

KEANE TERRENCE P  
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 \*  
**KEANE TERRENCE P**

(Last) (First) (Middle)  
**5075 WESTHEIMER, SUITE 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)  
**Sr. V. Pres.-Oilfield Services**

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)
				(A) or (D) Price			
Common Stock	02/23/2011		F	20,895	D <u>(1)</u> 195,402	D	
Common Stock	02/23/2011		D	<u>(2)</u> 195,402	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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 4.87	02/23/2011		D	15,000	<u>(3)</u> 05/25/2015	Common Stock 15,000
Employee Stock Option (right to buy)	\$ 10.85	02/23/2011		D	25,000	<u>(4)</u> 12/16/2015	Common Stock 25,000
Employee Stock Option (right to buy)	\$ 1.23	02/23/2011		D	15,000	<u>(5)</u> 03/05/2019	Common Stock 15,000
Employee Stock Option (right to buy)	\$ 3.77	02/23/2011		D	53,334	<u>(6)</u> 03/03/2020	Common Stock 53,334

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEANE TERRENCE P 5075 WESTHEIMER, SUITE 890 HOUSTON, TX 77056			Sr. V. Pres.-Oilfield Services	

## 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 79,000 shares of restricted stock.

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 in three equal installments beginning May 25, 2006 and were assumed by Seawell Limited in the merger and replaced with an option to purchase 17,250 shares of Seawell Limited common shares at \$4.23 per share.

(4) These options vested in three equal installments beginning December 16, 2006 and were assumed by Seawell Limited in the merger and replaced with an option to purchase 28,750 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

(5) by Seawell Limited in the merger and replaced with an option to purchase 17,250 shares of Seawell Limited common shares at \$1.07 per share.

(6) This option, which provided for vesting in five equal installments beginning March 3, 2011 was assumed by Seawell Limited in the merger and replaced with an option to purchase 61,334 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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