

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 05/11/05 for the Period Ending 05/11/05

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

HELMERICH & PAYNE INC

FORM 8-K (Unscheduled Material Events)

Filed 5/11/2005 For Period Ending 5/11/2005

Address	UTICA AT 21ST ST TULSA, Oklahoma 74114
Telephone	918-742-5531
CIK	0000046765
Industry	Oil Well Services & Equipment
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): May 11, 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))
-
-

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: May 11, 2005

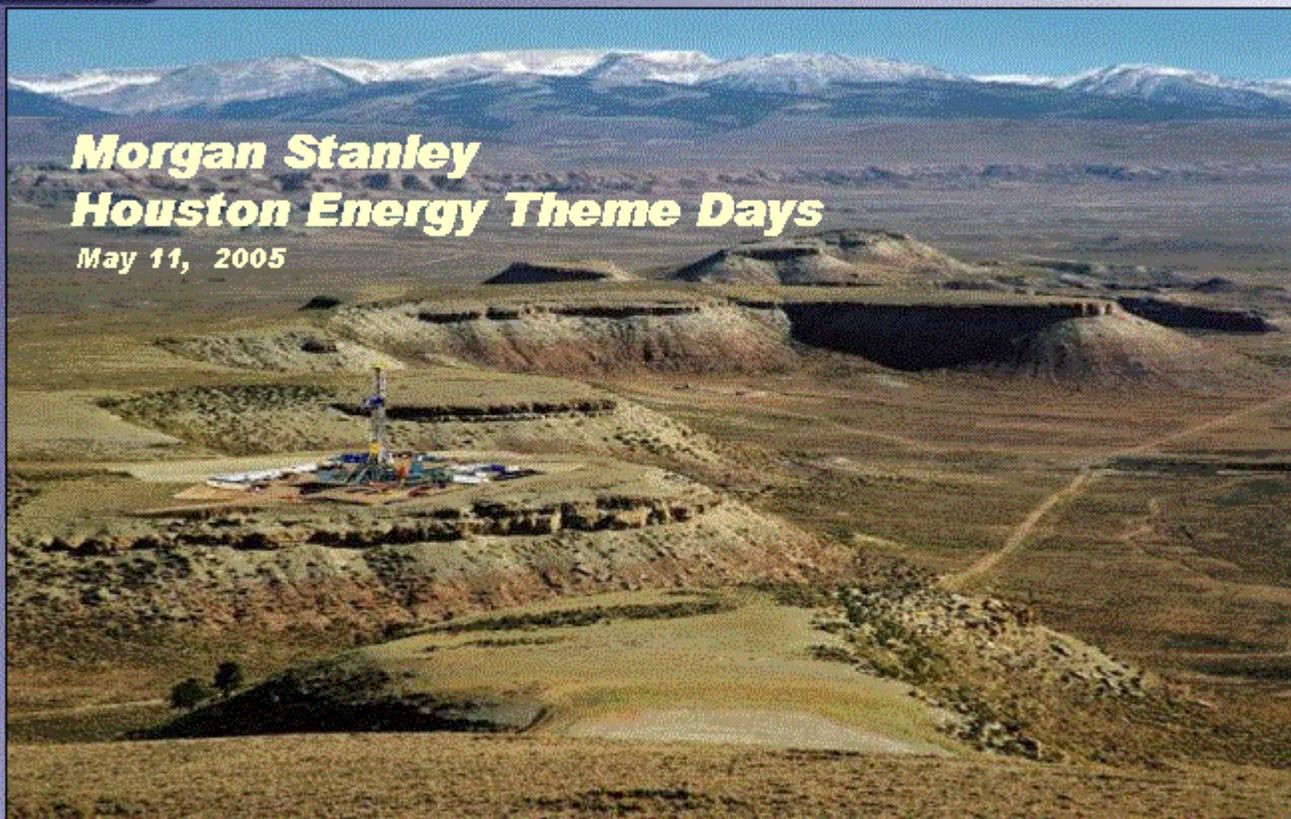
EXHIBIT INDEX

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***Morgan Stanley
Houston Energy Theme Days***

May 11, 2005



HELMERICH & PAYNE, INC.



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.

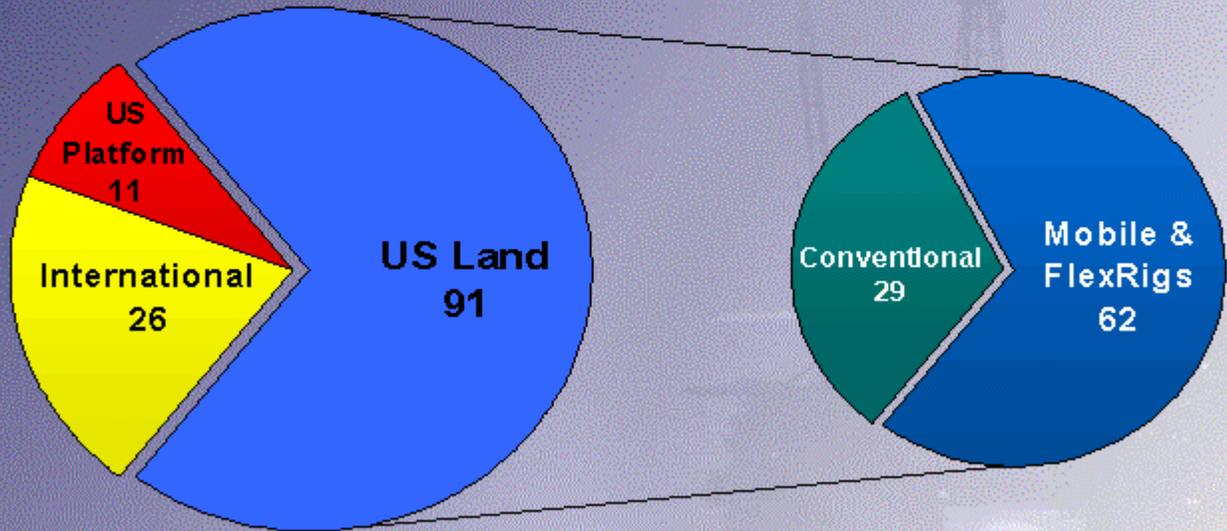


What Is Different About This Cycle

- **First up cycle for H&P as a pure play driller.**
 - **Increase in rig fleet of 60% from 2000 to 2006.**
 - **50 new FlexRigs have established the new performance standard for the industry.**
 - **Potential for an up cycle that is prolonged and less volatile.**
 - **We remain financially strong and well positioned.**
-



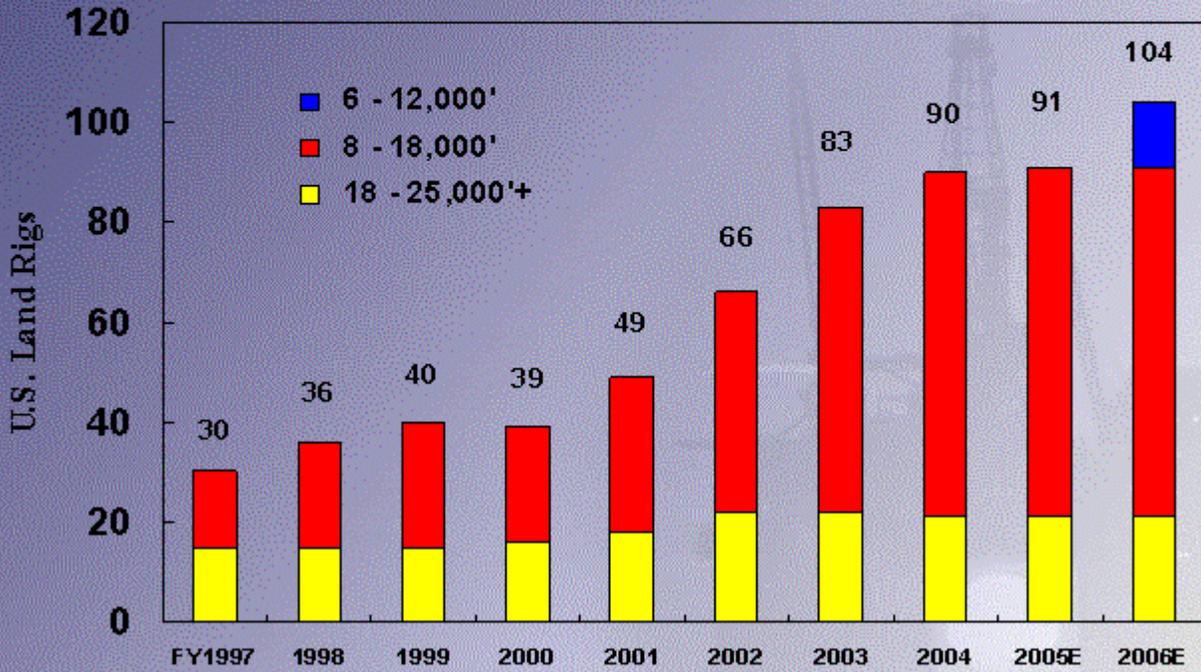
The Three Distinct Markets Of H&P's Rig Fleet



128 Total Rigs
May 2005

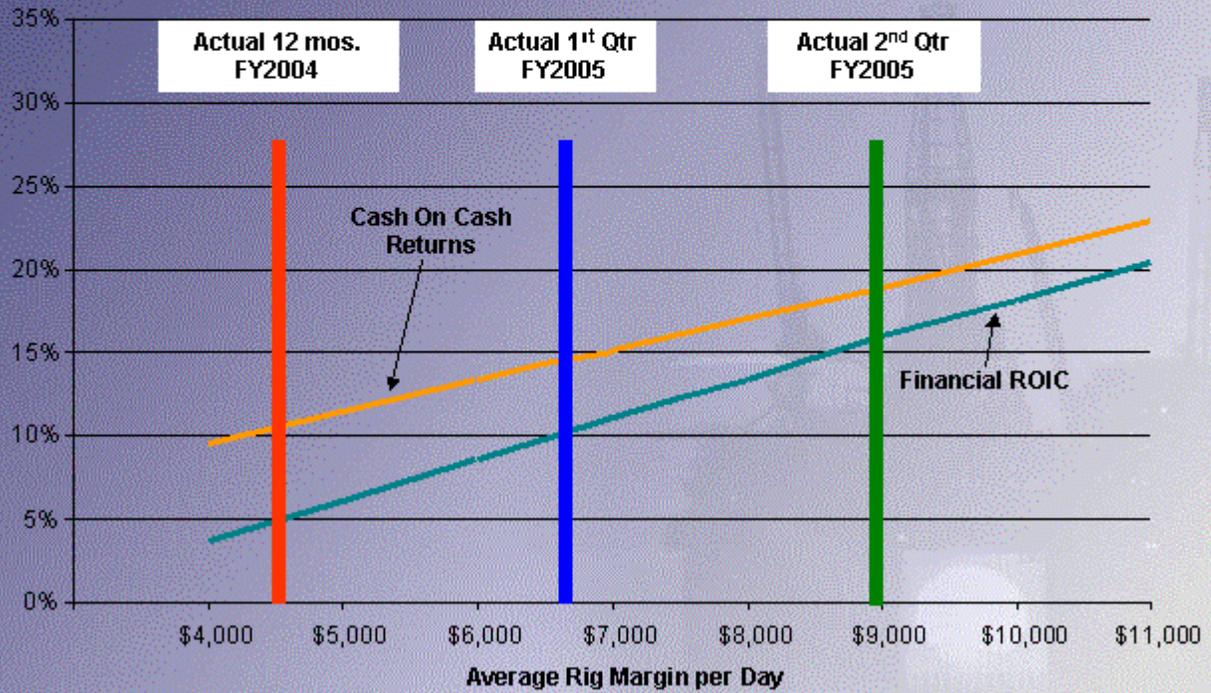


Move from Deep to Mid-Depth Land Rigs



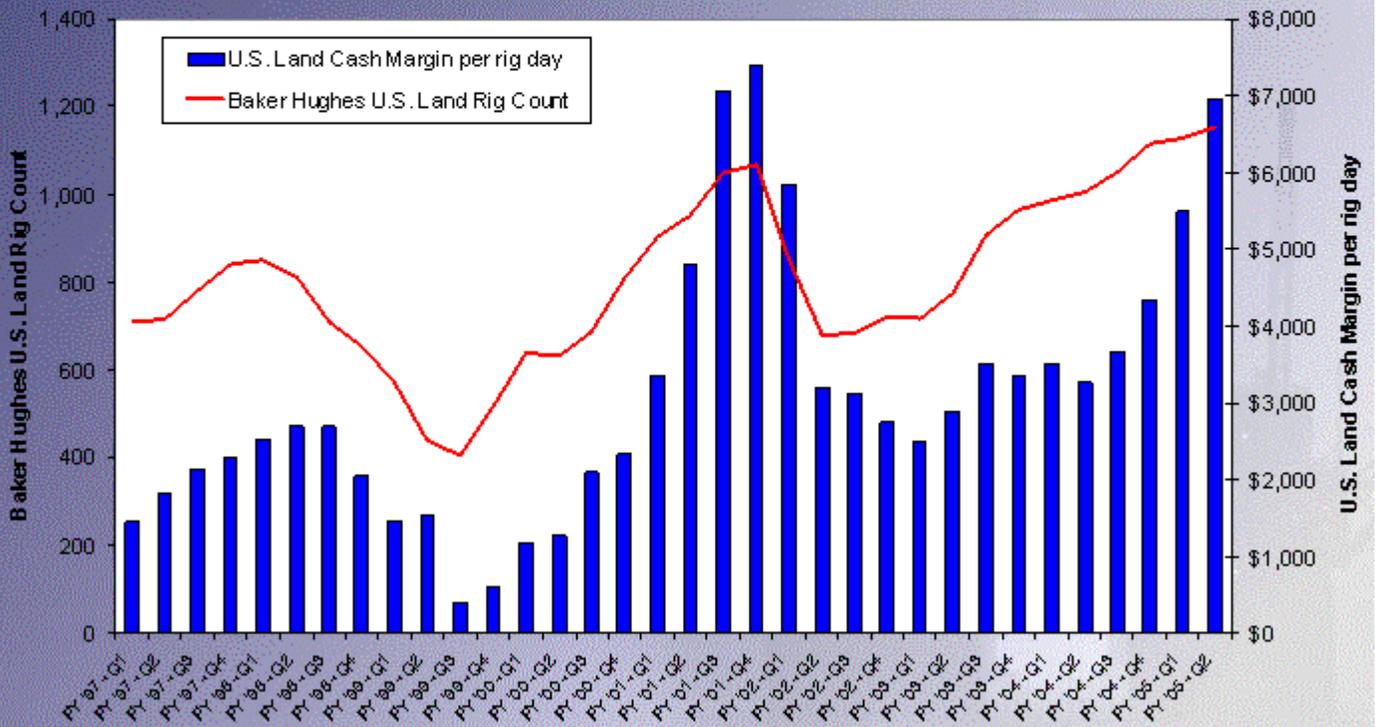


FlexRig3 Project Return Estimates





U.S. Land Cash Margin Per Rig Day



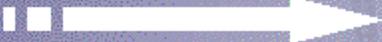


EPS Sensitivity *

US Land

Annual EPS Increases

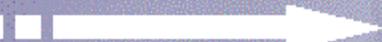
**\$1000 Average Margin Per
Rig Day Increase**



.36

Announced New Builds

**13 FlexRig4s
Working A Full Year**



.42

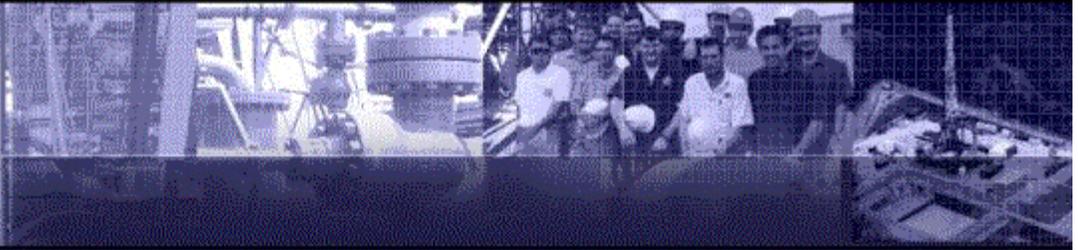
US Platform

**1 Additional Rig
Working A Full Year**



.07

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



New Builds:

- **A Bad Thing?**
- **Home Field Advantage During A Structural Shift**
- **Running Start – Widen Lead**



FlexRig4 New Builds Provide Momentum

- Leverages off new performance standard set by Flex3's
- Opens large market segment previously untapped by the Company
- Validates the business case for delivering improved drilling efficiencies
- Consistent with unique new build core competency



What's Next For H&P?

- Focus on improving the Company's total return on invested capital.
 - Leverage our experience in rig design, construction, and field execution into additional opportunities.
 - Look for international market expansion where operators place greater value on improved drilling efficiencies and overall performance.
-

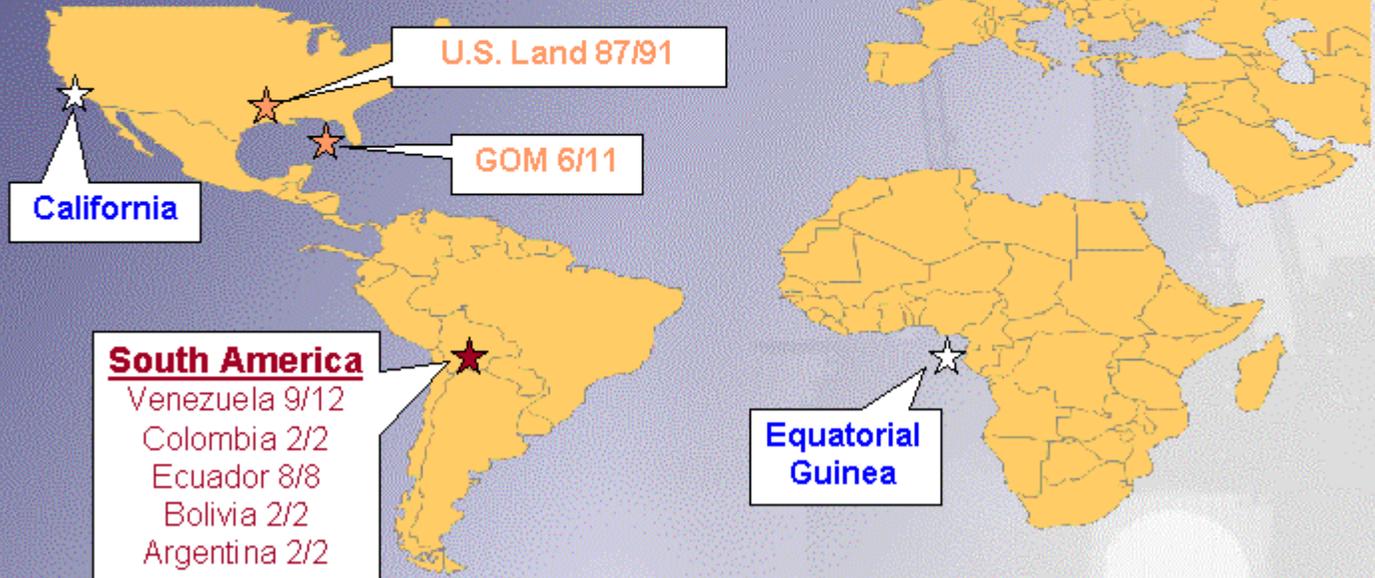


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Rig Locations

- 102 U.S. Rigs
- 26 International Rigs
- 128 Total H&P Rigs
- 13 U.S. Construction
- 7 Management Contracts





Rig Status as of 11 May 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	29	25	86%
U.S. Platform	11	6	55%
International Land	<u>26</u>	<u>23</u>	<u>88%</u>
Total	128	116	91%
Management Contracts:			
U.S. GOM & CA		2	
Equatorial Guinea		1	
Russia		<u>2</u>	
Total Rigs Working/Contracted		121	



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



FlexRig4 Program

- **First two FlexRig4 projects underway (13 new rigs)**
- **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

- **Steady platform rig demand and supply**
- **Operating leverage available for potential recovery**
- **Expect to add one rig during fourth quarter**
- **Rig management contract opportunities**



Segment Outlook – International

**Recovering! Highest Activity
in S. America since 1998**

- **Venezuela – Nine rigs are working. Three rigs available with strong prospects.**
- **Colombia – Both rigs working. Should continue for FY05.**
- **Ecuador – All eight rigs working. Strong market.**
- **Bolivia/Argentina – One rig working and two on standby. Expect remaining rig to be on dayrate by 15 June.**



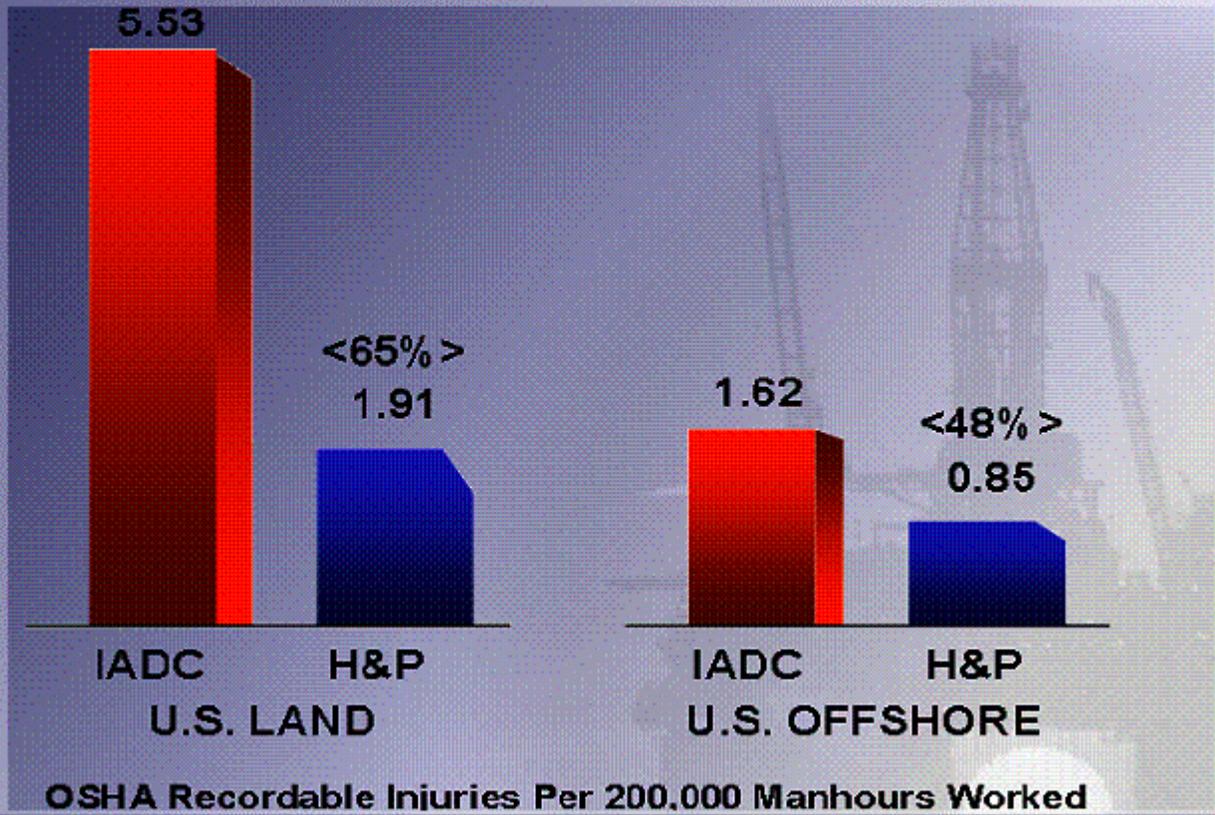
Why Do Operators Select H&P Rigs?

H&P is the leader in:

- **Well and personnel safety**
- **Field performance**
- **Best value**



2004 Safety Performance





H&P is the Leader in Field Performance

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

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Apply New Ideas & Technology

V-ICIS eD Controls



Round Mud Tanks



Integrated Top Drive



Communications



BOP Handling



VFD AC Drawworks



Mechanized Tubular Handling

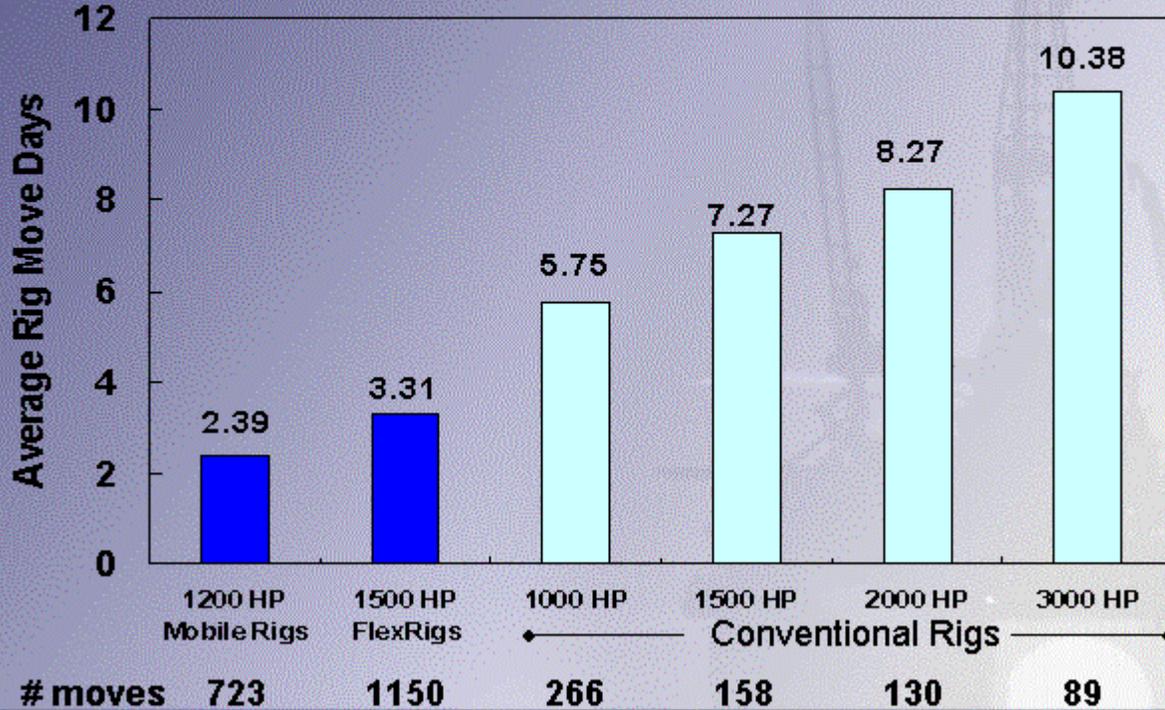


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H&P Land Rig Moves 1998 to 2004

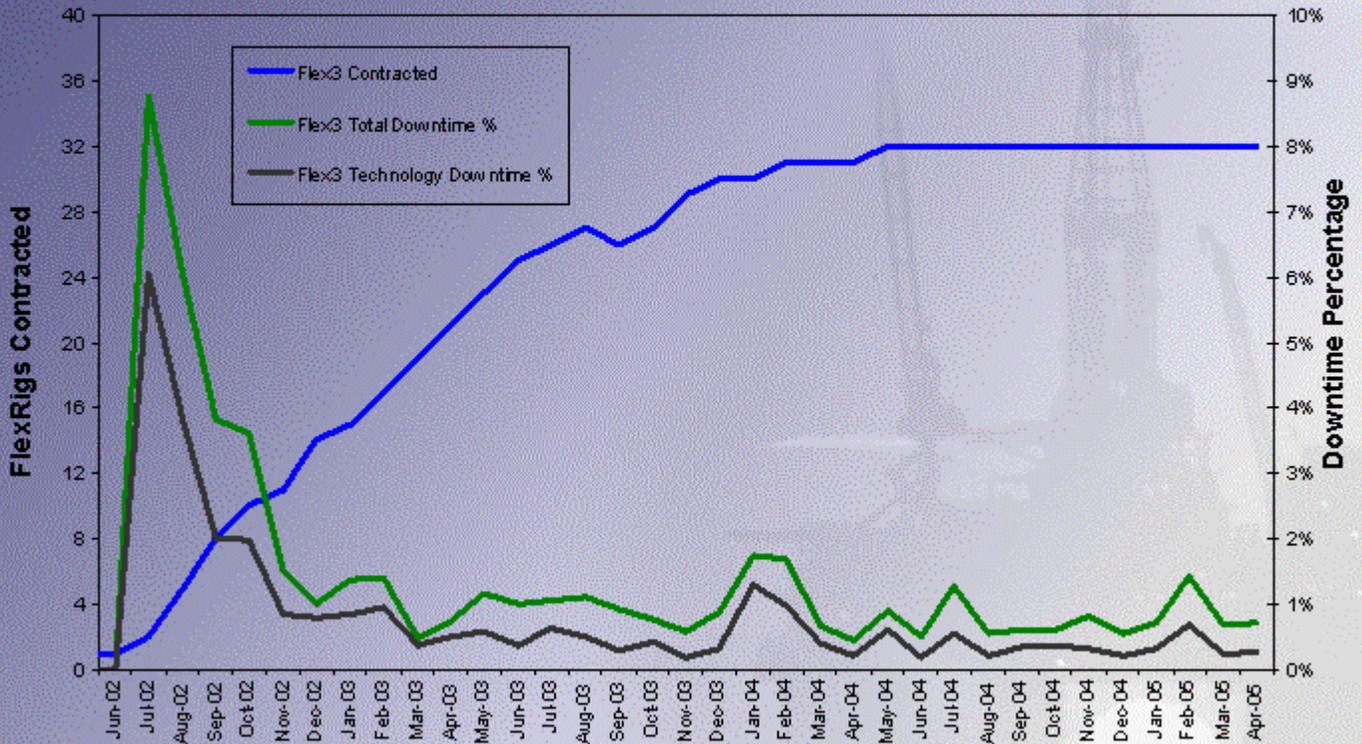
(Rig move time: Time from rig release on last well to spud of next well including time to rig down, transport, rig up and prepare to spud.)





H&P FlexRig3 Downtime Performance

June 2002 – April 2005



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FlexRig3

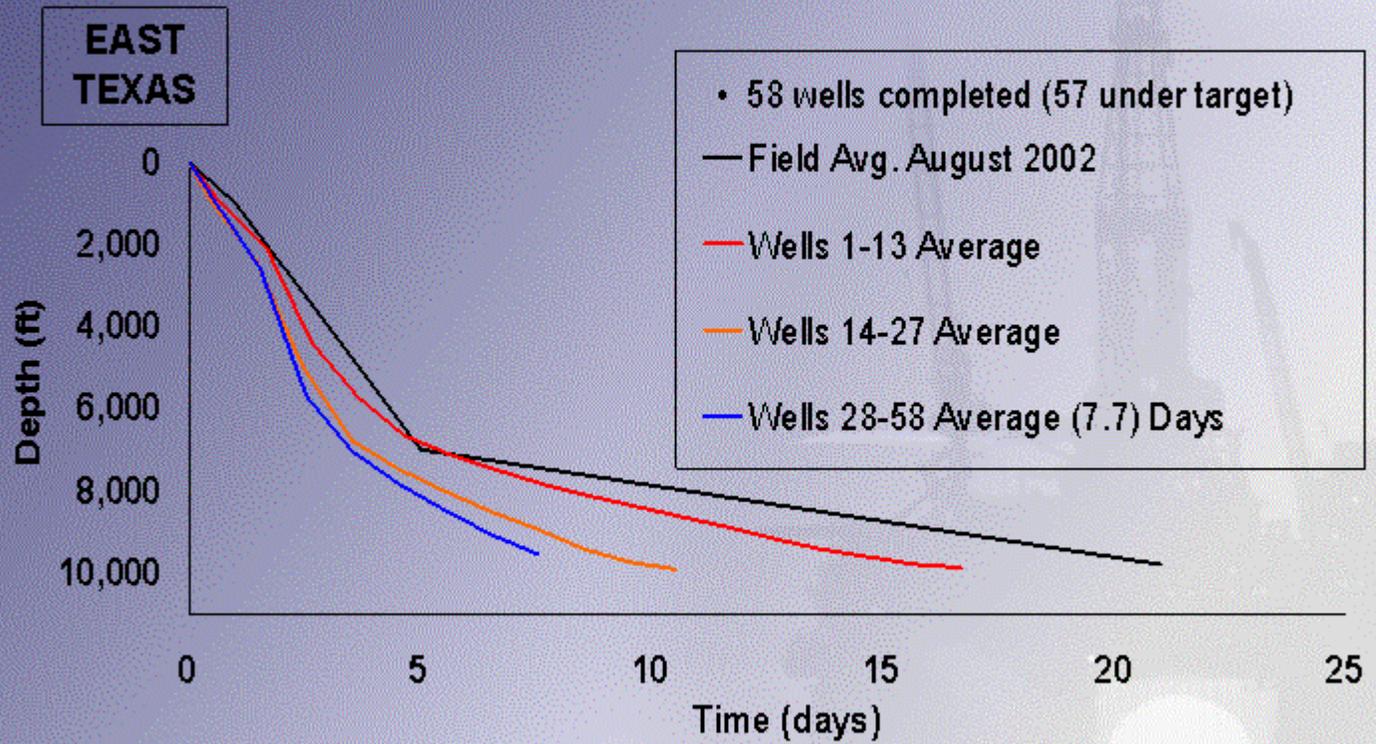


Highlights of Rigs 210 – 241

1. **Field Performance vs. customer's planned drill curves**
 - 699 complete wells to date
 - 429 wells (66%) under
 - 28 wells (4%) on
 - 192 wells (30%) over
2. **55% of FlexRig3s are currently drilling directional, more technically difficult wells.**



Example of Best Value: H&P 213 FlexRig3





Best Value - Reduced Well Cycle Time

1.	Average of best in field to Aug 02	H&P R213 May 05
Drilling days	21	7.7
Completion days	2	2
Moving days	6	3
Well cycle in days	<u>29</u>	<u>12.7</u>
2. Contractor rate/day	\$8,000	\$17,000
Operator's other intangible cost per day estimate	\$7,000	\$7,000
Operator's daily "spread" cost estimate	<u>\$15,000</u>	<u>\$24,000</u>
Intangible cost per well	\$435,000	\$304,800
3. Total Value Added – per well per year		\$244,500 ~\$6.9MM
4. Captured by drilling contractor – per year		~\$3.3MM 48%



Best Value Reduced Well Cycle Time

3. Added value from FlexRig3 operations

- **Lowest total well cost**

- **Increased wells per rig per year:**
 - **1st Year: 18 wells vs. 12.5 wells**
 - **Wells 28 – 58: 28.3 wells vs. 12.5 wells**

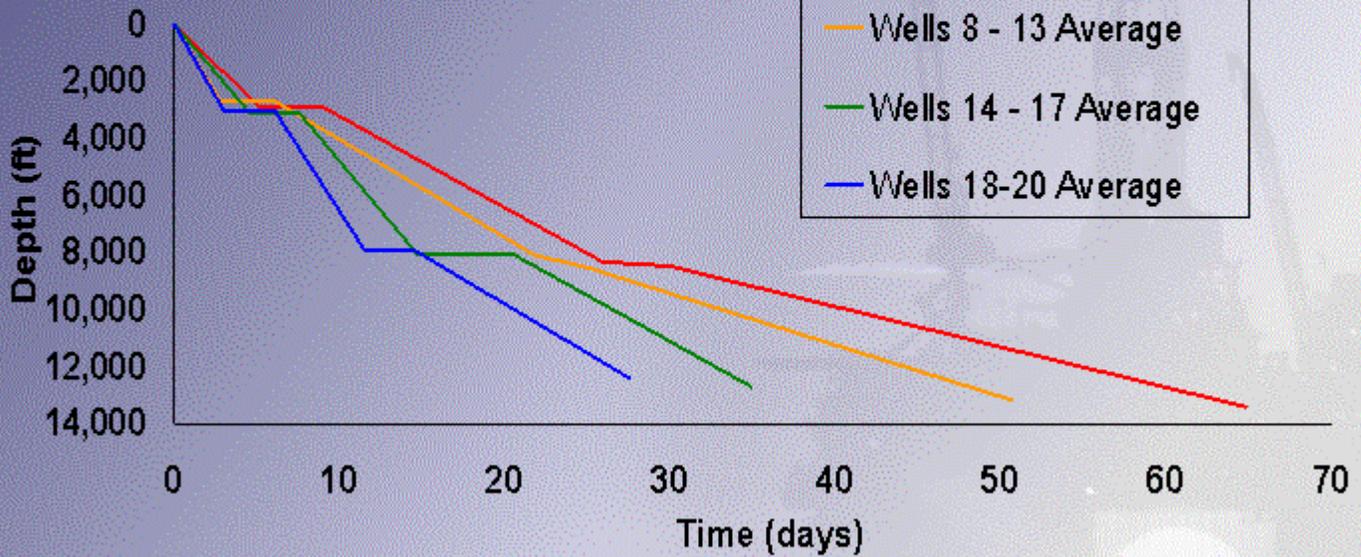
- **Early production: Incremental wells on production**
 - **1st Year: 5.5 wells / yr**
 - **Wells 28 – 58: 15.8 wells / yr**

- **Improved efficiency of operator's organization**



Example of Best Value: H&P FlexRig3s

ROCKY MOUNTAINS



- 3 rigs (22 months)
- Wells 1 - 7 Average
- Wells 8 - 13 Average
- Wells 14 - 17 Average
- Wells 18-20 Average



Why We Are Optimistic About The Future?

- **Higher margins provide increasing returns**
- **Greater leverage with expanded rig fleet**
- **Returning idle international and offshore rigs to work provides upside**
- **Value proposition becomes more compelling in an improving market**



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

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End of Filing

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