

Sauers Bruce
Form 4
February 25, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Sauers Bruce

(Last) (First) (Middle)
5075 WESTHEIMER, #890
(Street)

HOUSTON, TX 77056

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Allis Chalmers Energy Inc. [ALY]

3. Date of Earliest Transaction
(Month/Day/Year)
02/23/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
V. Pres. & Chief Acct. Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (D) or Price		
Common Stock	02/23/2011		F		5,263 (1)	D	(1) 47,188
Common Stock	02/23/2011		D		47,188 (2)	D	(2) 0

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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- These shares were disposed of pursuant to an Agreement and Plan of Merger among the Issuer, Seawell Limited and Wellco Sub
- (2) Company, a wholly-owned subsidiary of Seawell Limited, dated August 12, 2010, as amended. The Reporting Person received 1.15 shares of Seawell Limited common stock for each share of Allis-Chalmers common stock owned.
 - (3) These options vested on December 16, 2008 and were assumed by Seawell Limited in the merger and replaced with an option to purchase 9,582 shares of Seawell Limited common shares at \$9.43 per share.
This option, which provided for the vesting of 20% on March 5, 2010, 20% on March 5, 2011, and 60% on March 5, 2012 was assumed
 - (4) by Seawell Limited in the merger and replaced with an option to purchase 8,625 shares of Seawell Limited common shares at \$1.07 per share.
 - (5) This option, which provided vesting in five equal installments beginning March 3, 2011, was assumed by Seawell Limited in the merger and replaced with an option to purchase 25,300 shares of Seawell Limited common shares at \$3.28 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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