

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 (A) or (D) Price		
Common Stock	02/23/2011		F		5,263 <u>(1)</u>	D	<u>(1)</u> 47,188 D
Common Stock	02/23/2011		D		47,188 <u>(2)</u>	D	<u>(2)</u> 0 D

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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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 10.85	02/23/2011		D	8,333	<u>(3)</u> 12/16/2015	Common Stock	8,333
Employee Stock Option (right to buy)	\$ 1.23	02/23/2011		D	7,500	<u>(4)</u> 03/05/2019	Common Stock	7,500
Employee Stock Option (right to buy)	\$ 3.77	02/23/2011		D	22,000	<u>(5)</u> 03/03/2020	Common Stock	22,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Sauers Bruce 5075 WESTHEIMER, #890 HOUSTON, TX 77056	V. Pres. & Chief Acct. Officer

Signatures

/s/ Theodore F. Pound III through POA 02/25/2011
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares were withheld to satisfy tax obligations in connection with the vesting of 19,900 shares of restricted stock.

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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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