

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

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Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
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Table of Contents

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): December 6, 2004 (July 1, 2004)

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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TABLE OF CONTENTS

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

SIGNATURES

EXHIBIT INDEX

Annual Bonus Plan

Table of Contents

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On November 30, 2004, the Human Resources Committee of the Board of Directors of Helmerich & Payne, Inc. (“Registrant”) approved certain annual bonus awards under the Registrant’s 2004 Annual Bonus Plan adopted by the Human Resources Committee on July 1, 2004. The attached Exhibit 10.1, incorporated herein by reference, is the form of Annual Bonus Plan so approved.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

Exhibit No.	Description
10.1	Helmerich & Payne, Inc. Annual Bonus Plan

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: December 6, 2004

EXHIBIT INDEX

Exhibit No.	Description
10.1	Helmerich & Payne, Inc. Annual Bonus Plan

Helmerich & Payne, Inc.
Annual Bonus Plan

Overview

Annual bonus awards are available to certain Executives to recognize and reward desired performance. Each year the Human Resources Committee (the "Committee") approves the performance measures, and the specific financial and strategic objectives. An Executive's bonus award opportunity is determined primarily by the individual's position and level of responsibility.

Participation

The participants in the Plan are as follows:

Hans Helmerich,
George Dotson,
Doug Fears, and
Steve Mackey.

Bonus Award Opportunity

Participants are assigned target bonus awards expressed as percentages of base salary. These bonus awards are earned when performance objectives are achieved. The award percentages are as follows:

	<u>Threshold</u>	<u>Target</u>	<u>Reach</u>
Hans Helmerich	40%	80%	120%
George Dotson	25%	50%	75%
Doug Fears	20%	45%	70%
Steve Mackey	20%	45%	70%

Financial Performance Objectives

The performance objectives selected align management with shareholders. When these objectives are met, shareholders will realize greater value in their Company ownership. A participant's bonus award will be based upon three disproportionately weighted financial measures being:

<u>Financial Measure</u>	<u>Weighting</u>
Earnings Per Share	35%
Return on Invested Capital	35%
Operating EBITDA	30%

The Board of Directors annually approves an operating and capital budget at its September meeting. Each financial measure would be assigned threshold, target and reach numbers based upon this approved budget. Actual financial results would be compared to the budgeted numbers for each of the financial measures to determine the amount of any bonus. Based on the _____ fiscal year budget, the following financial performance benchmarks have been developed for each financial measure:

	Threshold	Target	Reach	Prior Fiscal Year Actual
Earnings Per Share	_____	_____	_____	_____
Return on Invested Capital	_____	_____	_____	_____
Operating EBITDA*	_____	_____	_____	_____
*millions	_____	_____	_____	_____
Assumptions			Current Fiscal Year Target	Prior Fiscal Year Actual
Revenue Days - U.S. Land:			_____	_____
Revenue Per Day - U.S. Land:			_____	_____
U.S. Land Rig Utilization:			_____	_____
U.S. Offshore Utilization:			_____	_____
International Utilization:			_____	_____

Strategic Performance Objectives

The bonus, if any, derived from the Company’s financial performance would then be increased or decreased by the Committee pursuant to a 30% adjustment factor. Seventy-five percent of this adjustment factor is based upon the Committee’s assessment of the Company’s total shareholder return, using a three-year rolling average relative to an industry peer group. The remaining 25% of the bonus adjustment factor is based upon the Committee’s evaluation of the Company’s success in attaining higher than industry average utilization and premium day rates.

This bonus adjustment factor will be subject to a pre-determined safety performance threshold. For the _____ fiscal year, in order to meet that threshold, the Company’s OSHA and DAWFC rates must be _____percent below IADC averages. If this safety performance threshold is not met, then the bonus would not be increased by the adjustment factor. The bonus would not be decreased by the adjustment factor solely for the reason that safety performance threshold was not met. However, if the adjustment factor resulted in a decrease to the bonus, then the bonus would be decreased even if the safety performance threshold is met.