

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 01/12/10 for the Period Ending 01/12/10

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): **January 12, 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: January 12, 2010

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.

Goldman Sachs Global Energy Conference
January 12-13, 2010



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

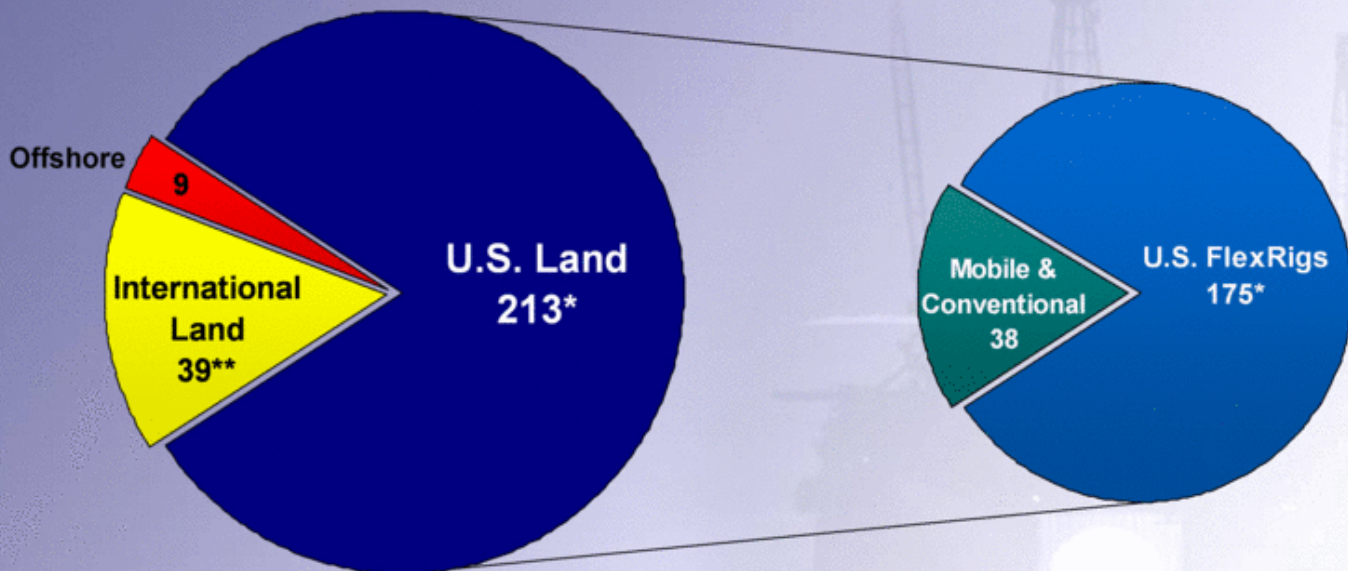


The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the “Risk Factors” and “Management’s Discussion & Analysis of Results of Operations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

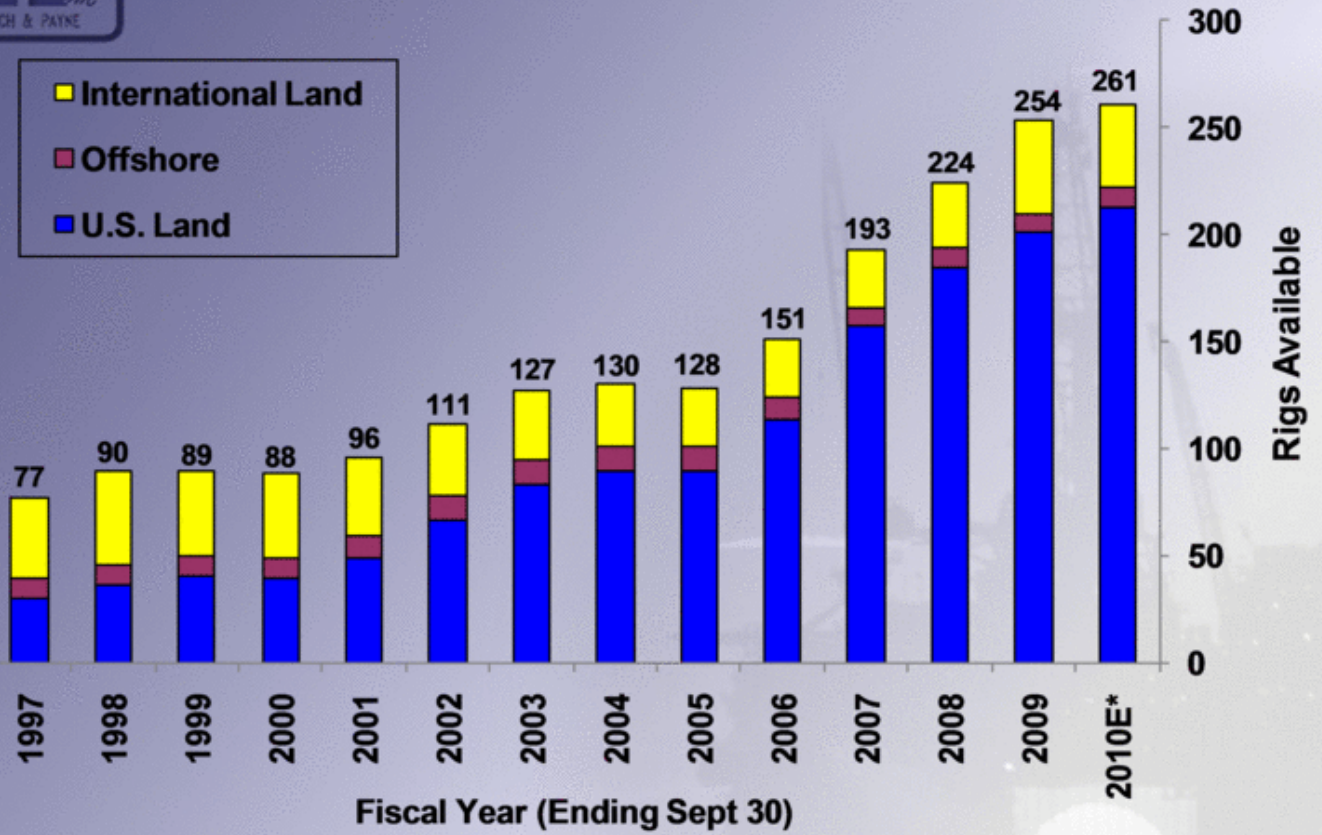


* Includes three new rigs with previously announced customer commitments scheduled for completion by April 2010.

** Includes 15 FlexRigs.



H&P's Global Rig Fleet



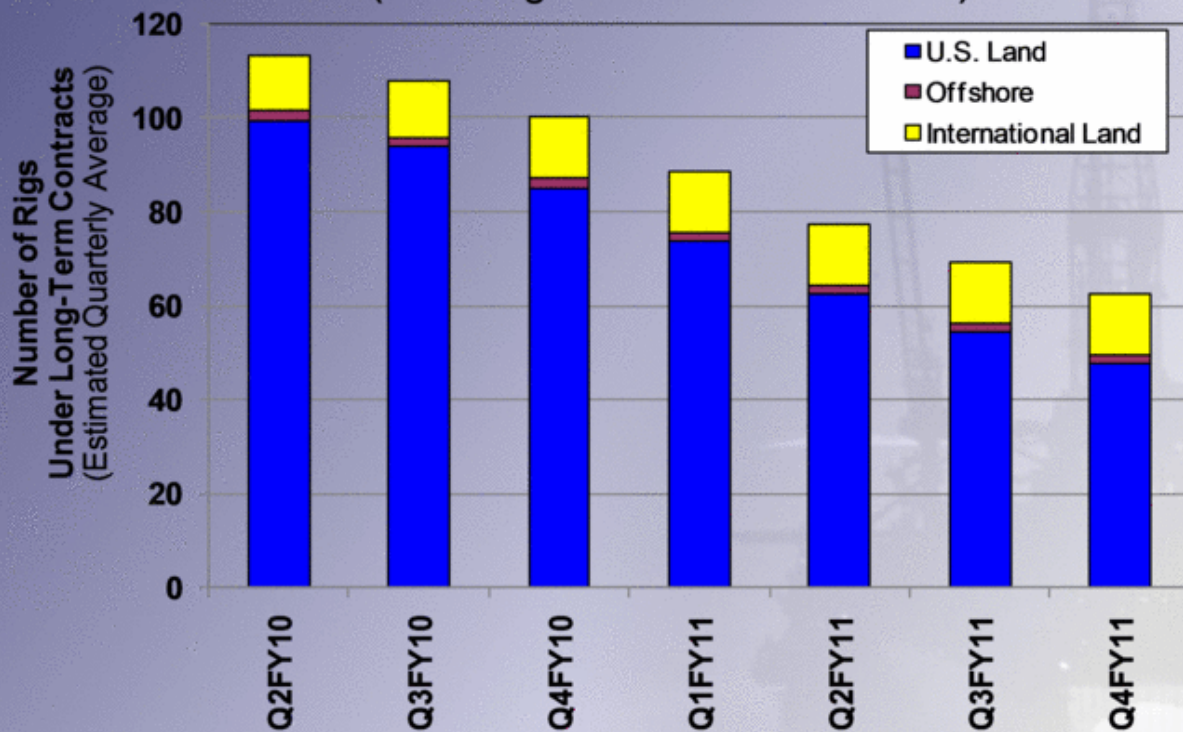
* Estimates include existing rigs and announced new build commitments.



H&P's Global Fleet Under Term Contracts

(as of January 11, 2010)

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.

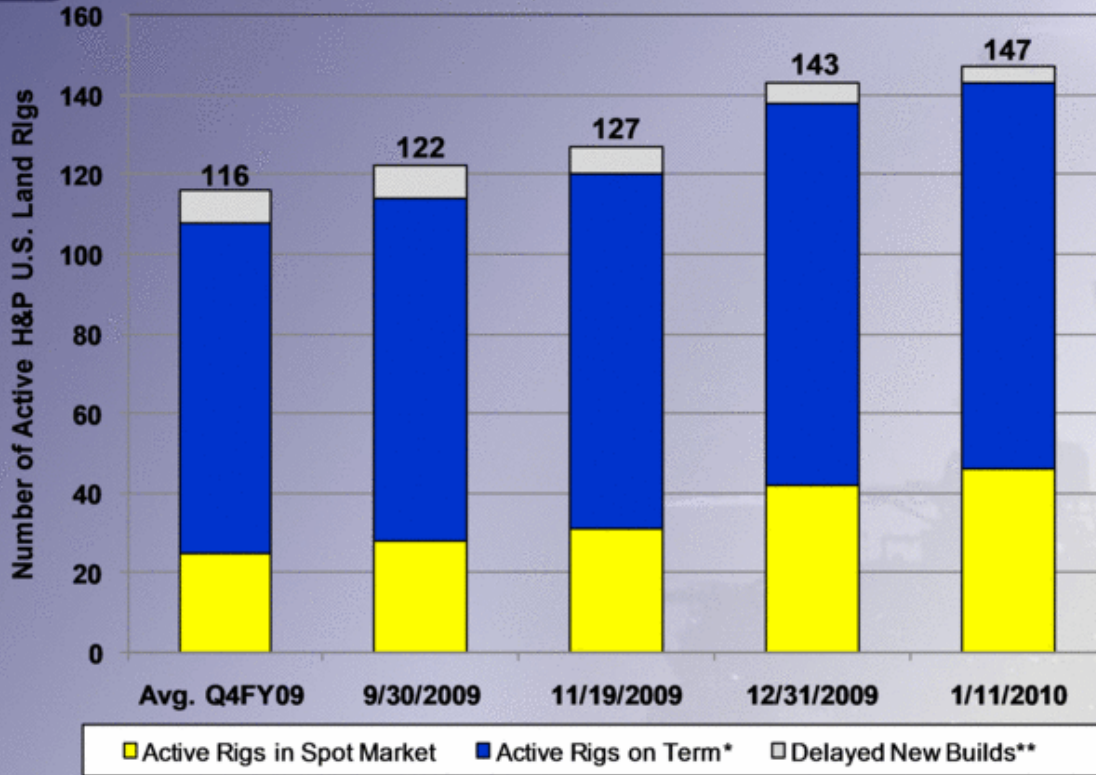


H&P's U.S. Land Operations

- **Market demand and H&P's active rig count continue to increase.**
- **Improving customer interest for both spot and term contracts.**
- **Spot pricing is beginning to improve in selected unconventional plays, especially for FlexRigs.**
- **Incremental activity is mostly geared toward prominent unconventional plays.**
- **Larger FlexRigs are all currently contracted.**
- **Considering existing commitments only, we now estimate an average of 94 rigs to be under protected term contracts during fiscal 2010 (up from 90 at 11/19/09).**



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



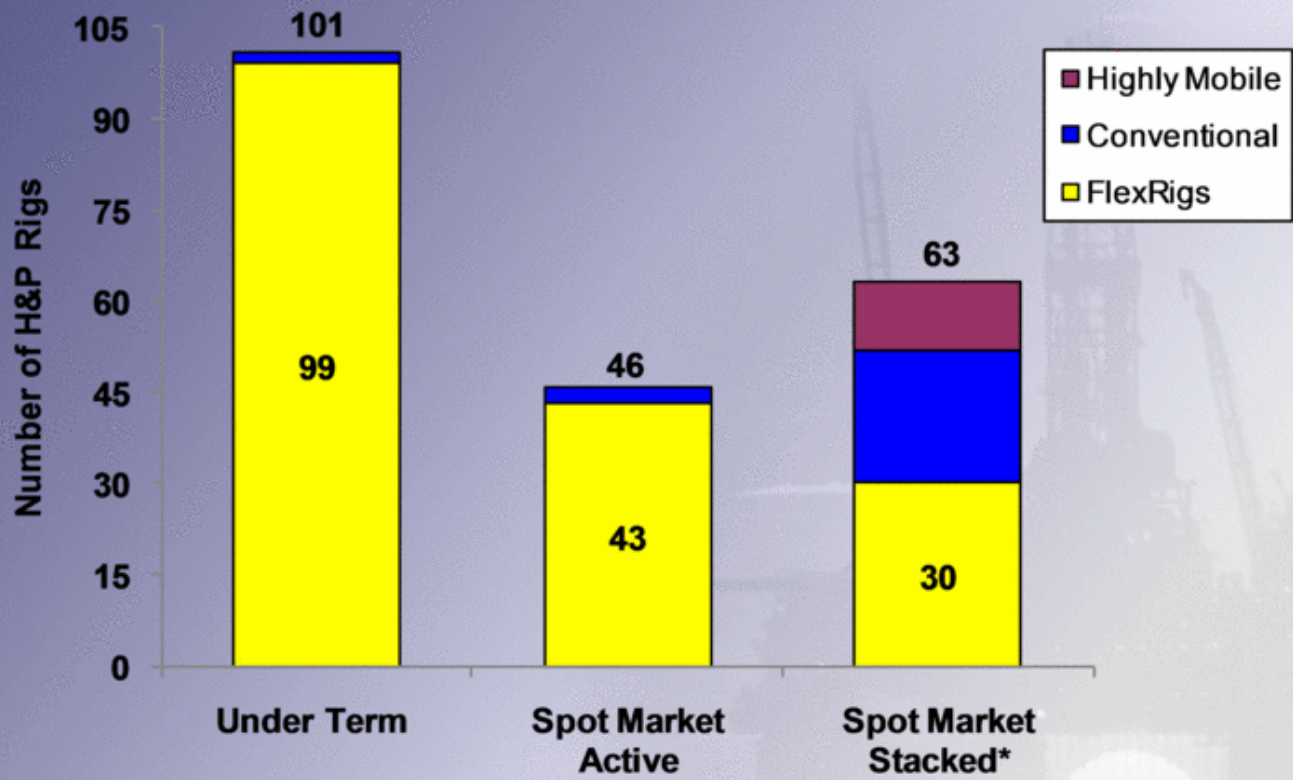
* Active rigs on term (in blue) generated both revenue and revenue days, including a few rigs on standby.

** 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 11, 2010)

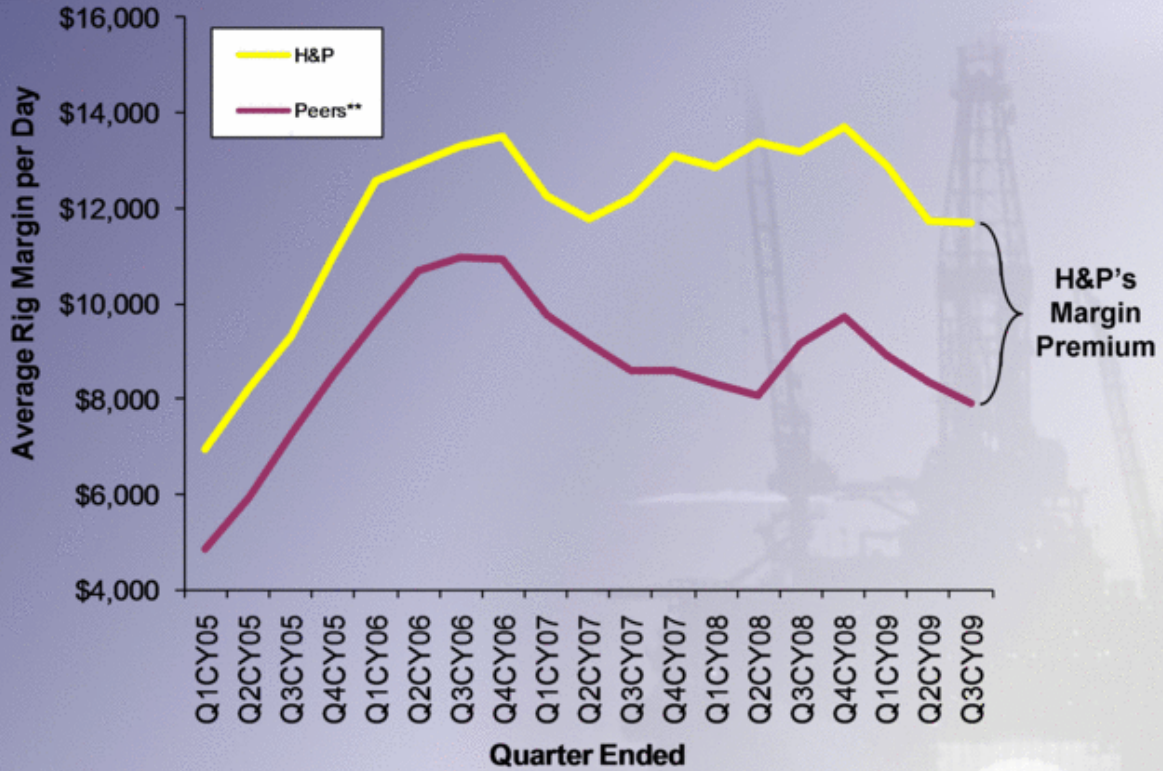


* Includes four FlexRigs with signed contracts. All of the remaining 26 uncontracted FlexRigs are FlexRig4's, which target shallower depth wells.



Technology and Quality Service Make a Difference

U.S. Land Average Daywork Margins*



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

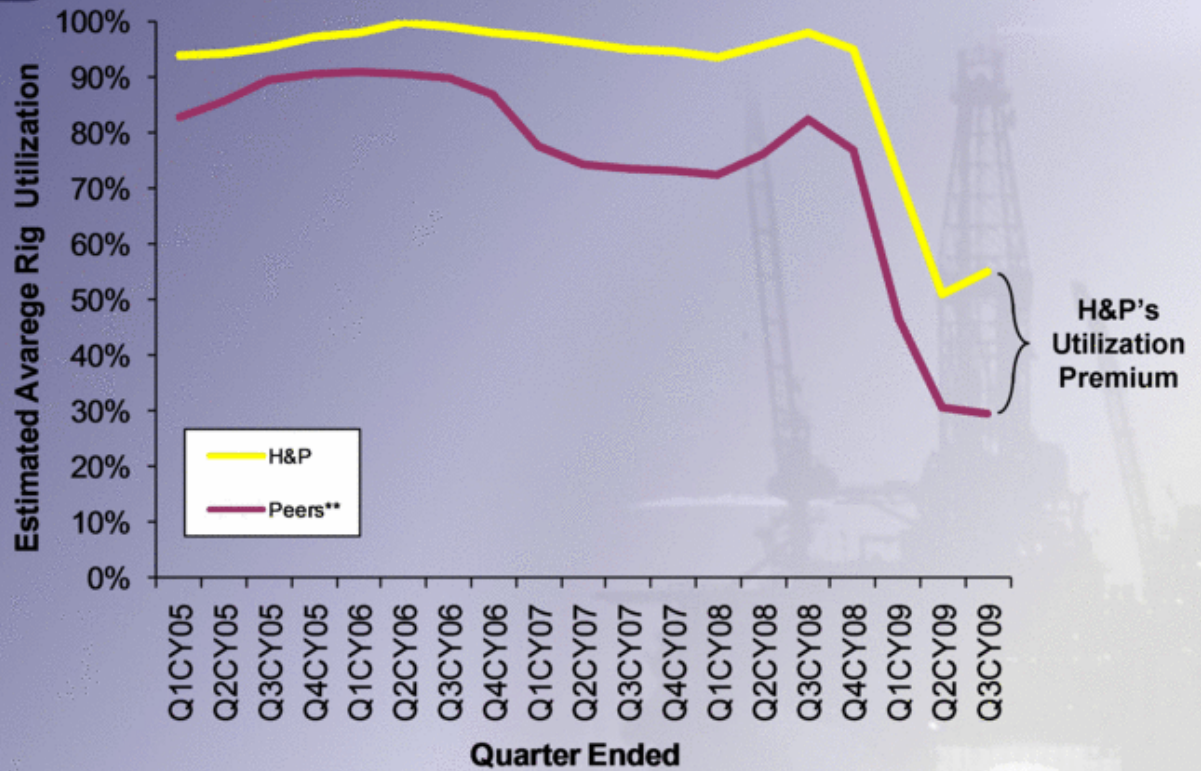
** Represents weighted-average rig margin per day for PTEN, NBR and UNT in the Lower 48.

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Impact of Downturn on Utilization

U.S. Land Estimated Average Rig Utilization*



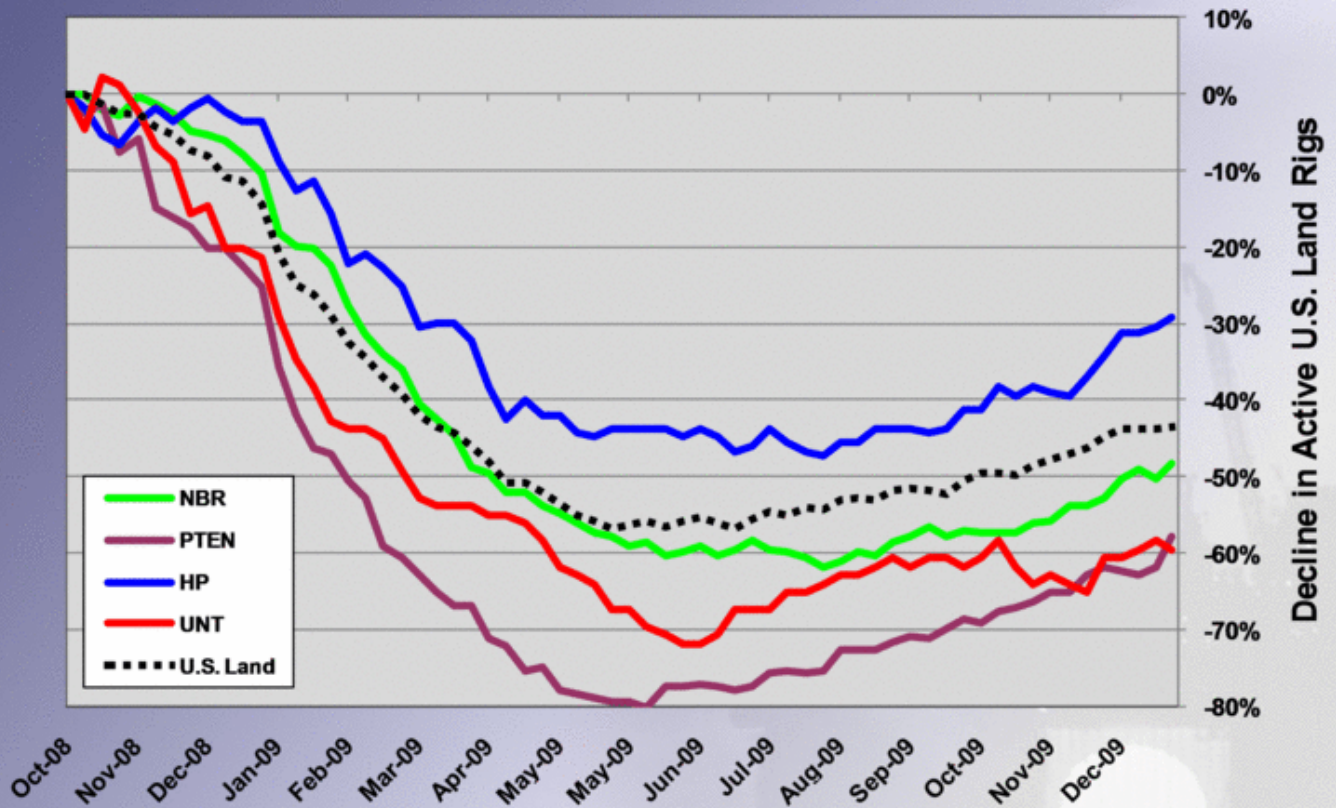
H&P's Utilization Premium

* 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 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 December 31, 2009)

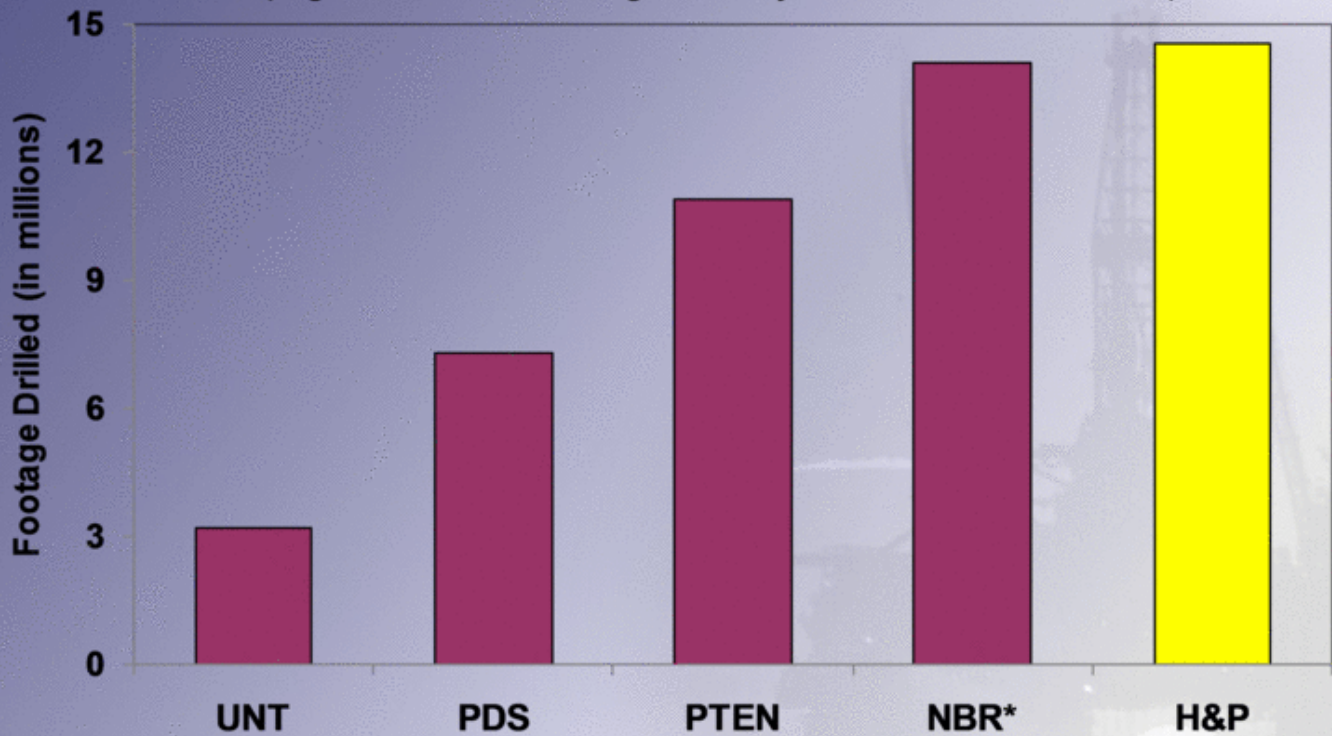




U.S. Land Footage Drilled

U.S. Land Footage Drilled

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



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

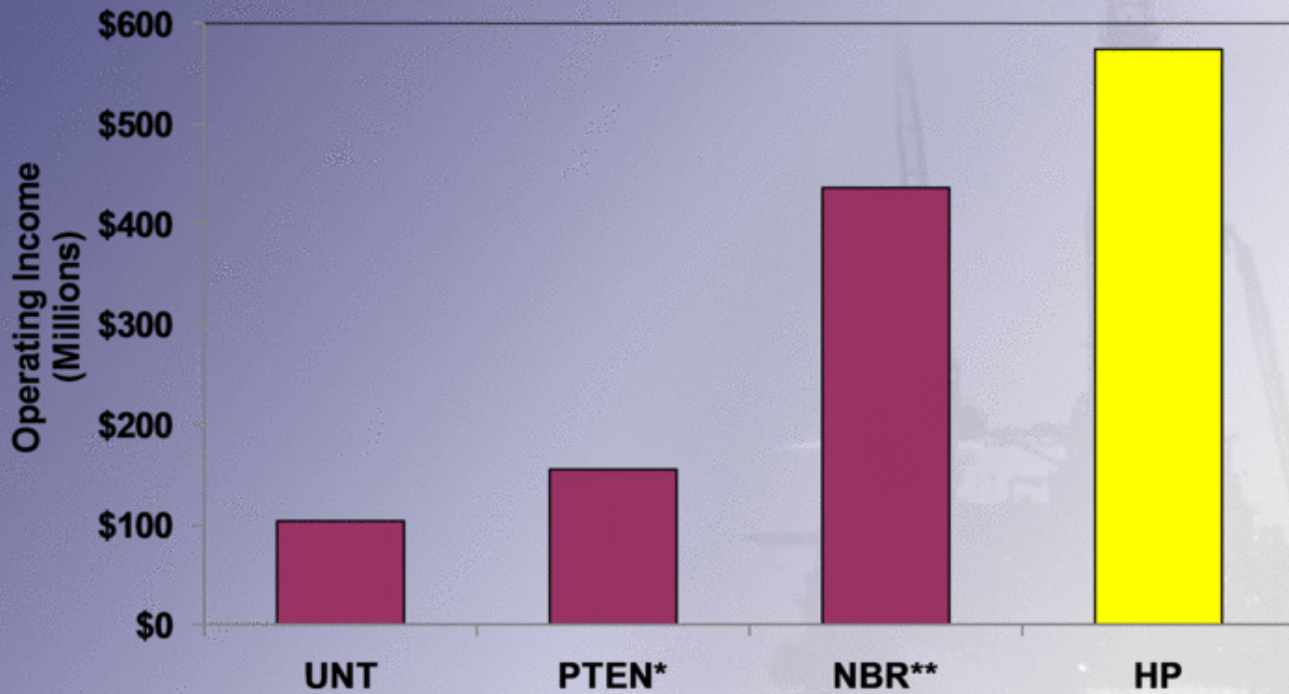
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Most Profitable Driller in U.S. Land Business

U.S. Land Drilling Operating Income

12 Months Ended September 30, 2009



* 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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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**



Another Value Proposition Example – H&P vs. Competitors

	Estimated Field Competitor Average (Spot Market)	H&P FlexRig Late 2009 (Spot Market)
1. Drilling days	28	18
Completion days	2	2
Moving days	<u>4</u>	<u>3</u>
Total rig revenue days per well	34	23
2. Drilling contractor dayrate	\$13,500	\$17,500
Operator's other intangible cost per day estimate	<u>\$15,000</u>	<u>\$15,000</u>
Total daily cost estimate	\$28,500	\$32,500
Total cost per well (daily services)	\$969,000	\$747,500
3. Total well savings with H&P – per well per year		\$221,500 \$3.5MM



Value added from FlexRig operations

- Significant H&P dayrate premium
- Increased wells per rig per year: 5 wells
- Early production: Incremental wells on production
- Lowest total well cost



A Strong Field Organization

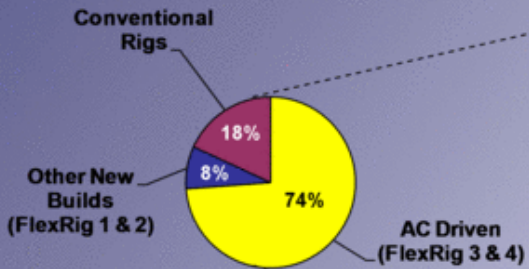
- Performance is not only about better rigs
- It's also about:
 - People
 - Safety
 - Experience
 - Training
 - Culture
 - Supply chain
 - Maintenance
 - Processes
 - Organizational network
 - Support structure



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

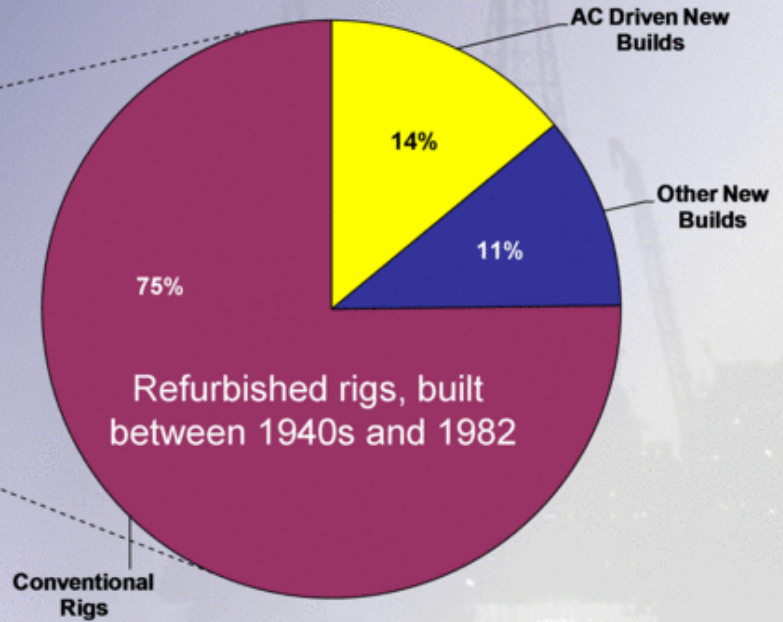
H&P's Available U.S. Land Fleet

(210 Rigs as of 1/11/10)



Total Available U.S. Land Fleet (Estimates)

(~2,500 Rigs)

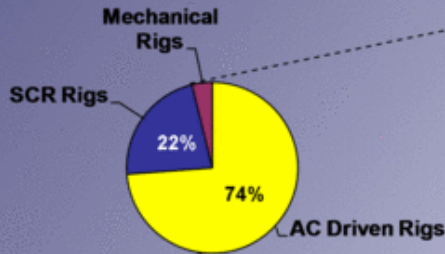


Note: The above estimates corresponding to the total available U.S. fleet are derived from multiple sources including Rig Data, Smith Bits and corporate filings. Only rigs with equal to or greater than 600 horsepower drawworks ratings are considered.

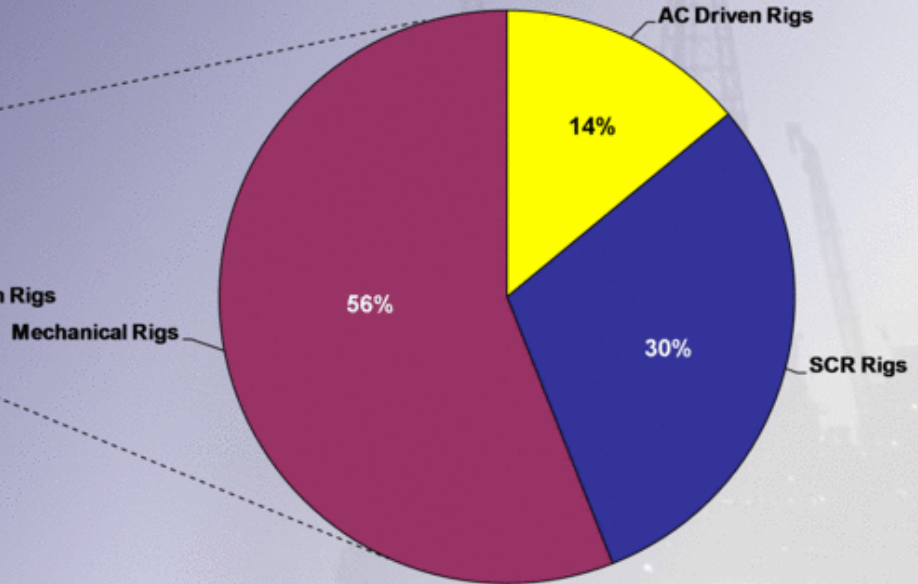


H&P and U.S. Land Fleet (by Rig Type)

H&P's Available U.S. Land Fleet
(210 Rigs as of 1/11/10)



Total Available U.S. Land Fleet (Estimates)
(~2,500 Rigs)

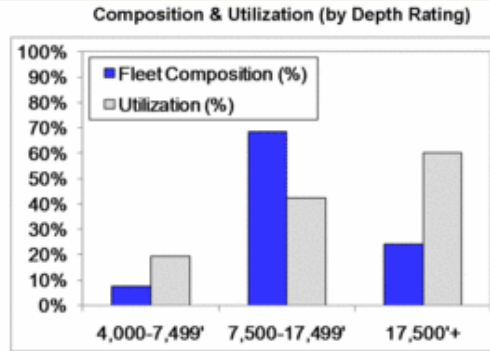
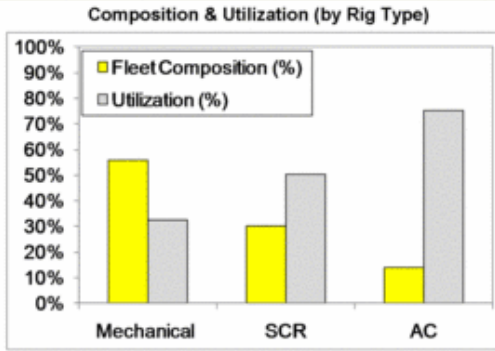


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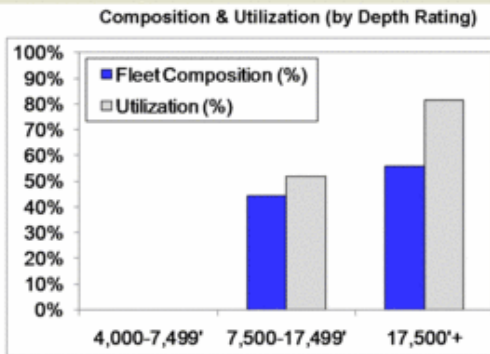
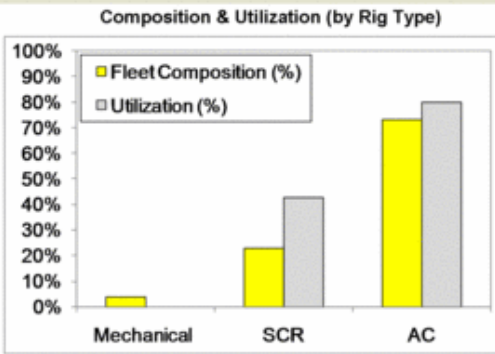


U.S. Land Activity by Rig Type and Depth Rating

Industry's U.S. Land Fleet Estimates* (as of 12/31/09)



H&P's U.S. Land Fleet (as of 12/31/09)



* 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.



H&P's International Land Operations

Rig Fleet Status (As of January 11, 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
Africa	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.**
- **Our two U.S. based management contracts are expected to remain active in fiscal 2010, and the new Equatorial Guinea management contract is expected to fully ramp-up during the second fiscal quarter of 2010.**



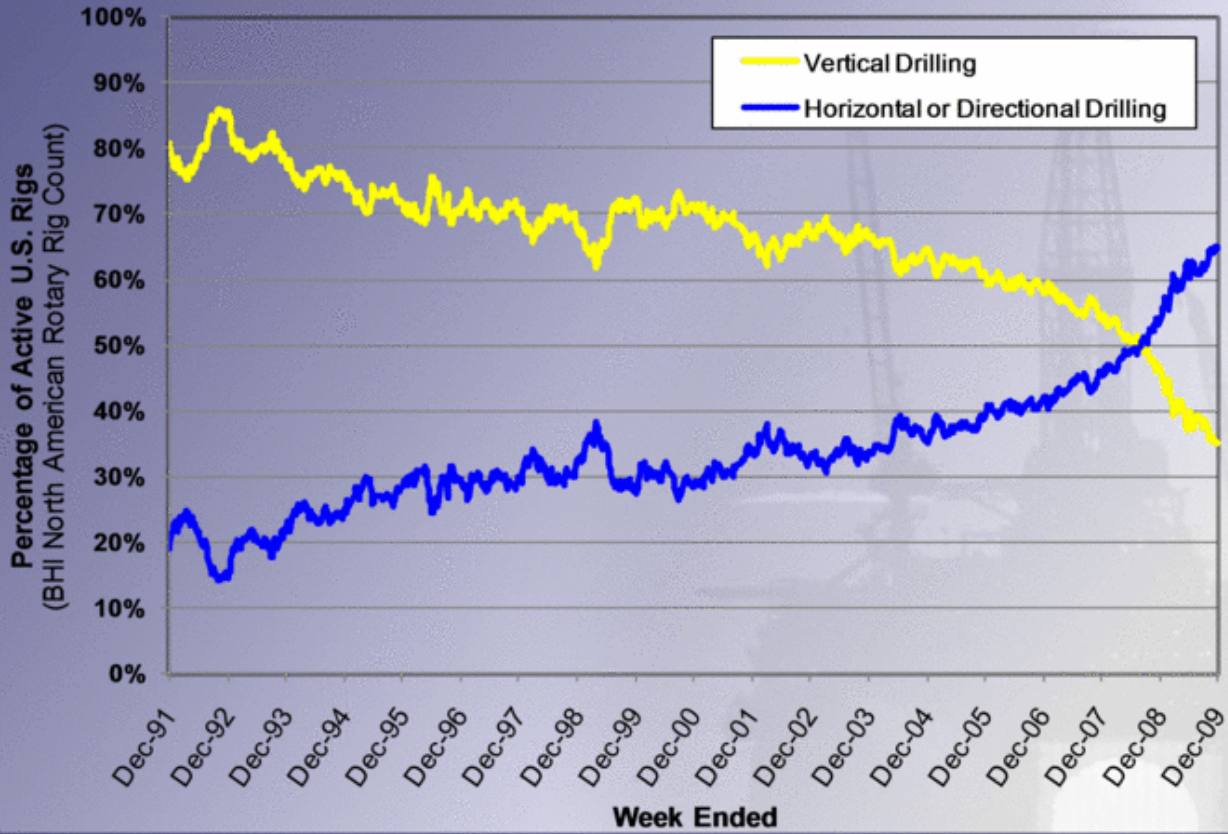
Market Trends Favor H&P

- **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**



Increasing Focus on More Difficult Drilling

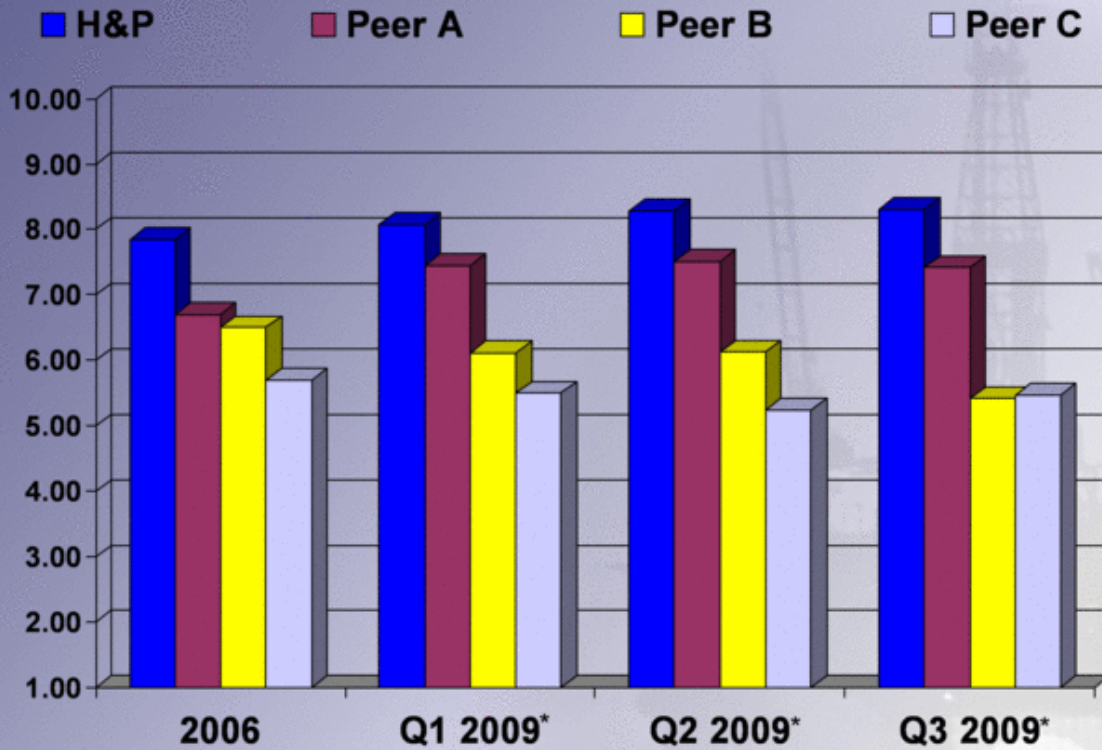
U.S. Rig Activity by Drilling Type





Customer Satisfaction Index

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



Source: EnergyPoint Research, Inc.

* Trailing four quarters average

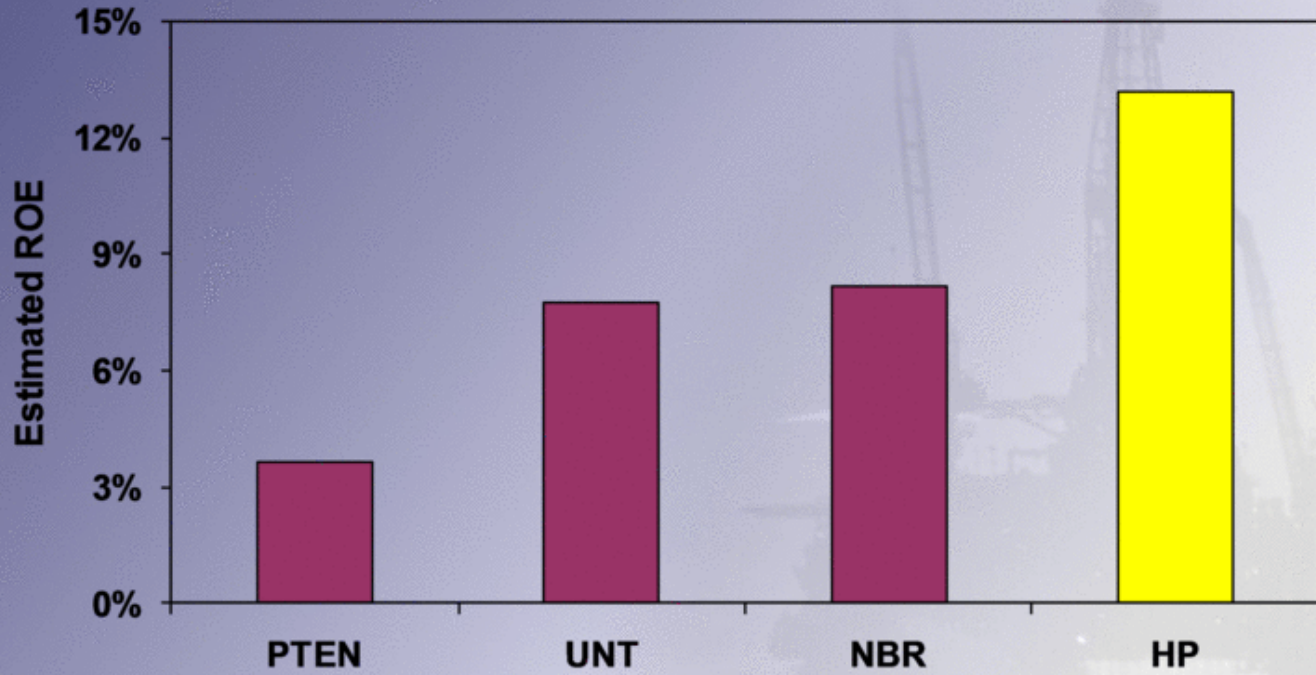
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Peer Group Return on Equity

Return on Equity*

12 Months Ended September 30, 2009



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



End of Presentation

HELMERICH & PAYNE, INC.