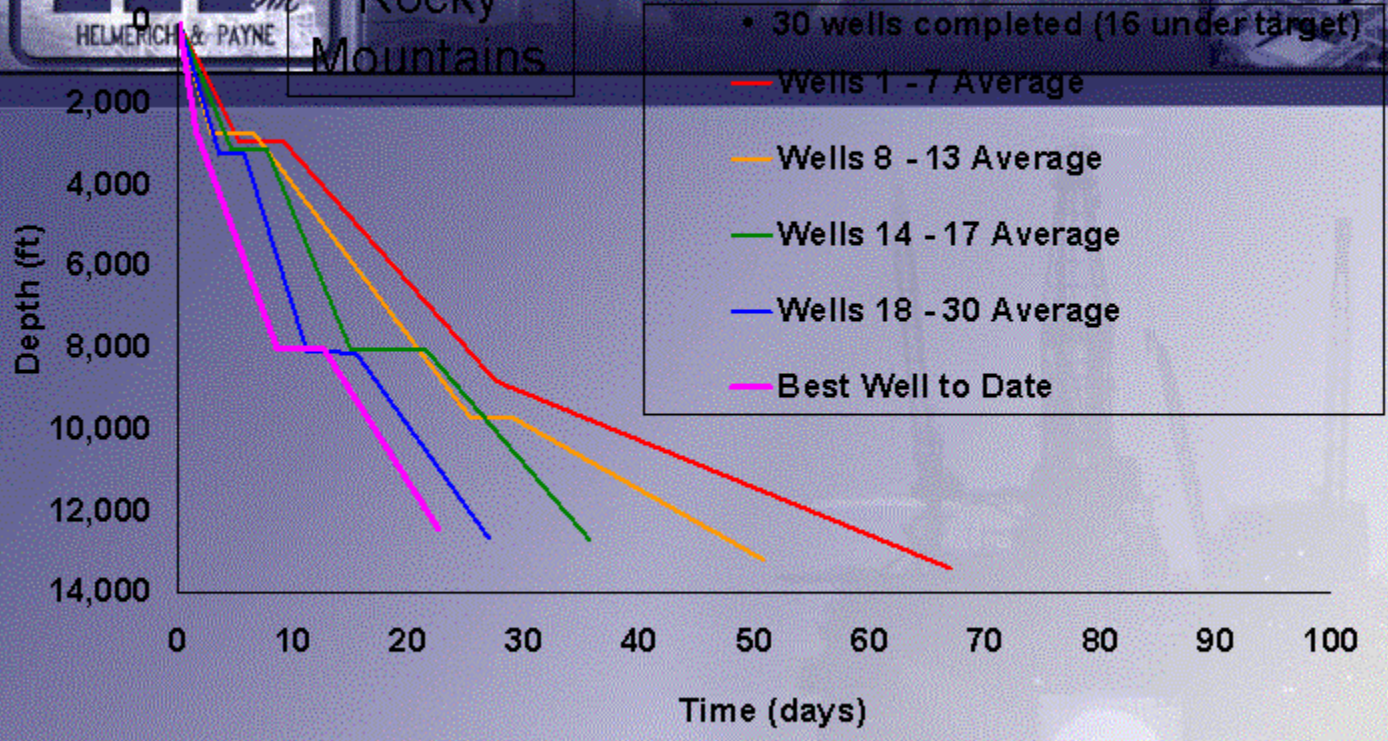
3. Added value from FlexRig3 operations

- **Lowest total well cost**
- **Increased wells per rig per year:**
 - **28.7 wells vs. 18.3 wells**
- **Early production: Incremental wells on production**
 - **10.4 wells / yr**
- **Improved efficiency of operator's organization**

Example of Best Value: H&P FlexRig3s



Rocky Mountains



Why Do We Favor a New Build Strategy?



- Safety
- Efficiency
- The future is about applying better ideas
- New appreciation of H&P's value proposition
- Outstanding financial returns