

HELMERICH & PAYNE INC  
Form 10-K  
November 24, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended September 30, 2010**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from            to  
Commission file number 1-4221**

**HELMERICH & PAYNE, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**73-0679879**  
(I.R.S. Employer Identification No.)

**1437 S. Boulder Ave., Suite 1400, Tulsa, Oklahoma**  
(Address of Principal Executive Offices)

**74119-3623**  
(Zip Code)

**(918) 742-5531**

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of Each Class</b>      | <b>Name of Each Exchange on Which Registered</b> |
|---------------------------------|--|
| Common Stock (\$0.10 par value) | New York Stock Exchange                          |
| Preferred Stock Purchase Rights | New York Stock Exchange                          |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At March 31, 2010 the aggregate market value of the voting stock held by non-affiliates was \$3,896,541,940

Number of shares of common stock outstanding at November 18, 2010: 105,985,768

### DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the following documents have been incorporated by reference into this Form 10-K as indicated:

#### Documents

- (1) Annual Report to Stockholders for the fiscal year ended September 30, 2010
- (2) Proxy Statement for Annual Meeting of Stockholders to be held March 2, 2011

#### 10-K Parts

Parts I and II  
Part III

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**DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

THIS REPORT INCLUDES "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDED IN THIS REPORT, INCLUDING, WITHOUT LIMITATION, STATEMENTS REGARDING THE REGISTRANT'S FUTURE FINANCIAL POSITION, BUSINESS STRATEGY, BUDGETS, PROJECTED COSTS AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, ARE FORWARD-LOOKING STATEMENTS. IN ADDITION, FORWARD-LOOKING STATEMENTS GENERALLY CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY", "WILL", "EXPECT", "INTEND", "ESTIMATE", "ANTICIPATE", "BELIEVE", OR "CONTINUE" OR THE NEGATIVE THEREOF OR SIMILAR TERMINOLOGY. ALTHOUGH THE REGISTRANT BELIEVES THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS ARE REASONABLE, IT CAN GIVE NO ASSURANCE THAT SUCH EXPECTATIONS WILL PROVE TO BE CORRECT. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE REGISTRANT'S EXPECTATIONS ARE DISCLOSED IN THIS REPORT UNDER THE CAPTION "RISK FACTORS" BEGINNING ON PAGE 5, AS WELL AS IN MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ON, AND INCORPORATED BY REFERENCE TO, PAGES 6 THROUGH 41 OF THE COMPANY'S ANNUAL REPORT (EXHIBIT 13 TO THIS FORM 10-K). ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE REGISTRANT, OR PERSONS ACTING ON ITS BEHALF, ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY SUCH CAUTIONARY STATEMENTS. THE REGISTRANT ASSUMES NO DUTY TO UPDATE OR REVISE ITS FORWARD-LOOKING STATEMENTS BASED ON CHANGES IN INTERNAL ESTIMATES OR EXPECTATIONS OR OTHERWISE.

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**HELMERICH & PAYNE, INC. AND SUBSIDIARIES**  
**Annual Report Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**  
**For the Fiscal Year Ended September 30, 2010**

**PART I**

**Item 1. BUSINESS**

Helmerich & Payne, Inc. (hereafter referred to as the "Company", "we", "us" or "our"), was incorporated under the laws of the State of Delaware on February 3, 1940, and is successor to a business originally organized in 1920. We are primarily engaged in contract drilling of oil and gas wells for others and this business accounts for almost all of our operating revenues.

Our contract drilling business is composed of three reportable business segments: U.S. land drilling, offshore drilling and international land drilling. Our U.S. land drilling is conducted primarily in Oklahoma, California, Texas, Wyoming, Colorado, Louisiana, Mississippi, Pennsylvania, Utah, Arkansas, New Mexico, Alabama, Montana, North Dakota and West Virginia. Offshore drilling operations are conducted in the Gulf of Mexico, and offshore of California, Trinidad and Equatorial Guinea. Our international land segment operated in seven international locations during fiscal 2010: Ecuador, Colombia, Argentina, Mexico, Tunisia, Bahrain and Venezuela.

We are also engaged in the ownership, development and operation of commercial real estate and research and development of rotary steerable technology. Each of the businesses operates independently of the others through wholly-owned subsidiaries. This operating decentralization is balanced by centralized finance and legal organizations.

Our real estate investments located exclusively within Tulsa, Oklahoma, include a shopping center containing approximately 441,000 leasable square feet, multi-tenant industrial warehouse properties containing approximately 990,000 leasable square feet and approximately 210 acres of undeveloped real estate.

Our subsidiary, TerraVici Drilling Solutions, Inc. ("TerraVici"), is developing patented rotary steerable technology to enhance horizontal and directional drilling operations. We acquired TerraVici to complement our existing drilling rig technology. The process of drilling has become increasingly challenging as preferred well types deviate from simple vertical drilling. By combining this new technology with our existing capabilities, we expect to improve drilling productivity and reduce total well cost to the customer.

On June 30, 2010, the Venezuelan government seized 11 rigs owned by our Venezuelan subsidiary and associated real and personal property. We are currently evaluating various remedies, including any recourse we may have against Petroleos de Venezuela, S.A. ("PDVSA"), the Venezuelan state-owned petroleum company, or related parties, any remuneration or reimbursement that we might collect from PDVSA or related parties, and any other sources of recovery for our losses. While there exists the possibility of realizing a recovery, we are currently unable to determine the timing or amounts we may receive, if any, or the likelihood of recovery. Our financial statements have been prepared with the net assets, results of operations, and cash flows of the Venezuelan operations presented as discontinued operations. The operations from our Venezuelan subsidiary were previously an operating segment within our International Land segment. All historical statements have been restated to conform to this presentation. Refer to Note 2 of the Consolidated Financial Statements.

**CONTRACT DRILLING**

*General*

We believe that we are one of the major land and offshore drilling contractors in the western hemisphere. Operating principally in North and South America, we specialize in shallow to deep drilling in oil and gas producing basins of the United States and in drilling for oil and gas in international locations. In the United States, we draw our customers primarily from the major oil companies and the larger independent oil companies. In South America, our current customers include major international oil companies.

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In fiscal 2010, we received approximately 57 percent of our consolidated operating revenues from our ten largest contract drilling customers. Occidental Oil and Gas Corporation, Devon Energy Production Co. LP, and ExxonMobil Corporation (respectively, "Devon", "Oxy" and "Exxon"), including their affiliates, are our three largest contract drilling customers. We perform drilling services for Oxy on a world-wide basis, for Devon in U.S. land operations, and for Exxon in U.S. land and offshore operations. Revenues from drilling services performed for Oxy, Devon and Exxon in fiscal 2010 accounted for approximately 13 percent, 11 percent and 6 percent, respectively, of our consolidated operating revenues for the same period.

*Rigs, Equipment and Facilities*

We provide drilling rigs, equipment, personnel and camps on a contract basis. These services are provided so that our customers may explore for and develop oil and gas from onshore areas and from fixed platforms, tension-leg platforms and spars in offshore areas. Each of the drilling rigs consists of engines, drawworks, a mast, pumps, blowout preventers, a drillstring and related equipment. The intended well depth and the drilling site conditions are the principal factors that determine the size and type of rig most suitable for a particular drilling job. A land drilling rig may be moved from location to location without modification to the rig. A platform rig is specifically designed to perform drilling operations upon a particular platform. While a platform rig may be moved from its original platform, significant expense is incurred to modify a platform rig for operation on each subsequent platform. In addition to traditional platform rigs, we operate self-moving platform drilling rigs and drilling rigs to be used on tension-leg platforms and spars. The self-moving rig is designed to be moved without the use of expensive derrick barges. The tension-leg platforms and spars allow drilling operations to be conducted in much deeper water than traditional fixed platforms.

In 1998, we put to work a new generation of highly mobile/depth flexible land drilling rigs (individually the "FlexRig®"). The FlexRig has been able to significantly reduce average rig move and drilling times compared to similar depth-rated traditional land rigs. In addition, the FlexRig allows a greater depth flexibility of between 8,000 to 18,000 feet and provides greater operating efficiency. The original rigs were designated as FlexRig1 and FlexRig2 rigs. In 2001, we announced that we would build the next generation of FlexRigs, known as "FlexRig3 rigs", which incorporated new drilling technology and new environmental and safety design. This new design included integrated top drive, AC electric drive, hydraulic BOP handling system, hydraulic tubular make-up and break-out system, split crown and traveling blocks and an enlarged drill floor that enables simultaneous crew activities.

Over the last six years, the Company entered into separate drilling contracts with many different customers to build and operate over 160 new FlexRigs, including FlexRig4s (described below). As of November 18, 2010, 12 new FlexRigs remained under construction.

While FlexRig4s are similar to our FlexRig3s, the FlexRig4s are designed to efficiently drill more shallow depth wells of between 4,000 and 14,000 feet. The FlexRig4 design includes a trailerized version and a skidding version, which incorporate additional environmental and safety design. This design permits the installation of a pipe handling system which allows the rig to be operated by a reduced crew and eliminates the need for a casing stabber in the mast.

While the trailerized version provides for more efficient well site to well site rig moves, the skidding version allows for drilling of up to 22 wells from a single pad which results in reduced environmental impact. The effective use of technology is important to the maintenance of our competitive position within the drilling industry. As a result of the importance of technology to our business, we expect to continue to develop technology internally.

We assemble new FlexRigs at our gulf coast facility near Houston, Texas. We also have a 123,000 square foot fabrication facility located on approximately 11 acres near Tulsa, Oklahoma.

*Drilling Contracts*

Our drilling contracts are obtained through competitive bidding or as a result of negotiations with customers, and often cover multi-well and multi-year projects. Each drilling rig operates under a separate drilling contract. During fiscal 2010, all drilling services were performed on a "daywork" contract basis,

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under which we charge a fixed rate per day, with the price determined by the location, depth and complexity of the well to be drilled, operating conditions, the duration of the contract, and the competitive forces of the market. We have previously performed contracts on a combination "footage" and "daywork" basis, under which we charged a fixed rate per foot of hole drilled to a stated depth, usually no deeper than 15,000 feet, and a fixed rate per day for the remainder of the hole. Contracts performed on a "footage" basis involve a greater element of risk to the contractor than do contracts performed on a "daywork" basis. Also, we have previously accepted "turnkey" contracts under which we charge a fixed sum to deliver a hole to a stated depth and agree to furnish services such as testing, coring and casing the hole which are not normally done on a "footage" basis. "Turnkey" contracts entail varying degrees of risk greater than the usual "footage" contract. We have not accepted any "footage" or "turnkey" contracts in over ten years. We believe that under current market conditions, "footage" and "turnkey" contract rates do not adequately compensate us for the added risks. The duration of our drilling contracts are "well-to-well" or for a fixed term. "Well-to-well" contracts are cancelable at the option of either party upon the completion of drilling at any one site. Fixed-term contracts customarily provide for termination at the election of the customer, with an "early termination payment" to be paid to us if a contract is terminated prior to the expiration of the fixed term. However, under certain limited circumstances such as destruction of a drilling rig, our bankruptcy, sustained unacceptable performance by us or delivery of a rig beyond certain grace and/or liquidated damage periods, no early termination payment would be paid to us.

As of September 30, 2010, we had 142 rigs under fixed-term contracts. While the original duration for these current fixed-term contracts are for six-month to seven-year periods, some fixed-term and well-to-well contracts are expected to be extended for longer periods than the original terms. However, the contracting parties have no legal obligation to extend the contracts. Contracts generally contain renewal or extension provisions exercisable at the option of the customer at prices mutually agreeable to us and the customer. In most instances contracts provide for additional payments for mobilization and demobilization.

*Backlog*

Our contract drilling backlog, being the expected future revenue from executed contracts with original terms in excess of one year, as of September 30, 2010 and 2009 was \$2,449 million and \$2,528 million, respectively. Approximately 59.0 percent of the total September 30, 2010 backlog is not reasonably expected to be filled in fiscal 2011. Term contracts customarily provide for termination at the election of the customer with an "early termination payment" to be paid to us if a contract is terminated prior to the expiration of the fixed term. However, under certain limited circumstances, such as destruction of a drilling rig, our bankruptcy, sustained unacceptable performance by us or delivery of a rig beyond certain grace and/or liquidated damage periods, no early termination payment would be paid. In addition, a portion of the backlog represents term contracts for new rigs that will be constructed in the future. We obtain certain key rig components from a single or limited number of vendors or fabricators. Certain of these vendors or fabricators are thinly capitalized independent companies located on the Texas gulf coast. Therefore, disruptions in rig component deliveries may occur. Accordingly, the actual amount of revenue earned may vary from the backlog reported. See Item 1A. Risk Factors.

The following table sets forth the total backlog by reportable segment as of September 30, 2010 and 2009, and the percentage of the September 30, 2010 backlog not reasonably expected to be filled in fiscal 2011:

| Reportable Segment | Total Backlog Revenue |           | Percentage Not Reasonably Expected to be Filled in Fiscal 2011 |
|--------------------|-----------------------|-----------|--|
|                    | 9/30/2010             | 9/30/2009 |  |
|                    | (in millions)         |           |  |
| U.S. Land          | \$ 1,999              | \$ 2,016  | 56.4%  |
| Offshore           | 139                   | 169       | 71.9%  |
| International      | 311                   | 343       | 69.8%  |
|                    | \$ 2,449              | \$ 2,528  |  |



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**U.S. LAND DRILLING**

At the end of September 2010, 2009 and 2008, we had 220, 201 and 185, respectively, of our land rigs available for work in the United States. The total number of rigs at the end of fiscal 2010 increased by a net of 19 rigs from the end of fiscal 2009. The increase was due to 14 new FlexRigs having been completed and placed into service, 6 transferred from our international operations and 1 rig transferred to our international operations. Our U.S. land operations contributed approximately 75 percent (\$1,412.5 million) of our consolidated operating revenues during fiscal 2010, compared with approximately 78 percent (\$1,441.2 million) of consolidated operating revenues during fiscal 2009 and approximately 82 percent (\$1,542.0 million) of consolidated operating revenues during fiscal 2008. Rig utilization was approximately 73 percent in fiscal 2010 and approximately 68 percent in fiscal 2009, down from approximately 96 percent in fiscal 2008. Our fleet of FlexRigs maintained an average utilization of approximately 87 percent during fiscal 2010 while our conventional and highly mobile rigs had an average utilization rate of approximately 12 percent. A rig is considered to be utilized when it is operated or being mobilized or demobilized under contract. At the close of fiscal 2010, 183 land rigs were working out of 220 available rigs.

**OFFSHORE DRILLING**

Our offshore operations contributed approximately 11 percent in both fiscal years 2010 and 2009 (\$202.7 million in fiscal 2010 and \$204.7 million in fiscal 2009) of the Company's consolidated operating revenues compared to 8 percent in fiscal year 2008 (\$154.5) of the Company's consolidated operating revenues. Rig utilization in fiscal 2010 was approximately 80 percent compared to approximately 89 percent in fiscal 2009 and approximately 75 percent in fiscal 2008. At the end of fiscal 2010, we had seven of our nine offshore platform rigs under contract and continued to work under management contracts for three customer-owned rigs. Revenues from drilling services performed for our largest offshore drilling customer totaled approximately 34 percent of offshore revenues during fiscal 2010.

**INTERNATIONAL LAND DRILLING**

*General*

Our international land operations contributed approximately 13 percent (\$247.2 million) of our consolidated operating revenues during fiscal 2010, compared with approximately 10 percent (\$187.1 million) of consolidated operating revenues during fiscal 2009 and 9 percent (\$161.1 million) in fiscal 2008. Rig utilization in fiscal 2010 was 71 percent, 70 percent in fiscal 2009 and 72 percent in fiscal 2008.

*Colombia*

At the end of fiscal 2010, we had six rigs in Colombia. Our utilization rate was approximately 71 percent during fiscal 2010, approximately 88 percent during fiscal 2009 and approximately 87 percent during fiscal 2008. Revenues generated by Colombian drilling operations contributed approximately 3 percent (\$57.5 million) of our consolidated operating revenues during fiscal 2010, compared with 4 percent (\$77.3 million) of our consolidated operating revenues during fiscal 2009, and 2 percent (\$42.4 million) of our consolidated operating revenues during fiscal 2008. Revenues from drilling services performed for our largest customer in Colombia totaled approximately 2 percent of consolidated operating revenues and approximately 12 percent of international operating revenues during fiscal 2010. The Colombian drilling contracts are primarily with large international or national oil companies.

*Ecuador*

At the end of fiscal 2010, we had four rigs in Ecuador. The utilization rate in Ecuador was 100 percent in both fiscal 2010 and 2009, compared to 59 percent in fiscal 2008. Revenues generated by Ecuadorian drilling operations contributed approximately 3 percent of our consolidated operating revenues during fiscal 2010, 2009 and 2008 (\$52.1 million, \$52.3 million and \$55.1 million, respectively). Revenues from drilling services performed for the largest customer in Ecuador totaled approximately 2 percent of consolidated operating revenues and approximately 16 percent of international operating revenues during fiscal 2010. The Ecuadorian drilling contracts are primarily with large international or national oil companies.

*Argentina*

At the end of fiscal 2010, we had nine rigs in Argentina. Our utilization rate was approximately 53 percent during fiscal 2010, approximately 52 percent during fiscal 2009 and approximately 88 percent during fiscal 2008. Revenues generated by Argentine drilling operations contributed approximately 3 percent (\$55.9 million) of our consolidated operating revenues during fiscal 2010 compared with approximately 2 percent in both fiscal years 2009 and 2008 (\$42.1 million in fiscal 2009 and \$44.4 million in fiscal 2008). Revenues from drilling services performed for our two largest customers in Argentina totaled approximately 2 percent of consolidated operating revenues and approximately 19 percent of international operating revenues during fiscal 2010. The Argentine drilling contracts are primarily with large international or national oil companies

*Other Locations*

In addition to our operations discussed above, at the end of fiscal 2010 we had two rigs in Tunisia, five rigs in Mexico, one rig in Bahrain and one rig en route to Bahrain.

**FINANCIAL**

Information relating to revenues, total assets and operating income by reportable operating segments may be found on, and is incorporated by reference to, pages 78 through 82 of our Annual Report (Exhibit 13 to this Form 10-K).

**EMPLOYEES**

We had 6,396 employees within the United States (13 of which were part-time employees) and 1,092 employees in international operations as of September 30, 2010.

**AVAILABLE INFORMATION**

Information relating to our internet address and information relating to our Securities and Exchange Commission ("SEC") filings may be found on, and is incorporated by reference to, page 84 of our Annual Report (Exhibit 13 to this Form 10-K).

**Item 1A. RISK FACTORS**

In addition to the risk factors discussed elsewhere in this Report, we caution that the following "Risk Factors" could have a material adverse effect on our business, financial condition and results of operations.

**Oil and natural gas prices are volatile, and low prices could negatively affect our financial results in the future.**

Our operations can be materially affected by low oil and gas prices. We believe that any significant reduction in oil and gas prices could depress the level of exploration and production activity and result in a corresponding decline in demand for our services. Worldwide military, political and economic events, including initiatives by the Organization of Petroleum Exporting Countries, may affect both the demand for, and the supply of, oil and gas. Fluctuations during the last few years in the demand and supply of oil and gas have contributed to, and are likely to continue to contribute to, price volatility. Any prolonged reduction in demand for our services could have a material adverse effect on our business, financial condition and results of operations.

**A sluggish global economy may affect our business.**

As a result of volatility in oil and natural gas prices and a continuing sluggish global economic environment, we are unable to determine whether our customers will further reduce spending on exploration and development drilling or whether customers and/or vendors and suppliers will be able to access financing necessary to sustain their current reduced level of operations, fulfill their commitments and/or fund future operations and obligations. The current global economic environment may continue to impact industry fundamentals and result in reduced demand for drilling rigs. These conditions could have a material adverse effect on our business.

**The contract drilling business is highly competitive.**

Competition in contract drilling involves such factors as price, rig availability, efficiency, condition and type of equipment, reputation, operating safety, and customer relations. Competition is primarily on a regional basis and may vary significantly by region at any particular time. Land drilling rigs can be readily moved from one region to another in response to changes in levels of activity, and an oversupply of rigs in any region may result, leading to increased price competition.

Although many contracts for drilling services are awarded based solely on price, we have been successful in establishing long-term relationships with certain customers which have allowed us to secure drilling work even though we may not have been the lowest bidder for such work. We have continued to attempt to differentiate our services based upon our FlexRigs and our engineering design expertise, operational efficiency, safety and environmental awareness. This strategy is less effective when lower demand for drilling services intensifies price competition and makes it more difficult or impossible to compete on any basis other than price. Also, future improvements in operational efficiency and safety by our competitors could negatively affect our ability to differentiate our services.

**The loss of one or a number of our large customers could have a material adverse effect on our business, financial condition and results of operations.**

In fiscal 2010, we received approximately 57 percent of our consolidated operating revenues from our ten largest contract drilling customers and approximately 29 percent of our consolidated operating revenues from our three largest customers (including their affiliates). We believe that our relationship with all of these customers is good; however, the loss of one or more of our larger customers could have a material adverse effect on our business, financial condition and results of operations.

**International uncertainties and local laws could adversely affect our business.**

International operations are subject to certain political, economic and other uncertainties not encountered in U.S. operations, including increased risks of terrorism, kidnapping of employees, expropriation of equipment as well as expropriation of a particular oil company operator's property and drilling rights, taxation policies, foreign exchange restrictions, currency rate fluctuations and general hazards associated with foreign sovereignty over certain areas in which operations are conducted. On June 30, 2010 the Venezuelan government seized 11 rigs owned by our Venezuelan subsidiary and associated real and personal property.

There can be no assurance that there will not be changes in local laws, regulations and administrative requirements or the interpretation thereof which could have a material adverse effect on the profitability of our operations or on our ability to continue operations in certain areas. Because of the impact of local laws, our future operations in certain areas may be conducted through entities in which local citizens own interests and through entities (including joint ventures) in which we hold only a minority interest or pursuant to arrangements under which we conduct operations under contract to local entities. While we believe that neither operating through such entities nor pursuant to such arrangements would have a material adverse effect on our operations or revenues, there can be no assurance that we will in all cases be able to structure or restructure our operations to conform to local law (or the administration thereof) on terms we find acceptable.

Although we attempt to minimize the potential impact of such risks by operating in more than one geographical area, during fiscal 2010, approximately 13 percent of our consolidated operating revenues were generated from the international contract drilling business. During fiscal 2010, approximately 67 percent of the international operating revenues were from operations in South America and approximately 69 percent of South American operating revenues were from Argentina and Colombia.

**Our operations are subject to a number of operational risks, including weather.**

Our drilling operations are subject to the many hazards inherent in the business, including inclement weather, blowouts and well fires. These hazards could cause personal injury, suspend drilling operations, seriously damage or destroy the equipment involved and cause substantial damage to producing formations and the surrounding areas. Our offshore drilling operations are also subject to potentially greater

environmental liability, adverse sea conditions and platform damage or destruction due to collision with aircraft or marine vessels. Specifically, we operate several platform rigs in the Gulf of Mexico. The Gulf of Mexico experiences hurricanes and other extreme weather conditions on a frequent basis, the frequency of which may increase with any climate change. Damage caused by high winds and turbulent seas could potentially curtail operations on such platform rigs for significant periods of time until the damage can be repaired. Moreover, even if our platform rigs are not directly damaged by such storms, we may experience disruptions in operations due to damage to customer platforms and other related facilities in the area.

We have a new-build rig assembly facility located near the Houston, Texas ship channel. Also, our principal fabricator and other vendors are located in the gulf coast region. Due to their location, these facilities are exposed to potentially greater hurricane damage.

**Our operations present risks of loss that, if not insured or indemnified against, could adversely affect our results of operations.**

With the exception of "named wind storm" risk in the Gulf of Mexico, we insure rigs and related equipment at values that approximate the current replacement cost on the inception date of the policy. We self-insure a \$1.0 million per occurrence deductible, as well as 10 percent of the estimated replacement cost of offshore rigs and 30 percent of the estimated replacement cost for land rigs and equipment. We also carry insurance with varying deductibles and coverage limits with respect to offshore platform rigs and "named wind storm" risk in the Gulf of Mexico. Rig property insurance coverage expires in May 2011. We are unable to obtain significant amounts of insurance to cover risks of underground reservoir damage; however, we are generally indemnified under our drilling contracts from this risk. The Company self-insures a number of other risks including loss of earnings and business interruption.

We have insurance coverage for comprehensive general liability, automobile liability, worker's compensation and employer's liability, and certain other specific risks. Generally, casualty deductibles range from \$1 million to \$2.5 million per occurrence, depending on the type of claim as well as whether a claim occurs inside or outside of the United States. Insurance is purchased over deductibles to reduce our exposure to catastrophic events. We retain a significant portion of our expected losses under our worker's compensation, general liability and automobile liability programs. We record estimates for incurred outstanding liabilities for unresolved worker's compensation, general liability and for claims that are incurred but not reported. Estimates are based on adjuster estimates, historical experience or statistical methods that we believe are reliable. Nonetheless, insurance estimates include certain assumptions and management judgments regarding the frequency and severity of claims, claim development and settlement practices. Unanticipated changes in these factors may produce materially different amounts of expense that would be reported under these programs.

No assurance can be given that all or a portion of our coverage will not be cancelled during fiscal 2011 or that insurance coverage will continue to be available at rates considered reasonable. No assurance can be given that our insurance and indemnification arrangements will adequately protect us against all liabilities that could result from the hazards of our drilling operations. Incurring a liability for which we are not fully insured or indemnified could materially affect our business, financial condition and results of operations.

**We depend on a limited number of vendors, some of which are thinly capitalized and the loss of any of which could disrupt our operations.**

Certain key rig components are either purchased from or fabricated by a single or limited number of vendors, and we have no long-term contracts with many of these vendors. Shortages could occur in these essential components due to an interruption of supply or increased demands in the industry. If we are unable to procure certain of such rig components, we would be required to reduce our rig construction or other operations, which could have a material adverse effect on our business, financial condition and results of operations.

If our principal fabricator, located on the Texas gulf coast, was unable or unwilling to continue fabricating rig components, then we would have to transfer this work to other acceptable fabricators. This transfer could result in significant delay in the completion of new FlexRigs. Any significant interruption in

the fabrication of rig components could have a material adverse impact on our business, financial condition and results of operations.

Certain key rig components are obtained from vendors that are, in some cases, thinly capitalized, independent companies that generate significant portions of their business from us or from a small group of companies in the energy industry. These vendors may be disproportionately affected by any loss of business, downturn in the energy industry or reduction or unavailability of credit. Therefore, disruptions in rig component delivery may occur, and such disruptions and terminations could have a material adverse effect on our business, financial condition and results of operations.

**Our securities portfolio may lose significant value due to a decline in equity prices and other market-related risks, thus impacting our debt ratio and financial strength.**

At September 30, 2010, we had a portfolio of securities with a total fair value of \$326 million. These securities are subject to a wide variety of market-related risks that could substantially reduce or increase the fair value of our holdings. Except for investments in limited partnerships carried at cost, the portfolio is recorded at fair value on our balance sheet with changes in unrealized after-tax value reflected in the equity section of our balance sheet. Any reduction in fair value would have an impact on our debt ratio and financial strength. At November 18, 2010, the fair value of the portfolio had increased to approximately \$397 million.

**Government regulations and environmental laws could adversely affect our business.**

Many aspects of our operations are subject to government regulation, including those relating to drilling practices and methods and the level of taxation. In addition, the United States and various other countries have environmental regulations which affect drilling operations. Drilling contractors may be liable for damages resulting from pollution. Under United States regulations, drilling contractors must establish financial responsibility to cover potential liability for pollution of offshore waters. Generally, we are indemnified under drilling contracts from liability arising from pollution, except in certain cases of surface pollution. However, the enforceability of indemnification provisions in foreign countries may be questionable.

We believe that we are in substantial compliance with all legislation and regulations affecting our operations in the drilling of oil and gas wells and in controlling the discharge of wastes. To date, compliance has not materially affected our capital expenditures, earnings, or competitive position, although compliance measures may add to the costs of drilling operations. Additional legislation or regulation may reasonably be anticipated, and the effect thereof on our operations cannot be predicted.

**Regulation of greenhouse gases and climate change could have a negative impact on our business.**

Some scientific studies have suggested that emissions of certain gases, commonly referred to as "greenhouse gases" ("GHGs") and including carbon dioxide and methane, may be contributing to warming of the Earth's atmosphere and other climatic changes. In response to such studies, the issue of climate change and the effect of GHG emissions, in particular emissions from fossil fuels, is attracting increasing attention worldwide. We are aware of the increasing focus of local, state, national and international regulatory bodies on GHG emissions and climate change issues. We are aware that The United States Congress is actively considering legislation to reduce GHG emissions. Although it is not possible at this time to predict whether proposed legislation or regulations will be adopted, any such future laws and regulations could result in increased compliance costs or additional operating restrictions. Any additional costs or operating restrictions associated with legislation or regulations regarding GHG emissions could materially impact our business, financial condition and results of operations.

In addition, because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties or international agreements related to GHGs and climate change, including incentives to conserve energy or use alternative energy sources, could have an adverse impact on our business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and natural gas or otherwise result in reduced economic activity generally. A reduced demand for oil and natural gas or reduced economic activity could materially impact our business, financial condition and results of operations.

**New legislation and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays.**

The U.S. Environmental Protection Agency, or the EPA, has commenced a study of the potential environmental impacts of hydraulic fracturing, including the impact on drinking water sources and public health, and a committee of the U.S. House of Representatives is also conducting an investigation of hydraulic fracturing practices. Legislation has been introduced before Congress to provide for federal regulation of hydraulic fracturing and to require disclosure of the chemicals used in the fracturing process. In addition, some states have and others are considering adopting regulations that could restrict hydraulic fracturing in certain circumstances. Any new laws, regulation or permitting requirements regarding hydraulic fracturing could lead to operational delay, or increased operating costs or third party or governmental claims, and could result in additional burdens that could serve to delay or limit the drilling services we provide to third parties whose drilling operations could be impacted by these regulations or increase our costs of compliance and doing business as well as delay the development of unconventional gas resources from shale formations which are not commercial without the use of hydraulic fracturing.

**Our business and results of operations may be adversely affected by foreign currency devaluation.**

Contracts for work in foreign countries generally provide for payment in United States dollars, except for amounts required to meet local expenses. However, government-owned petroleum companies may in the future require that a greater proportion of these payments be made in local currencies. Based upon current information, we believe that our exposure to potential losses from currency devaluation in foreign countries is immaterial. With the exception of Argentina, all receivables and payments in foreign countries are currently in U.S. dollars. Cash balances are also kept at an insignificant level which assists in reducing exposure. In Argentina we invoice in U.S. dollars and are paid in pesos equivalent to the dollar invoice. Our Argentine subsidiary then remits the dollars to the parent by exchanging pesos through the Argentine Central Bank. While the Argentine peso was devalued in both 2009 and 2010, the devaluation losses in those years were not material to our financial statements.

**Fixed-term contracts may in certain instances be terminated without an early termination payment.**

Fixed-term drilling contracts customarily provide for termination at the election of the customer, with an "early termination payment" to be paid to us if a contract is terminated prior to the expiration of the fixed term. However, under certain limited circumstances, such as destruction of a drilling rig, our bankruptcy, sustained unacceptable performance by us or delivery of a rig beyond certain grace and/or liquidated damage periods, no early termination payment would be paid to us. Even if an early termination payment is owed to us, the current global economic environment may affect the customer's ability to pay the early termination payment.

**Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.**

We have in place a \$400 million senior unsecured credit facility which expires in December of 2011. We had \$10 million borrowed and two letters of credit totaling \$21.9 million outstanding against the facility at September 30, 2010. As of November 18, 2010, the \$10 million outstanding balance had been paid. The interest rate on the borrowings is based on a spread over LIBOR and we pay a commitment fee based on the unused balance of the facility. The spread over LIBOR as well as the commitment fee is determined according to a scale based on a ratio of our total debt to total capitalization. We also have the option to borrow at the prime rate for maturities of less than 30 days. Interest rates could rise for various reasons in the future and increase our total interest expense, depending upon the amount borrowed against the credit lines.

**Shortages of drilling equipment and supplies could adversely affect our operations.**

The contract drilling business is highly cyclical. During periods of increased demand for contract drilling services, delays in delivery and shortages of drilling equipment and supplies can occur. These risks are intensified during periods when the industry experiences significant new drilling rig construction or refurbishment. Any such delays or shortages could have a material adverse effect on our business, financial condition and results of operations.

Table of Contents**New technologies may cause our drilling methods and equipment to become less competitive, resulting in an adverse effect on our financial condition and results of operations.**

Although we take measures to ensure that we use advanced oil and natural gas drilling technology, changes in technology or improvements in competitors' equipment could make our equipment less competitive or require significant capital investments to keep our equipment competitive.

**Competition for experienced technical personnel may negatively impact our operations or financial results.**

We utilize highly skilled personnel in operating and supporting our businesses. In times of high utilization, it can be difficult to retain, and in some cases find, qualified individuals. Although to date our operations have not been materially affected by competition for personnel, an inability to obtain or find a sufficient number of qualified personnel could materially impact our business, financial condition and results of operations.

**Improvements in or new discoveries of alternative energy technologies could have a material adverse affect on our financial condition and results of operations.**

Since our business depends on the level of activity in the oil and natural gas industry, any improvement in or new discoveries of alternative energy technologies that increase the use of alternative forms of energy and reduce the demand for oil and natural gas could have a material adverse impact on our business, financial condition and results of operations.

**Item 1B. UNRESOLVED STAFF COMMENTS**

We have received no written comments regarding our periodic or current reports from the staff of the Securities and Exchange Commission that were issued 180 days or more preceding the end of our 2010 fiscal year and that remain unresolved.

**Item 2. PROPERTIES****CONTRACT DRILLING**

The following table sets forth certain information concerning our U.S. land and offshore drilling rigs as of September 30, 2010:

| Location        | Rig | Optimum Depth (Feet) | Rig Type       | Drawworks:<br>Horsepower |
|-----------------|-----|----------------------|----------------|--------------------------|
| <b>FLEXRIGS</b> |     |                      |                |                          |
| TEXAS           | 164 | 18,000               | SCR (FlexRig1) | 1,500                    |
| TEXAS           | 165 | 18,000               | SCR (FlexRig1) | 1,500                    |
| TEXAS           | 166 | 18,000               | SCR (FlexRig1) | 1,500                    |
| TEXAS           | 167 | 18,000               | SCR (FlexRig1) | 1,500                    |
| TEXAS           | 168 | 18,000               | SCR (FlexRig1) | 1,500                    |
| TEXAS           | 169 | 18,000               | SCR (FlexRig1) | 1,500                    |
| NORTH DAKOTA    | 179 | 18,000               | SCR (FlexRig2) | 1,500                    |
| MONTANA         | 180 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 181 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 182 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 183 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 184 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 185 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 186 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 187 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 188 | 18,000               | SCR (FlexRig2) | 1,500                    |
| OKLAHOMA        | 189 | 18,000               | SCR (FlexRig2) | 1,500                    |
| TEXAS           | 210 | 18,000               | AC (FlexRig3)  | 1,500                    |
| TEXAS           | 211 | 18,000               | AC (FlexRig3)  | 1,500                    |
| TEXAS           | 212 | 18,000               | AC (FlexRig3)  | 1,500                    |





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| Location     | Rig | Optimum Depth (Feet) | Rig Type      | Drawworks:<br>Horsepower |
|--------------|-----|----------------------|---------------|--------------------------|
| TEXAS        | 213 | 18,000               | AC (FlexRig3) | 1,500                    |
| NEW MEXICO   | 214 | 18,000               | AC (FlexRig3) | 1,500                    |
| COLORADO     | 215 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 216 | 18,000               | AC (FlexRig3) | 1,500                    |
| PENNSYLVANIA | 217 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 218 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 219 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA    | 220 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 221 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 222 | 18,000               | AC (FlexRig3) | 1,500                    |
| NEW MEXICO   | 223 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA    | 224 | 18,000               | AC (FlexRig3) | 1,500                    |
| PENNSYLVANIA | 225 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA    | 226 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 227 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 229 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 232 | 18,000               | AC (FlexRig3) | 1,500                    |
| ALABAMA      | 233 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 235 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA   | 236 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 238 | 18,000               | AC (FlexRig3) | 1,500                    |
| COLORADO     | 239 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA   | 240 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 241 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 243 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 244 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 245 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 246 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 247 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 248 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA    | 249 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 250 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 251 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 252 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 254 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 255 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 256 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 257 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 258 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA | 259 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 260 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA   | 261 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA   | 262 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 263 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 264 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 265 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 266 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS        | 267 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 268 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA     | 269 | 18,000               | AC (FlexRig3) | 1,500                    |
| COLORADO     | 271 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 272 | 14,000               | AC (FlexRig4) | 1,500                    |
| WYOMING      | 273 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 274 | 14,000               | AC (FlexRig4) | 1,500                    |
| WYOMING      | 275 | 14,000               | AC (FlexRig4) | 1,500                    |

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| Location     | Rig | Optimum Depth (Feet) | Rig Type      | Drawworks:<br>Horsepower |
|--------------|-----|----------------------|---------------|--------------------------|
| NORTH DAKOTA | 276 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 277 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 278 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 279 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 280 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 281 | 8,000                | AC (FlexRig4) | 1,150                    |
| NEW MEXICO   | 282 | 8,000                | AC (FlexRig4) | 1,150                    |
| NEW MEXICO   | 283 | 8,000                | AC (FlexRig4) | 1,150                    |
| PENNSYLVANIA | 284 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 285 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 286 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 287 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 288 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 289 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 290 | 14,000               | AC (FlexRig4) | 1,500                    |
| NEW MEXICO   | 292 | 8,000                | AC (FlexRig4) | 1,150                    |
| NORTH DAKOTA | 293 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 294 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 295 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 296 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 297 | 14,000               | AC (FlexRig4) | 1,500                    |
| UTAH         | 298 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 299 | 14,000               | AC (FlexRig4) | 1,500                    |
| NEW MEXICO   | 300 | 14,000               | AC (FlexRig4) | 1,500                    |
| ARKANSAS     | 301 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS        | 302 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS        | 303 | 8,000                | AC (FlexRig4) | 1,150                    |
| NEW MEXICO   | 304 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS        | 305 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS        | 306 | 8,000                | AC (FlexRig4) | 1,150                    |
| UTAH         | 307 | 14,000               | AC (FlexRig4) | 1,500                    |
| WYOMING      | 308 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 309 | 14,000               | AC (FlexRig4) | 1,500                    |
| WYOMING      | 310 | 14,000               | AC (FlexRig4) | 1,500                    |
| UTAH         | 311 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 312 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 313 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 314 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 315 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 316 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 317 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 318 | 14,000               | AC (FlexRig4) | 1,500                    |
| UTAH         | 319 | 14,000               | AC (FlexRig4) | 1,500                    |
| PENNSYLVANIA | 320 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 321 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 322 | 14,000               | AC (FlexRig4) | 1,500                    |
| OKLAHOMA     | 323 | 14,000               | AC (FlexRig4) | 1,500                    |
| NORTH DAKOTA | 324 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 325 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 326 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 327 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 328 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 329 | 14,000               | AC (FlexRig4) | 1,500                    |
| COLORADO     | 330 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS        | 331 | 14,000               | AC (FlexRig4) | 1,500                    |

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| Location      | Rig | Optimum Depth (Feet) | Rig Type      | Drawworks:<br>Horsepower |
|---------------|-----|----------------------|---------------|--------------------------|
| TEXAS         | 332 | 14,000               | AC (FlexRig4) | 1,500                    |
| NEW MEXICO    | 340 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 341 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS         | 342 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS         | 343 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 344 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 345 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 346 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 347 | 8,000                | AC (FlexRig4) | 1,150                    |
| CALIFORNIA    | 348 | 8,000                | AC (FlexRig4) | 1,150                    |
| CALIFORNIA    | 349 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 351 | 8,000                | AC (FlexRig4) | 1,150                    |
| TEXAS         | 352 | 8,000                | AC (FlexRig4) | 1,150                    |
| COLORADO      | 353 | 14,000               | AC (FlexRig4) | 1,500                    |
| WEST VIRGINIA | 354 | 14,000               | AC (FlexRig4) | 1,500                    |
| TEXAS         | 370 | 18,000               | AC (FlexRig3) | 1,500                    |
| MISSISSIPPI   | 371 | 18,000               | AC (FlexRig3) | 1,500                    |
| NEW MEXICO    | 372 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 373 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 374 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 375 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 376 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 377 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 378 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 379 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA    | 380 | 18,000               | AC (FlexRig3) | 1,500                    |
| CALIFORNIA    | 381 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 382 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 383 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 384 | 18,000               | AC (FlexRig3) | 1,500                    |
| PENNSYLVANIA  | 385 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA  | 386 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 387 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 388 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 389 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 390 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 391 | 18,000               | AC (FlexRig3) | 1,500                    |
| NORTH DAKOTA  | 392 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 393 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 394 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 395 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 396 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 397 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 398 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 399 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 415 | 18,000               | AC (FlexRig3) | 1,500                    |
| NEW MEXICO    | 416 | 18,000               | AC (FlexRig3) | 1,500                    |
| LOUISIANA     | 417 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 418 | 18,000               | AC (FlexRig3) | 1,500                    |
| OKLAHOMA      | 419 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 420 | 18,000               | AC (FlexRig3) | 1,500                    |
| TEXAS         | 421 | 18,000               | AC (FlexRig3) | 1,500                    |

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| Location                      | Rig | Optimum Depth (Feet) | Rig Type      | Drawworks:<br>Horsepower |
|-------------------------------|-----|----------------------|---------------|--------------------------|
| <b>HIGHLY MOBILE RIGS</b>     |     |                      |               |                          |
| ARKANSAS                      | 140 | 10,000               | Mechanical    | 900                      |
| OKLAHOMA                      | 158 | 10,000               | SCR           | 900                      |
| TEXAS                         | 156 | 12,000               | Mechanical    | 1,200                    |
| WYOMING                       | 159 | 12,000               | Mechanical    | 1,200                    |
| OKLAHOMA                      | 141 | 14,000               | Mechanical    | 1,200                    |
| TEXAS                         | 142 | 14,000               | Mechanical    | 1,200                    |
| OKLAHOMA                      | 143 | 14,000               | Mechanical    | 1,200                    |
| TEXAS                         | 145 | 14,000               | Mechanical    | 1,200                    |
| TEXAS                         | 155 | 14,000               | SCR           | 1,200                    |
| TEXAS                         | 146 | 16,000               | SCR           | 1,200                    |
| UTAH                          | 154 | 16,000               | SCR           | 1,500                    |
| <b>CONVENTIONAL RIGS</b>      |     |                      |               |                          |
| OKLAHOMA                      | 110 | 12,000               | SCR           | 700                      |
| OKLAHOMA                      | 96  | 16,000               | SCR           | 1,000                    |
| OKLAHOMA                      | 118 | 16,000               | SCR           | 1,200                    |
| OKLAHOMA                      | 119 | 16,000               | SCR           | 1,200                    |
| TEXAS                         | 120 | 16,000               | SCR           | 1,200                    |
| LOUISIANA                     | 122 | 16,000               | SCR           | 1,700                    |
| OKLAHOMA                      | 162 | 18,000               | SCR           | 1,500                    |
| TEXAS                         | 171 | 18,000               | SCR           | 1,500                    |
| NORTH DAKOTA                  | 172 | 18,000               | Mechanical    | 1,500                    |
| LOUISIANA                     | 79  | 20,000               | SCR           | 2,000                    |
| TEXAS                         | 80  | 20,000               | SCR           | 1,500                    |
| OKLAHOMA                      | 89  | 20,000               | SCR           | 1,500                    |
| OKLAHOMA                      | 92  | 20,000               | SCR           | 1,500                    |
| OKLAHOMA                      | 94  | 20,000               | SCR           | 1,500                    |
| OKLAHOMA                      | 98  | 20,000               | SCR           | 1,500                    |
| TEXAS                         | 97  | 26,000               | SCR           | 2,000                    |
| TEXAS                         | 99  | 26,000               | SCR           | 2,000                    |
| TEXAS                         | 137 | 26,000               | SCR           | 2,000                    |
| TEXAS                         | 149 | 26,000               | SCR           | 2,000                    |
| LOUISIANA                     | 72  | 30,000               | SCR           | 3,000                    |
| OKLAHOMA                      | 73  | 30,000               | SCR           | 3,000                    |
| TEXAS                         | 125 | 30,000               | SCR           | 3,000                    |
| LOUISIANA                     | 134 | 30,000               | SCR           | 3,000                    |
| TEXAS                         | 136 | 30,000               | SCR           | 3,000                    |
| TEXAS                         | 157 | 30,000               | SCR           | 3,000                    |
| LOUISIANA                     | 161 | 30,000               | SCR           | 3,000                    |
| LOUISIANA                     | 163 | 30,000               | SCR           | 3,000                    |
| <b>OFFSHORE PLATFORM RIGS</b> |     |                      |               |                          |
| TRINIDAD                      | 203 | 20,000               | Self-Erecting | 2,500                    |
| GULF OF MEXICO                | 205 | 20,000               | Self-Erecting | 2,000                    |
| GULF OF MEXICO                | 206 | 20,000               | Self-Erecting | 1,500                    |
| GULF OF MEXICO                | 100 | 30,000               | Conventional  | 3,000                    |
| LOUISIANA                     | 105 | 30,000               | Conventional  | 3,000                    |
| LOUISIANA                     | 107 | 30,000               | Conventional  | 3,000                    |
| GULF OF MEXICO                | 201 | 30,000               | Tension-leg   | 3,000                    |
| GULF OF MEXICO                | 202 | 30,000               | Tension-leg   | 3,000                    |
| GULF OF MEXICO                | 204 | 30,000               | Tension-leg   | 3,000                    |



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The following table sets forth information with respect to the utilization of our U.S. land and offshore drilling rigs for the periods indicated:

|  | Years ended September 30, |      |      |      |      |
|--|---------------------------|------|------|------|------|
|  | 2006                      | 2007 | 2008 | 2009 | 2010 |
| <b>U.S. Land Rigs</b>                          |                           |      |      |      |      |
| Number of rigs at end of period                | 113                       | 157  | 185  | 201  | 220  |
| Average rig utilization rate during period (1) | 99%                       | 97%  | 96%  | 68%  | 73%  |
| <b>U.S. Offshore Platform Rigs</b>             |                           |      |      |      |      |
| Number of rigs at end of period                | 9                         | 9    | 9    | 9    | 9    |
| Average rig utilization rate during period (1) | 69%                       | 65%  | 75%  | 89%  | 80%  |

(1) A rig is considered to be utilized when it is operated or being moved, assembled or dismantled under contract.

The following table sets forth certain information concerning our international drilling rigs as of September 30, 2010:

| Location  | Rig | Optimum Depth<br>(Feet) | Rig Type      | Drawworks:<br>Horsepower |
|-----------|-----|-------------------------|---------------|--------------------------|
| Argentina | 123 | 26,000                  | SCR           | 2,100                    |
| Argentina | 139 | 30,000+                 | SCR           | 3,000                    |
| Argentina | 151 | 30,000+                 | SCR           | 3,000                    |
| Argentina | 175 | 30,000                  | SCR           | 3,000                    |
| Argentina | 177 | 30,000                  | SCR           | 3,000                    |
| Argentina | 335 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Argentina | 336 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Argentina | 337 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Argentina | 338 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Bahrain   | 339 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Bahrain*  | 291 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Colombia  | 133 | 30,000                  | SCR           | 3,000                    |
| Colombia  | 152 | 30,000+                 | SCR           | 3,000                    |
| Colombia  | 176 | 18,000                  | SCR           | 1,500                    |
| Colombia  | 190 | 26,000                  | SCR           | 2,000                    |
| Colombia  | 333 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Colombia  | 334 | 8,000                   | AC (FlexRig4) | 1,150                    |
| Ecuador   | 117 | 26,000                  | SCR           | 2,500                    |
| Ecuador   | 121 | 20,000                  | SCR           | 1,700                    |
| Ecuador   | 132 | 18,000                  | SCR           | 1,500                    |
| Ecuador   | 138 | 26,000                  | SCR           | 2,500                    |
| Mexico    | 230 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Mexico    | 231 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Mexico^   | 234 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Mexico    | 237 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Mexico#   | 253 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Tunisia   | 228 | 18,000                  | AC (FlexRig3) | 1,500                    |
| Tunisia   | 242 | 18,000                  | AC (FlexRig3) | 1,500                    |

\* En route to drilling location at September 30, 2010

# En route to U.S. Land segment at September 30, 2010

^ En route to U.S. Land segment during first quarter of fiscal 2011



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The following table sets forth information with respect to the utilization of our international drilling rigs for the periods indicated:

|   | Years ended September 30, |      |      |      |      |
|---|---------------------------|------|------|------|------|
|   | 2006                      | 2007 | 2008 | 2009 | 2010 |
| Number of rigs at end of period                   | 16                        | 16   | 19   | 33   | 28   |
| Average rig utilization rate during period (1)(2) | 95%                       | 89%  | 72%  | 70%  | 71%  |

(1) A rig is considered to be utilized when it is operated or being moved, assembled or dismantled under contract.

(2) Does not include rigs returned to the United States for major modifications and upgrades.

**STOCK PORTFOLIO**

Information required by this item regarding our stock portfolio may be found on, and is incorporated by reference to, page 28 of our Annual Report (Exhibit 13 to this Form 10-K) under the caption, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

**Item 3. LEGAL PROCEEDINGS**

We are subject to various claims that arise in the ordinary course of our business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect our business, financial position and results of operations. We are not a party to, and none of our property is subject to, any material pending legal proceedings.

**Item 4. [Removed and reserved.]**

**OUR EXECUTIVE OFFICERS**

The following table sets forth the names and ages of our executive officers, together with all positions and offices held with the Company by such executive officers. Officers are elected to serve until the meeting of the Board of Directors following the next Annual Meeting of Stockholders and until their successors have been duly elected and have qualified or until their earlier resignation or removal.

|                          |   |
|--------------------------|---|
| W. H. Helmerich, III, 87 | Chairman of the Board since 1987; Director since 1949   |
| Hans Helmerich, 52       | President and Chief Executive Officer since 1989; Director since 1987   |
| John W. Lindsay, 49      | Executive Vice President, U.S. and International Operations of Helmerich & Payne International Drilling Co. since 2006; Vice President of U.S. Land Operations of Helmerich & Payne International Drilling Co. since 1997   |
| Steven R. Mackey, 59     | Executive Vice President, Secretary, General Counsel and Chief Administrative Officer since March 2010; Executive Vice President, Secretary and General Counsel from June 2008 to March 2010; Secretary since 1990; Vice President and General Counsel since 1988 |
| Juan Pablo Tardio, 45    | Vice President and Chief Financial Officer since April 2010; Director of Investor Relations from January 2008 to April 2010; Manager of Investor Relations from August 2005 to January 2008   |



Table of Contents**PART II****Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

The principal market on which our common stock is traded is the New York Stock Exchange under the symbol "HP". The high and low sale prices per share for the common stock for each quarterly period during the past two fiscal years as reported in the NYSE-Composite Transaction quotations follow:

| Quarter | 2009     |          | 2010     |          |
|---------|----------|----------|----------|----------|
|         | High     | Low      | High     | Low      |
| First   | \$ 43.27 | \$ 17.01 | \$ 44.90 | \$ 36.51 |
| Second  | 28.93    | 19.50    | 48.58    | 36.40    |
| Third   | 37.19    | 21.76    | 43.30    | 33.42    |
| Fourth  | 41.08    | 26.64    | 41.62    | 36.33    |

We paid quarterly cash dividends during the past two fiscal years as shown in the following table:

| Quarter | Paid per Share |         | Total Payment |              |
|---------|----------------|---------|---------------|--------------|
|         | Fiscal         |         | Fiscal        |              |
|         | 2009           | 2010    | 2009          | 2010         |
| First   | \$ .050        | \$ .050 | \$ 5,273,254  | \$ 5,286,530 |
| Second  | .050           | .050    | 5,274,814     | 5,300,194    |
| Third   | .050           | .050    | 5,281,430     | 5,303,994    |
| Fourth  | .050           | .060    | 5,281,580     | 6,363,377    |

Payment of future dividends will depend on earnings and other factors.

As of November 18, 2010, there were 609 record holders of our common stock as listed by the transfer agent's records.

**Item 6. SELECTED FINANCIAL DATA**

The following table summarizes selected financial information and should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations contained on pages 6 through 41 of our Annual Report (Exhibit 13 to this Form 10-K). Amounts have been restated to reflect the Venezuelan operations as discontinued operations. Refer to Part I, Item 1 above for additional information regarding discontinued operations.

Table of Contents**Five-year Summary of Selected Financial Data**

|   | 2006                                    | 2007         | 2008         | 2009         | 2010         |
|---|---|--------------|--------------|--------------|--------------|
|   | (in thousands except per share amounts) |              |              |              |              |
| Operating revenues                                      | \$ 1,140,219                            | \$ 1,502,380 | \$ 1,869,371 | \$ 1,843,740 | \$ 1,875,162 |
| Income from continuing operations                       | 269,852                                 | 415,924      | 420,258      | 380,546      | 286,081      |
| Income (loss) from discontinued operations              | 24,006                                  | 33,337       | 41,480       | (27,001)     | (129,769)    |
| Net Income  | 293,858                                 | 449,261      | 461,738      | 353,545      | 156,312      |
| Basic earnings per share from continuing operations     | \$ 2.58                                 | 4.03         | 4.02         | 3.61         | 2.70         |
| Basic earnings per share from discontinued operations   | \$ 0.23                                 | 0.32         | 0.40         | (0.26)       | (1.23)       |
| Basic earnings per share                                | \$ 2.81                                 | 4.35         | 4.42         | 3.35         | 1.47         |
| Diluted earnings per share from continuing operations   | \$ 2.54                                 | 3.95         | 3.93         | 3.56         | 2.66         |
| Diluted earnings per share from discontinued operations | \$ 0.23                                 | 0.32         | 0.39         | (0.25)       | (1.21)       |
| Diluted earnings per share                              | \$ 2.77                                 | 4.27         | 4.32         | 3.31         | 1.45         |
| Total assets*   | 2,134,712                               | 2,885,369    | 3,588,045    | 4,161,024    | 4,265,370    |
| Long-term debt  | 175,000                                 | 445,000      | 475,000      | 420,000      | 360,000      |
| Cash dividends declared per common share                | 0.1725                                  | 0.1800       | 0.0185       | 0.2000       | 0.2200       |

\*

Total assets for all years includes amounts related to discontinued operations

**Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Information required by this item may be found on, and is incorporated by reference to, pages 6 through 41 of our Annual Report (Exhibit 13 to this Form 10-K) under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations."

**Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Information required by this item may be found under the caption "Risk Factors" beginning on page 5 of this Report and on, and is incorporated by reference to, the following pages of our Annual Report (Exhibit 13 to this Form 10-K) under Management's Discussion and Analysis of Financial Condition and Results of Operations and in the Notes to Consolidated Financial Statements:

| Market Risk                         | Page  |
|-------------------------------------|-------|
| Foreign Currency Exchange Rate Risk | 37-38 |
| Commodity Price Risk                | 38-39 |
| Interest Rate Risk                  | 39-40 |
| Equity Price Risk                   | 40-41 |

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Information required by this item may be found on, and is incorporated by reference to, pages 43 through 83 of our Annual Report (Exhibit 13 to this Form 10-K).

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

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**Item 9A. CONTROLS AND PROCEDURES**

a)

Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this Annual Report on Form 10-K, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2010. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that:

our disclosure controls and procedures are effective at ensuring that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and

our disclosure controls and procedures operate such that important information flows to appropriate collection and disclosure points in a timely manner and are effective to ensure that such information is accumulated and communicated to our management, and made known to our Chief Executive Officer and Chief Financial Officer, particularly during the period when this Annual Report on Form 10-K was prepared, as appropriate to allow timely decision regarding the required disclosure.

b)

Management's Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(i)

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and the Board of Directors; and

(iii)

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Although there are inherent limitations in the effectiveness of any system of internal control over financial reporting, based on this evaluation, management has concluded that our internal control over financial reporting was effective as of September 30, 2010.

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The independent registered public accounting firm that audited our financial statements, Ernst & Young LLP, has issued an attestation report on our internal control over financial reporting. This report appears below at the end of this Item 9A of Form 10-K.

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c) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our fourth fiscal quarter of 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

\* \* \*

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders  
Helmerich & Payne, Inc.

We have audited Helmerich & Payne, Inc.'s internal control over financial reporting as of September 30, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Helmerich & Payne, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Helmerich & Payne, Inc. maintained, in all material respects, effective internal control over financial reporting as of September 30, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Helmerich & Payne, Inc. as of September 30, 2010 and 2009 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2010 and our report dated November 24, 2010 expressed an unqualified opinion thereon.

/S/ Ernst & Young LLP

Tulsa, Oklahoma  
November 24, 2010

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**Item 9B. OTHER INFORMATION**

None.

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**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this item is incorporated herein by reference to the material under the captions "Proposal 1 Election of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held March 2, 2011, to be filed with the Commission not later than 120 days after September 30, 2010. Information required under this item with respect to executive officers under Item 401 of Regulation S-K appears under "Our Executive Officers" in Part I of this Form 10-K.

We have adopted a Code of Ethics for Principal Executive Officer and Senior Financial Officers. The text of this code is located on our website under "Corporate Governance." Our Internet address is *www.hpinc.com*. We intend to disclose any amendments to or waivers from this code on our website.

**Item 11. EXECUTIVE COMPENSATION**

The information required by this item regarding executive compensation, as well as director compensation and compensation committee interlocks and insider participation is incorporated herein by reference to the material beginning with the caption "Executive Compensation Discussion and Analysis" and ending with the caption "Potential Payments Upon Termination", as well as under the captions "Director Compensation in Fiscal 2010" and "Compensation Committee Interlocks and Insider Participation" in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held March 2, 2011, to be filed with the Commission not later than 120 days after September 30, 2010.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this item is incorporated herein by reference to the material under the captions "Summary of All Existing Equity Compensation Plans," "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held March 2, 2011, to be filed with the Commission not later than 120 days after September 30, 2010.

**Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this item is incorporated herein by reference to the material under the captions "Transactions With Related Persons, Promoters and Certain Control Persons" and "Corporate Governance" in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held March 2, 2011, to be filed with the Commission not later than 120 days after September 30, 2010.

**Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this item is incorporated herein by reference to the material under the caption "Audit Fees" in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held March 2, 2011, to be filed with the Commission not later than 120 days after September 30, 2010.



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## PART IV

**Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

- a) 1. *Financial Statements:* The following appear in our Annual Report to Stockholders (Exhibit 13 to this Form 10-K) on the pages indicated below and are incorporated herein by reference:

## Page

Report of Independent  
Registered Public  
Accounting Firm 42

Consolidated  
Statements of Income  
for the Years Ended  
September 30, 2010,  
2009 and 2008 43

Consolidated Balance  
Sheets at September 30,  
2010 and 2009 44-45

Consolidated  
Statements of  
Shareholders' Equity for  
the Years Ended  
September 30, 2010,  
2009 and 2008 46

Consolidated  
Statements of Cash  
Flows for the Years  
Ended September 30,  
2010, 2009 and 2008 47

Notes to Consolidated  
Financial Statements 48-83

2. *Financial Statement Schedules:* All schedules are omitted as inapplicable or because the required information is contained in the financial statements or included in the notes thereto.
3. *Exhibits.* The following documents are included as exhibits to this Annual Report on Form 10-K. Exhibits incorporated by reference are duly noted as such.

- 3.1 Amended and Restated Certificate of Incorporation of Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K to the Securities & Exchange Commission for fiscal 2006, SEC File No. 001-04221.
  
- 3.2 Amended and Restated By-Laws of the Company are incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on October 11, 2007, SEC File No. 001-04221.
  
- 4.1 Rights Agreement dated as of January 8, 1996, between the Company and The Liberty National Bank and Trust Company of Oklahoma City, N.A. is incorporated herein by reference to the Company's Form 8-A, dated January 18, 1996, SEC File No. 001-04221.
  
- 4.2 Amendment to Rights Agreement dated December 8, 2005, between the Company and UMB Bank, N.A. is incorporated herein by reference to Exhibit 4 of the Company's Form 8-K filed on December 12, 2005, SEC File No. 001-04221.
  
- \*10.1 Consulting Services Agreement between W. H. Helmerich, III and the Company dated March 30, 1990, is incorporated herein by reference to Exhibit 10.3 of the Company's Annual Report on

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Form 10-K to the  
Securities and Exchange  
Commission for fiscal  
1996, SEC File  
No. 001-04221.

- \*10.2 Amendment to  
Consulting Services  
Agreement between  
W. H. Helmerich, III  
and the Company dated  
December 26, 1990, is  
incorporated herein by  
reference to Exhibit 10.2  
of the Company's  
Annual Report on  
Form 10-K to the  
Securities and Exchange  
Commission for fiscal  
2006, SEC File  
No. 001-04221.
  
- \*10.3 Second Amendment to  
Consulting Services  
Agreement between  
W. H. Helmerich, III  
and the Company dated  
September 11, 2006, is  
incorporated herein by  
reference to Exhibit 10.1  
of the Company's  
Form 8-K filed  
September 13, 2006,  
SEC File  
No. 001-04221.
  
- \*10.4 Helmerich & Payne, Inc.  
1996 Stock Incentive  
Plan is incorporated  
herein by reference to  
Appendix "A" of the  
Company's Proxy  
Statement on  
Schedule 14A filed on  
January 27, 1997.

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- \*10.5 Form of Nonqualified Stock Option Agreement for the Helmerich & Payne, Inc. 1996 Stock Incentive Plan is incorporated by reference to Exhibit 99.2 to the Company's Registration Statement No. 333-34939 on Form S-8 dated September 4, 1997.
- \*10.6 Form of Restricted Stock Agreement for the Helmerich & Payne, Inc. 1996 Stock Incentive Plan is incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 1997, SEC File No. 001-04221.
- \*10.7 Helmerich & Payne, Inc. 2000 Stock Incentive Plan is incorporated herein by reference to Appendix "A" of the Company's Proxy Statement on Schedule 14A filed on January 26, 2001.
- \*10.8 Form of Agreements for Helmerich & Payne, Inc. 2000 Stock Incentive Plan being (i) Restricted Stock Award Agreement, (ii) Incentive Stock Option Agreement and (iii) Nonqualified Stock Option Agreement are incorporated by reference to Exhibit 99.2 to the Company's Registration Statement No. 333-63124 on Form S-8 dated June 15, 2001.
- \*10.9 Form of Director Nonqualified Stock Option Agreement for the Helmerich & Payne, Inc. 2000 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended June 30, 2002, SEC File No. 001-04221.
- \*10.10 Form of Change of Control Agreement for Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended June 30, 2002, SEC File No. 001-04221.
- 10.11 Note Purchase Agreement dated as of August 15, 2002, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and various insurance companies is incorporated herein by reference to Exhibit 10.20 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2002, SEC File No. 001-04221.
- 10.12 Credit Agreement dated December 18, 2006, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and Wells Fargo Bank, National Association, is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 20, 2006, SEC File No. 001-04221.
- 10.13 Note Purchase Agreement dated as of June 15, 2009, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and various Note purchasers is incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed July 21, 2009, SEC File No. 001-04221.
- 10.14 Office Lease dated May 30, 2003, between K/B Fund IV and Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.18 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2003, SEC File No. 001-04221.
- 10.15 First Amendment to Lease between ASP, Inc. and Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.1 of Form 8-K filed by the Company on May 29, 2008.
- \*10.16 Helmerich & Payne, Inc. Annual Bonus Plan for Executive Officers is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 7, 2009, SEC File No. 001-04221.
- \*10.17 Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan is incorporated herein by reference to Appendix "A" to the Company's Proxy Statement on Schedule 14A filed January 26, 2006.

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- \*10.18 Form of Agreements for Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to certain executives:
  - (i) Nonqualified Stock Option Agreement,
  - (ii) Incentive Stock Option Agreement, and
  - (iii) Restricted Stock Award Agreement are incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on December 8, 2009, SEC File No. 001-04221.
  
- \*10.19 Form of Agreements for the Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to participants other than certain executives:
  - Nonqualified Stock Option Agreement,
  - Incentive Stock Option Agreement, and
  - Restricted Stock Award Agreement are incorporated herein by reference to Exhibit 10.3 of the Company's Form 8-K filed on December 8, 2009, SEC File No. 001-04221.
  
- \*10.20 Form of Amendment to Nonqualified Stock Option Agreements and Amendment to Restricted Stock Award Agreements for the Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to certain executive officers are incorporated herein by reference to Exhibit 10.4 of the Company's Form 8-K filed on December 7, 2009, SEC File No. 001-04221.
  
- \*10.21 Form of Amendment to Nonqualified Stock Option Agreements and

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Amendment to  
Restricted Stock Award  
Agreements for the  
Helmerich & Payne, Inc.  
2005 Long-Term  
Incentive Plan applicable  
to participants other than  
certain executive officers  
are incorporated herein  
by reference to  
Exhibit 10.5 of the  
Company's Form 8-K  
filed on December 7,  
2009, SEC File  
No. 001-04221.

10.22 Fabrication Contract  
between Helmerich &  
Payne International  
Drilling Co. and  
Southeast Texas  
Industries, Inc. is  
incorporated herein by  
reference to Exhibit 10.1  
of the Company's  
Form 8-K filed on  
December 7, 2006, SEC  
File No. 001-04221.

10.23 Contract dated July 18,  
2007, between  
Helmerich & Payne  
International Drilling Co.  
and Southeast Texas  
Industrial Services, Inc.  
is incorporated herein by  
reference to the  
Company's Form 8-K  
filed July 7, 2007, SEC  
File No. 001-04221.

10.24 Amendment to Contract  
dated August 8, 2008,  
between Helmerich &  
Payne International  
Drilling Co. and  
Southeast Texas  
Industries, Inc. is  
incorporated herein by  
reference to  
Exhibit 10.33 of the  
Company's Annual  
Report on Form 10-K to  
the Securities and  
Exchange Commission  
for fiscal 2008, SEC File  
No. 001-04221.

10.25 Amendment to Contract  
dated August 8, 2008,  
between Helmerich &

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Payne International  
Drilling Co. and  
Southeast Texas  
Industrial Services, Inc.  
is incorporated herein by  
reference to  
Exhibit 10.34 of the  
Company's Annual  
Report on Form 10-K to  
the Securities and  
Exchange Commission  
for fiscal 2008, SEC File  
No. 001-04221.

- \*10.26 Supplemental Retirement  
Income Plan for Salaried  
Employees of  
Helmerich & Payne, Inc.  
is incorporated herein by  
reference to Exhibit 10.1  
of the Company's  
Quarterly Report on  
Form 10-Q to the  
Securities and Exchange  
Commission for the  
quarter ended  
December 31, 2008, SEC  
File No. 001-04221.
  
- \*10.27 Supplemental Savings  
Plan for Salaried  
Employees of  
Helmerich & Payne, Inc.  
is incorporated herein by  
reference to Exhibit 10.2  
of the Company's  
Quarterly Report on  
Form 10-Q to the  
Securities and Exchange  
Commission for the  
quarter ended  
December 31, 2008, SEC  
File No. 001-04221.
  
- \*10.28 Helmerich & Payne, Inc.  
Director Deferred  
Compensation Plan is  
incorporated herein by  
reference to Exhibit 10.3  
of the Company's  
Quarterly Report on  
Form 10-Q to the  
Securities and Exchange  
Commission for the  
quarter ended  
December 31, 2008, SEC  
File No. 001-04221.
  
- 13. The Company's Annual  
Report to Stockholders  
for fiscal 2010.

- 21. List of Subsidiaries of the Company.
  
- 23.1 Consent of Independent Registered Public Accounting Firm.



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- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32. Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101. Financial statements from the annual report on Form 10-K of Helmerich & Payne, Inc. for the fiscal year ended September 30, 2010, filed on November 24, 2010, formatted in XBRL: (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements tagged as blocks of text.

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\*

Management or Compensatory Plan or Arrangement.



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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized:

HELMERICH & PAYNE, INC.

By /s/ HANS HELMERICH

Hans Helmerich, President and  
Chief Executive Officer  
Date: November 24, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

By /s/ WILLIAM L. ARMSTRONG

William L. Armstrong, Director  
Date: November 24, 2010

By /s/ RANDY A. FOUTCH

Randy A. Foutch, Director  
November 24, 2010

By /s/ HANS HELMERICH

Hans Helmerich, Director & CEO  
Date: November 24, 2010

By /s/ W. H. HELMERICH, III

W. H. Helmerich, III, Director  
Date: November 24, 2010

By /s/ PAULA MARSHALL

Paula Marshall, Director  
Date: November 24, 2010

By /s/ FRANCIS ROONEY

Francis Rooney, Director  
Date: November 24, 2010

By /s/ EDWARD B. RUST, JR.

Edward B. Rust, Jr., Director  
Date: November 24, 2010

By /s/ JOHN D. ZEGLIS

John D. Zeglis, Director  
Date: November 24, 2010

By /s/ JUAN PABLO TARDIO

Juan Pablo Tardio  
(Principal Financial Officer)  
Date: November 24, 2010

By /s/ GORDON K. HELM

Gordon K. Helm  
(Principal Accounting Officer)  
Date: November 24, 2010

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#### **Exhibit Index**

The following documents are included as exhibits to this Annual Report on Form 10-K. Exhibits incorporated herein are duly noted as such.

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 3.1                | Amended and Restated Certificate of Incorporation of Helmerich & Payne, Inc. is incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2006, SEC File No. 001-04221.   |
| 3.2                | Amended and Restated By-Laws of the Company are incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on October 11, 2007, SEC File No. 001-04221.  |
| 4.1                | Rights Agreement dated as of January 8, 1996, between the Company and The Liberty National Bank and Trust Company of Oklahoma City, N.A. is incorporated herein by reference to the Company's Form 8-A, dated January 18, 1996, SEC File No. 001-04221.   |
| 4.2                | Amendment to Rights Agreement dated December 8, 2005, between the Company and UMB Bank, N.A. is incorporated herein by reference to Exhibit 4 of the Company's Form 8-K filed on December 12, 2005, SEC File No. 001-04221.   |
| *10.1              | Consulting Services Agreement between W. H. Helmerich, III and the Company dated March 30, 1990, is incorporated herein by reference to Exhibit 10.3 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 1996, SEC File No. 001-04221.   |
| *10.2              | Amendment to Consulting Services Agreement between W. H. Helmerich, III and the Company dated December 26, 1990, is incorporated herein by reference to Exhibit 10.2 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2006, SEC File No. 001-04221.   |
| *10.3              | Second Amendment to Consulting Services Agreement between W. H. Helmerich, III and the Company dated September 11, 2006, is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed September 13, 2006, SEC File No. 001-04221.  |
| *10.4              | Helmerich & Payne, Inc. 1996 Stock Incentive Plan is incorporated herein by reference to Appendix "A" of the Company's Proxy Statement on Schedule 14A filed on January 27, 1997.   |
| *10.5              | Form of Nonqualified Stock Option Agreement for the Helmerich & Payne, Inc. 1996 Stock Incentive Plan is incorporated by reference to Exhibit 99.2 to the Company's Registration Statement No. 333-34939 on Form S-8 dated September 4, 1997.   |
| *10.6              | Form of Restricted Stock Agreement for the Helmerich & Payne, Inc. 1996 Stock Incentive Plan is incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 1997, SEC File No. 001-04221.   |
| *10.7              | Helmerich & Payne, Inc. 2000 Stock Incentive Plan is incorporated herein by reference to Appendix "A" of the Company's Proxy Statement on Schedule 14A filed on January 26, 2001.   |
| *10.8              | Form of Agreements for Helmerich & Payne, Inc. 2000 Stock Incentive Plan being (i) Restricted Stock Award Agreement, (ii) Incentive Stock Option Agreement and (iii) Nonqualified Stock Option Agreement are incorporated by reference to Exhibit 99.2 to the Company's Registration Statement No. 333-63124 on Form S-8 dated June 15, 2001. |
| *10.9              | Form of Director Nonqualified Stock Option Agreement for the Helmerich & Payne, Inc. 2000 Stock Incentive Plan is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended June 30, 2002, SEC File No. 001-04221.                      |
| *10.10             | Form of Change of Control Agreement for Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended June 30, 2002, SEC File No. 001-04221.   |



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| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 10.11              | Note Purchase Agreement dated as of August 15, 2002, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and various insurance companies is incorporated herein by reference to Exhibit 10.20 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2002, SEC File No. 001-04221.                                     |
| 10.12              | Credit Agreement dated December 18, 2006, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and Wells Fargo Bank, National Association, is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 20, 2006, SEC File No. 001-04221.  |
| 10.13              | Note Purchase Agreement dated as of June 15, 2009, among Helmerich & Payne International Drilling Co., Helmerich & Payne, Inc. and various Note purchasers is incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed July 21, 2009, SEC File No. 001-04221.   |
| 10.14              | Office Lease dated May 30, 2003, between K/B Fund IV and Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.18 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2003, SEC File No. 001-04221.   |
| 10.15              | First Amendment to Lease between ASP, Inc. and Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.1 of Form 8-K filed by the Company on May 29, 2008.   |
| *10.16             | Helmerich & Payne, Inc. Annual Bonus Plan for Executive Officers is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 7, 2009, SEC File No. 001-04221.  |
| *10.17             | Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan is incorporated herein by reference to Appendix "A" to the Company's Proxy Statement on Schedule 14A filed January 26, 2006.   |
| *10.18             | Form of Agreements for Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to certain executives: (i) Nonqualified Stock Option Agreement, (ii) Incentive Stock Option Agreement, and (iii) Restricted Stock Award Agreement are incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on December 8, 2009, SEC File No. 001-04221.              |
| *10.19             | Form of Agreements for the Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to participants other than certain executives: Nonqualified Stock Option Agreement, Incentive Stock Option Agreement, and Restricted Stock Award Agreement are incorporated herein by reference to Exhibit 10.3 of the Company's Form 8-K filed on December 8, 2009, SEC File No. 001-04221. |
| *10.20             | Form of Amendment to Nonqualified Stock Option Agreements and Amendment to Restricted Stock Award Agreements for the Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to certain executive officers are incorporated herein by reference to Exhibit 10.4 of the Company's Form 8-K filed on December 7, 2009, SEC File No. 001-04221.                                    |
| *10.21             | Form of Amendment to Nonqualified Stock Option Agreements and Amendment to Restricted Stock Award Agreements for the Helmerich & Payne, Inc. 2005 Long-Term Incentive Plan applicable to participants other than certain executive officers are incorporated herein by reference to Exhibit 10.5 of the Company's Form 8-K filed on December 7, 2009, SEC File No. 001-04221.            |
| 10.22              | Fabrication Contract between Helmerich & Payne International Drilling Co. and Southeast Texas Industries, Inc. is incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 7, 2006, SEC File No. 001-04221.  |
| 10.23              | Contract dated July 18, 2007, between Helmerich & Payne International Drilling Co. and Southeast Texas Industrial Services, Inc. is incorporated herein by reference to the Company's Form 8-K filed July 7, 2007, SEC File No. 001-04221.   |

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| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 10.24              | Amendment to Contract dated August 8, 2008, between Helmerich & Payne International Drilling Co. and Southeast Texas Industries, Inc. is incorporated herein by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2008, SEC File No. 001-04221.  |
| 10.25              | Amendment to Contract dated August 8, 2008, between Helmerich & Payne International Drilling Co. and Southeast Texas Industrial Services, Inc. is incorporated herein by reference to Exhibit 10.34 of the Company's Annual Report on Form 10-K to the Securities and Exchange Commission for fiscal 2008, SEC File No. 001-04221.   |
| *10.26             | Supplemental Retirement Income Plan for Salaried Employees of Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended December 31, 2008, SEC File No. 001-04221.  |
| *10.27             | Supplemental Savings Plan for Salaried Employees of Helmerich & Payne, Inc. is incorporated herein by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended December 31, 2008, SEC File No. 001-04221.  |
| *10.28             | Helmerich & Payne, Inc. Director Deferred Compensation Plan is incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended December 31, 2008, SEC File No. 001-04221.  |
| 13.                | The Company's Annual Report to Stockholders for fiscal 2010.   |
| 21.                | List of Subsidiaries of the Company.   |
| 23.1               | Consent of Independent Registered Public Accounting Firm.  |
| 31.1               | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 31.2               | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.   |
| 32.                | Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.   |
| 101.               | Financial statements from the annual report on Form 10-K of Helmerich & Payne, Inc. for the fiscal year ended September 30, 2010, filed on November 24, 2010, formatted in XBRL: (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements tagged as blocks of text. |

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Management or Compensatory Plan or Arrangement.