UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

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 1-7573

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Delaware	73-0618660
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(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1401 Enclave Parkway, Suite 600, Houston, Texas 77077

(Address of principal executive offices)(zip code)

Registrant's telephone number, including area code (281) 406-2000

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 X No
--- ---

As of October 31, 2001, 92,152,089 common shares were outstanding.

PARKER DRILLING COMPANY

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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

<S>	September 30, 2001 <C>	December 31, 2000 <C>
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 71,218	$ 62,480
Other short-term investments	12	811
Accounts and notes receivable	110,853	123,474
Rig materials and supplies	20,666	16,500
Other current assets	4,197	4,600
Total current assets	206,946	207,865
Property, plant and equipment less accumulated depreciation and amortization of $507,457 at September 30, 2001 and $448,734 at December 31, 2000	689,892	663,525
Goodwill, net of accumulated amortization of $33,397 at September 30, 2001 and $27,786 at December 31, 2000	190,997	196,609
Other noncurrent assets	31,563	39,420
Total assets	$ 1,119,398	$ 1,107,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 4,890	$ 5,043
Accounts payable and accrued liabilities	79,926	77,201
Accrued income taxes	5,465	9,422
Total current liabilities	90,281	91,666
Long-term debt	588,833	592,584
Deferred income tax	26,581	18,467
Other long-term liabilities	5,414	5,539
Stockholders' equity:		
Common stock, $.16 2/3 par value	15,366	15,287

Capital in excess of par value	433,248	431,043
Accumulated comprehensive income - net unrealized gain on investments available for sale (net of taxes $(34) at September 30, 2001 and $190 at December 31, 2000)	(60)	339
Retained earnings (accumulated deficit)	(40,265)	(47,506)
Total stockholders' equity	408,289	399,163
Total liabilities and stockholders' equity	$ 1,119,398	$ 1,107,419

</TABLE>

See accompanying notes to consolidated condensed financial statements.

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands Except Per Share Amounts)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2001	Three Months Ended September 30, 2000	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
<S>	<C>	<C>	<C>	<C>
Revenues:				
U.S. drilling	$ 52,985	$ 39,894	$ 158,228	$ 102,203
International drilling	57,047	49,959	167,729	131,207
Rental tools	18,895	11,996	50,759	29,352
Total revenues	128,927	101,849	376,716	262,762
Operating expenses:				
U.S. drilling	29,827	25,436	86,245	72,175
International drilling	38,414	35,971	116,057	98,508
Rental tools	6,750	3,986	17,570	11,116
Depreciation and amortization	24,330	21,011	71,425	63,040
General and administrative	4,925	5,492	14,805	14,939
Reorganization	2,306	--	7,500	--
Total operating expenses	106,552	91,896	313,602	259,778
Operating income	22,375	9,953	63,114	2,984
Other income and (expense):				
Interest expense	(13,772)	(14,554)	(41,062)	(43,589)
Interest income	795	597	2,439	2,235
Gain on disposition of assets	326	7,953	1,776	9,901
Other income (loss) - net	9	749	(309)	2,625
Total other income and (expense)	(12,642)	(5,255)	(37,156)	(28,828)
Income (loss) before income taxes	9,733	4,698	25,958	(25,844)
Income tax expense (benefit):				
Current tax expense-foreign	3,408	5,032	10,417	10,048
Deferred tax expense (benefit)	3,300	700	8,300	(10,500)
	6,708	5,732	18,717	(452)
Net income (loss)	$ 3,025	$ (1,034)	$ 7,241	$ (25,392)

Earnings (loss) per share,

Basic	$ .03	$ (.01)	$ .08	$ (.32)
Diluted	$ .03	$ (.01)	$ .08	$ (.32)
Number of common shares used in computing earnings per share:				
Basic	92,117,651	80,258,339	91,955,655	78,438,141
Diluted	92,589,301	80,258,339	92,876,615	78,438,141

</TABLE>

See accompanying notes to consolidated condensed financial statements.

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

<S>	Nine Months Ended September 30, 2001 <C>	2000 <C>
Cash flows from operating activities:		
Net income (loss)	$ 7,241	$ (25,392)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	71,425	63,040
Gain on disposition of assets	(1,776)	(9,901)
Expenses not requiring cash	3,816	3,225
Deferred income taxes	8,300	(10,500)
Change in operating assets and liabilities	6,424	346
Net cash provided by operating activities	95,430	20,818
Cash flows from investing activities:		
Capital expenditures (net of reimbursements of $13.0 million in 2000)	(90,286)	(59,654)
Proceeds from the sale of equipment	5,828	10,141
Proceeds from the sale of investments	799	16,872
Net cash used in investing activities	(83,659)	(32,641)
Cash flows from financing activities:		
Proceeds from common stock offering	--	87,313
Principal payments under debt obligations	(3,588)	(3,388)
Other	555	384
Net cash provided by (used) in financing activities	(3,033)	84,309
Net change in cash and cash equivalents	8,738	72,486
Cash and cash equivalents at beginning of period	62,480	45,501
Cash and cash equivalents at end of period	$ 71,218	$ 117,987
Supplemental cash flow information:		
Interest paid	$ 31,900	$ 33,410

Income taxes paid	$ 14,374	$ 11,686
Supplemental noncash investing activity:		
Net unrealized gain (loss) on investments available for sale (net of taxes $(224) in 2001 and $358 in 2000)	$ (399)	$ 636

</TABLE>

See accompanying notes to consolidated condensed financial statements.

PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. General - In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements reflect all adjustments (of a normally recurring nature) which are necessary for a fair presentation of (1) the financial position as of September 30, 2001 and December 31, 2000, (2) the results of operations for the three and nine months ended September 30, 2001 and 2000, and (3) cash flows for the nine months ended September 30, 2001 and 2000. Results for the nine months ended September 30, 2001 are not necessarily indicative of the results, which will be realized for the year ending December 31, 2001. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended December 31, 2000.

   Our independent accountants have performed a review of these interim financial statements in accordance with standards established by the American Institute of Certified Public Accountants. Pursuant to Rule 436(c) under the Securities Act of 1933, their report of that review should not be considered a report within the meaning of Section 7 and 11 of that Act, and the independent accountants liability under Section 11 does not extend to it.

2. Earnings Per Share -

RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<TABLE>
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	For the Three Months Ended September 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income available to common stockholders	$3,025,000	92,117,651	$.03
Effect of Dilutive Securities:			
Stock options and grants	--	471,650	--
Diluted EPS:			
Income available to common stockholders plus assumed conversions	$3,025,000	92,589,301	$.03
	==========	==========	====

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	For the Nine Months Ended September 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount

<S> <C> <C> <C>

Basic EPS:			
Income available to common stockholders	$7,241,000	91,955,655	$.08
Effect of Dilutive Securities:			
Stock options and grants	--	920,960	--
Diluted EPS:			
Income available to common stockholders plus assumed conversions	$7,241,000	92,876,615	$.08
	==========	==========	====

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RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<TABLE>
<CAPTION>

	For the Three Months Ended September 30, 2000		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income (loss) available to common stockholders	$(1,034,000)	80,258,339	$(.01)
Effect of Dilutive Securities:			
Stock options and grants	--	--	--
Diluted EPS:			
Income (loss) available to common stockholders plus assumed conversions	$(1,034,000)	80,258,339	$(.01)
	===========	===========	=====

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	For the Nine Months Ended September 30, 2000		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income (loss) available to common stockholders	$(25,392,000)	78,438,141	$(.32)
Effect of Dilutive Securities:			
Stock options and grants	--	--	--
Diluted EPS:			
Income (loss) available to common stockholders plus assumed conversions	$(25,392,000)	78,438,141	$(.32)
	============	============	=====

</TABLE>

The Company has outstanding $124,509,000 of Convertible Subordinated Notes which are convertible into 8,090,254 shares of common stock at $15.39 per share. The notes have been outstanding since their issuance in July 1997 but were not included in the computation of diluted EPS because the assumed conversion of the notes would have had an anti-dilutive effect on EPS. For the three and nine months ended September 30, 2001, options to purchase 6,691,000 and 4,714,000, shares, respectively, of common stock at prices ranging from $4.50 to $12.1875 and from $5.9375 to $12.1875, respectively, were outstanding but not included in the computation of diluted EPS because the assumed exercise of the options would have had an anti-dilutive effect on EPS during the respective periods. For the three and nine months ended September 30, 2000, options to purchase 7,269,250 shares of common stock at prices ranging from $2.25 to $12.1875 were outstanding but not included in the computation of diluted EPS because the assumed exercise of the options would have had an anti-dilutive effect on EPS due to the net loss incurred during the respective periods.

3. Business Segments - The primary services the Company provides are as follows: U.S. drilling, international drilling and rental tools. Information regarding the Company's operations by industry segment for the three and nine months ended September 30, 2001 and 2000 is as follows (dollars in thousands):

<TABLE>
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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Revenues:				
U.S. drilling	$ 52,985	$ 39,894	$ 158,228	$ 102,203
International drilling	57,047	49,959	167,729	131,207
Rental tools	18,895	11,996	50,759	29,352
Total revenues	128,927	101,849	376,716	262,762
Operating income:				
U.S. drilling	12,287	3,822	39,153	(1,646)
International drilling	8,847	6,105	23,638	8,475
Rental tools	9,031	5,518	24,285	11,094
Other (net)	(559)	--	(1,657)	--
Total operating income by segment (1)	29,606	15,445	85,419	17,923
General and administrative	(4,925)	(5,492)	(14,805)	(14,939)
Reorganization	(2,306)	--	(7,500)	--
Total operating income	22,375	9,953	63,114	2,984
Interest expense	(13,772)	(14,554)	(41,062)	(43,589)
Other income - net	1,130	9,299	3,906	14,761
Income (loss) before income taxes	$ 9,733	$ 4,698	$ 25,958	$ (25,844)

</TABLE>

(1) Total operating income by segment is calculated by excluding General and administrative expense and Reorganization expense from Total operating income, as reported in the Consolidated Condensed Statements of Operations.

4. Reorganization - During January 2001, the Company announced the relocation of its corporate office to Houston, Texas. On September 4, 2001, the Company opened its new corporate office in Houston, Texas. The reorganization included the consolidation of its corporate and international drilling activities from Tulsa, Oklahoma, with its U.S. offshore drilling operations already domiciled in Houston. The relocation was accompanied by the reorganization of certain senior management positions and the management of drilling operations. Management believes that the Company will benefit from being closer to its customers, competitors and vendors and anticipates increased efficiency from the consolidation of its operational and administrative functions. The total non-recurring expense for the move of the corporate office to Houston approximated $7.5 million. During the second quarter of 2001, $5.2 million was recognized, the remaining $2.3 million was recognized during the third quarter of 2001.

5. Legal Proceeding - Two subsidiaries of Parker Drilling Company ("Subsidiaries") are currently named defendants in the lawsuit, Verdin vs. R & B Falcon Drilling USA, Inc., et. al., Civil Action No. G-00-488, currently pending in the U.S. District Court for the Southern District of Texas, Houston Division. The plaintiff is a former employee of a drilling contractor engaged in offshore drilling operations in the Gulf of Mexico. The defendants are various drilling contractors, including the Subsidiaries, who conduct drilling operations in the Gulf of Mexico. Plaintiff alleges that the defendants have violated federal and state antitrust laws by agreeing with each other to depress wages and benefits paid to employees working for said defendants.

   Plaintiff is seeking to bring this case as a "class action", i.e., on behalf of himself and a proposed class of other similarly situated employees of the defendants that have allegedly suffered similar damages from the alleged actions of defendants. Originally, the case was pending in U.S. District Court for the Southern District of Texas, Galveston Division. Recently, the case was transferred to the Houston Division. The subsidiaries and certain of the other defendants recently entered into a stipulation of settlement with the plaintiff, pursuant to which the subsidiaries will pay $625,000 for a full and complete release of all claims brought in the case. This settlement was preliminarily approved by the Court on November 8, 2001. The settlement amount and related fees were accrued during the third quarter 2001.

6. Contingency - On July 6, 2001, the Ministry of State Revenues of Kazakhstan ("MSR") issued an Act of Audit to the Kazakhstan branch of Parker Drilling Company International Limited, a wholly owned subsidiary of the Company ("PDCIL"), assessing additional taxes in the amount of approximately $29,000,000 for the years 1998-2000. The assessment consists primarily of adjustments in corporate income tax based on a determination by the Kazakhstan tax authorities that payments by the customer, OKIOC, to PDCIL of $99,050,000, in reimbursement of costs for improvements to Rig 257, to facilitate drilling in the Caspian Sea in connection with the drilling contract between OKIOC and PDCIL are income, and therefore, taxable to PDCIL's Kazakhstan Branch. PDCIL filed an Act of Non-Agreement stating its position that such payment should not be taxable and requesting that the Act of Audit be revised accordingly. Initial discussions with the MSR have resulted in (1) the MSR determining that certain of the issues require reauditing, (2) that the MSR requires further information on certain items and (3) an invitation from the MSR to hold further discussions on other matters relating to the assessment. Management believes that it is too early to make a reasonable determination as to the probable outcome of this matter.

7. Recent Accounting Pronouncements - In June 2001, the Financial Accounting Standards Board ("FASB") issued FAS No. 141, 142 and 143. FAS No. 141, "Business Combinations", requires that the purchase method

of accounting be used for all business combinations initiated after June 30, 2001. FAS No. 142, "Goodwill and Other Intangible Assets", changes the accounting for goodwill from an amortization method to an impairment-only approach and will be effective January 2002. FAS No. 143, "Accounting for Asset Retirement Obligations", requires the capitalization and accrual of the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. FAS No. 143 will be effective January 2003. In August 2001 the FASB issued FAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". FAS 144 supersedes FAS 121 and amends APB No. 30 for the accounting and reporting for discontinued operations as it relates to long-lived assets. FAS No. 144 will be effective January 2002.

The Company is presently evaluating the effect of these new pronouncements on its financial position and results of operations and believes FAS 142 will definitely impact the Company because it has recorded a significant amount of goodwill related to prior acquisitions.

Report of Independent Accountants

To the Board of Directors and Shareholders
Parker Drilling Company

We have reviewed the consolidated condensed balance sheet of Parker Drilling Company and subsidiaries as of September 30, 2001 and the related consolidated condensed statements of operations for the three and nine-month periods ended September 30, 2001 and 2000 and the consolidated condensed statement of cash flows for the nine month periods ended September 30, 2001 and 2000. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated condensed financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2000, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report, dated January 30, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed balance sheet as of December 31, 2000, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

Tulsa, Oklahoma
October 31, 2001

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q contains certain statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. These statements may be made in this document, or may be "incorporated by reference," which means the statements are contained in other documents filed by the Company with the Securities and Exchange Commission. All statements included in this document, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future are "forward-looking statements," including without limitation:

*future operating results,

*future capital expenditures and investments in the acquisition and refurbishment of rigs and equipment,

*repayment of debt,

*expansion and growth of operations and

*anticipated cost savings.

Forward-looking statements are based on certain assumptions and analyses made by the management of the Company in light of their experience and perception of historical trends, current conditions, expected future developments and other factors they believe are relevant. Although management of the Company believes that their assumptions are reasonable based on current information available, they are subject to certain risks and uncertainties, many of which are outside the control of the Company. These risks and uncertainties include:

*worldwide economic and business conditions that adversely affect market conditions and/or the cost of doing business,

*fluctuations in the market prices of oil and gas,

*imposition of unanticipated trade restrictions and political instability,

*operating hazards and uninsured risks,

*governmental regulations that adversely affect the cost of doing business,

*adverse environmental events,

*adverse weather conditions,

*concentration of customer and supplier relationships,

*unexpected cost increases for upgrade and refurbishment projects,

*competition,

*and other similar factors (some of which are discussed in documents referred to in this Form 10-Q.)

Because the forward-looking statements are subject to risks and uncertainties, the actual results of operations and actions taken by the Company may differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties should be considered by the reader in connection with the forward-looking statements made from time to time in this document.

INTRODUCTION AND OUTLOOK

The increase in oil and gas drilling activity that commenced during the third quarter of 2000 continued to reflect positively on the financial results for the nine months ended September 30, 2001. Higher volume of rental tool activity resulted in record revenues from this segment of the Company's business for the third quarter. As a result, the Company recognized net income of $7.2 million for the nine months ended September 30, 2001 a significant improvement compared to a net loss of $25.4 million recognized for the nine months ended September 30, 2000.

After reaching the highest levels of dayrates and utilization since fall 1998, the Gulf of Mexico market began to soften significantly in the third quarter 2001 due primarily to a reduction in drilling activity by operators in response to declining natural gas prices and increasing gas storage levels in the U.S.. However, due to the timing of the expiration of contracts on the Company's barge and jackup rigs, average utilization and dayrates were only modestly below second quarter 2001 levels. Since the end of the third quarter, dayrates and utilization of the Company's seven jackup rigs have declined significantly. Some softness has been experienced in the Company's Gulf of Mexico barge rig business and the rental tool operations, but to a much lesser extent than the jackup rigs. As a result, management anticipates that U.S. drilling results will be substantially lower in the fourth quarter 2001. Management anticipates that international barge utilization will be slightly less in the fourth quarter due to downtime for repairs of one barge rig in Nigeria, but that international land rig revenues will increase in the quarter due to higher land rig utilization. Overall, management anticipates that the decline in revenues from the Gulf of Mexico, rental tool and international barge rig operations will result in a net loss for the fourth quarter 2001.

During January 2001, the Company announced the relocation of its corporate office to Houston, Texas. On September 4, 2001, the Company opened its new corporate office in Houston, Texas. The reorganization included the consolidation of its corporate and international drilling activities from Tulsa, Oklahoma, with its U.S. offshore drilling operations already domiciled in Houston. The relocation was accompanied by the reorganization of certain senior management positions and the management of drilling operations. Management believes that the Company will benefit from being closer to its customers, competitors and vendors and anticipates increased efficiency from the consolidation of its operational and administrative functions. The total non-recurring expense for the move of the corporate office to Houston approximated $7.5 million. During the second quarter of 2001, $5.2 million was recognized, the remaining $2.3 million was recognized during the third quarter of 2001.

Three Months Ended September 30, 2001 Compared with Three Months Ended September 30, 2000

The Company recorded net income of $3.0 million for the three months ended September 30, 2001 compared to a net loss of $1.0 million recorded for the three months ended September 30, 2000. Net income in the third quarter of 2001 is reflective of the higher utilization and dayrates in worldwide drilling operations that began in the fourth quarter of 2000 and the significant increase in revenues from the Company's rental tool operations compared to the three months ended September 30, 2000.

<TABLE>
<CAPTION>

	Three Months Ended			
	September 30, 2001		September 30, 2000	
Revenues:	(dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
U.S. drilling	$ 52,985	41%	$ 39,894	39%
International drilling	57,047	44%	49,959	49%
Rental tools	18,895	15%	11,996	12%
Total revenues	$128,927	100%	$101,849	100%

</TABLE>

RESULTS OF OPERATIONS (continued)
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The Company's revenues increased $27.1 million to $128.9 million in the current quarter as compared to the third quarter of 2000. U.S. drilling revenues increased $13.1 million due to increased dayrates in all areas of operation. Total barge rig revenues increased $7.7 million in the current quarter, as a result of a 32% increase in dayrates from the third quarter of 2000. Jackup rig revenues increased $4.9 million a 37% improvement from the third quarter of 2000. Platform rig utilization improved from 45% to 52% and dayrates increased 21% resulting in an additional $1.1 million in revenues for the current quarter as compared to the third quarter of 2000.

International drilling revenues increased $7.1 million to $57.0 million in the current quarter as compared to the third quarter of 2000. International land drilling revenues increased $4.9 million while international offshore drilling revenues increased $2.2 million. Primarily responsible for the improvement in international land drilling revenues was increased rig activity in Kazakhstan resulting in additional revenues of $7.8 million. Land drilling revenues increased $1.2 million in the Asia Pacific region primarily attributed to increased utilization in Papua New Guinea and New Zealand. Revenues declined $4.7 million in Latin America. Increased revenues in Colombia were offset by a reduction in Ecuador due to the completion of a contract in 2000 and decreased utilization in Bolivia.

The increase of $2.2 million in international offshore drilling revenues was due primarily to the four barge rigs in Nigeria being on full dayrates for the third quarter of 2001. Early in the third quarter of 2000, the four barge rigs in Nigeria were on standby status at reduced dayrates due to community unrest.

Rental tool revenues increased $6.9 million as Quail Tools reported record revenues in the current quarter of $18.9 million. Quail Tools continues to benefit from the strength of exploration and development spending in both the shallow and deep waters of the Gulf of Mexico and the new rental tool facility opened May 2000 in Odessa, Texas to serve the West Texas drilling market. The increase in revenues consisted of $3.2 million from the New Iberia, Louisiana operations, $1.9 million from the Victoria, Texas operations and $1.8 million from the Odessa, Texas operations.

<TABLE>
<CAPTION>

	Three Months Ended			
	September 30, 2001		September 30, 2000	
Profit margin:	(dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
U.S. drilling	$23,158	44%	$14,458	36%
International drilling	18,633	33%	13,988	28%
Rental tools	12,145	64%	8,010	67%
Total profit margin	$53,936		$36,456	

</TABLE>

(Profit margin - revenues less direct operating expenses; profit margin percentages - profit margin as a percent of revenues.)

Profit margin of $53.9 million in the current quarter reflected an increase of $17.5 million. In the U.S., profit margin increased $8.7 million. U.S. profit margin was positively impacted during the current quarter by higher dayrates in the Gulf of Mexico particularly from the deep drilling barges and jackup rigs. The average dayrate for deep drilling barges increased approximately 30% during the current quarter as compared to the third quarter of 2000. Average dayrates for the jackup rigs increased approximately 44% in the current quarter when compared to the third quarter of 2000.

International drilling profit margin increased $4.6 million in the current quarter as compared to the third quarter of 2000. International land drilling profit margin increased $2.5 million to $10.6 million during the current quarter due primarily to increased utilization in the Company's land drilling operations as previously discussed. The international offshore drilling profit margin increased $2.1 million to $8.0 million in the current quarter. This increase is primarily attributed to the standby status at reduced dayrates in 2000 for the four barge rigs in Nigeria as previously mentioned.

Rental tool profit margin increased $4.1 million to $12.1 million during the current quarter as compared to the third quarter of 2000. Profit margin percentages were 64% during the current quarter as compared to 67% for the third quarter of 2000 due to wage and salary market adjustments and certain non-recurring expenses.

Depreciation and amortization expense increased $3.3 million to $24.3 million in the current quarter. Depreciation expense increased due to capital additions, principally from two newly built land rigs and major rig upgrades.

Interest expense decreased $0.8 million due primarily to the repurchase in the open market of $50.5 million principal amount of the 5.5% Convertible Subordinated Notes at an average price of 86.11% of face value during the fourth quarter of 2000.

Income tax expense consists of foreign and deferred tax expense. The consolidated effective income tax rate for the three months ended September 30, 2001 was approximately 69% as compared to approximately 122% for the corresponding period of 2000. The effective tax rate is primarily due to foreign tax expense for which the Company will not receive a full U.S. tax credit.

Nine Months Ended September 30, 2001 Compared with Nine Months Ended September 30, 2000
- --

The Company recorded net income of $7.2 million for the nine months ended September 30, 2001 compared to a net loss of $25.4 million recorded for the nine months ended September 30, 2000. Net income in the current period of 2001 is reflective of the improvement in utilization and dayrates in the U.S. and international drilling operations and improved activity in the Company's rental tool operations as compared to the nine months ended September 30, 2000.

<TABLE>
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	Nine Months Ended			
	September 30, 2001		September 30, 2000	
Revenues:	(dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
U.S. drilling	$158,228	42%	$102,203	39%
International drilling	167,729	45%	131,207	50%
Rental tools	50,759	13%	29,352	11%
Total revenues	$376,716	100%	$262,762	100%

</TABLE>

The Company's revenues increased $113.9 million to $376.7 million in the current nine-month period as compared to the nine months ended September 30, 2000. U.S. drilling revenues increased $56.0 million due to increased offshore utilization and dayrates. Jackup rig revenues increased $21.6 million in the current nine-month period as a result of increased dayrates compared to the nine months ended September 30, 2000. Barge rig revenues increased $32.7 million during the current nine-month period due to increased dayrates and utilization. At the end of the current nine-month period 18 of 22 barge rigs and five of seven jackup rigs were under contract. Platform rig revenues increased $3.0

million with two of four rigs working through most of the current nine-month period.

International drilling revenues increased $36.5 million in the current nine-month period as compared to the nine months ended September 30, 2000. International land drilling revenues increased $27.9 million while offshore drilling revenues increased $8.6 million. Primarily responsible for the increase in international land drilling revenues was increased activity in Kazakhstan which contributed additional revenues of $22.5 million due in large part to the addition of six land rigs subsequent to the end of the prior period. Operations in Russia contributed increased revenues of $2.4 million. The Asia Pacific and Indonesia region revenues increased $7.0 million primarily attributable to New Zealand and Papua New Guinea. The increased revenues in New Zealand and Papua New Guinea were partially offset by the completion of contracts in Nigeria and Madagascar in the nine months ended September 30, 2000. Latin American revenues decreased $4.0 million. Increased revenues in Colombia were offset by a reduction in Ecuador and Bolivia due to the completion of contracts in 2000.

The increase of $8.6 million in international offshore drilling revenues was due primarily to the four barge rigs in Nigeria on full dayrates for the current nine-month period. Revenues associated with the Nigerian barge rigs increased $9.9 million during the current nine-month period when compared to the nine months ended September 30, 2000. During most of the first seven months of 2000 the four barge rigs in Nigeria were on standby status at reduced dayrates due to community unrest. Rig 257, drilling in the Caspian Sea, experienced reduced revenues of $1.2 million in the current nine-month period due to reduced dayrates for rig moves and various other operations per contract.

Rental tool revenues increased $21.4 million as Quail Tools reported record revenues in the current nine-month period of $50.7 million. Quail Tools continues to benefit from the strength of exploration and development spending in both the shallow and deep waters of the Gulf of Mexico and the new rental tool facility opened May 2000 in Odessa, Texas to serve the West Texas drilling market. The increase in revenues consists of $9.5 million from the New Iberia, Louisiana operations, $6.9 million from the Victoria, Texas operations and $5.0 million from the Odessa, Texas operations.

<TABLE>
<CAPTION>

	Nine Months Ended			
	September 30, 2001		September 30, 2000	
Profit margin:	(dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
U.S. drilling	$ 71,983	45%	$ 30,028	29%
International drilling	51,672	31%	32,699	25%
Rental tools	33,189	65%	18,236	62%
Total profit margin	$156,844		$ 80,963	

</TABLE>

(Profit margin - revenues less direct operating expenses; profit margin percentages - profit margin as a percent of revenues.)

Profit margin of $156.8 million in the current nine-month period reflects an increase of $75.9 million from the $80.9 million recorded during the nine months ended September 30, 2000. The U.S. and international drilling segments recorded profit margin percentages of 45% and 31%, in the current nine-month period, as compared to 29% and 25% in the nine months ended September 30, 2000. In the U.S., profit margin increased $41.9 million. U.S. profit margin was positively impacted during the current nine-month period by increased utilization and dayrates in the Gulf of Mexico. Utilization for the U.S. barge rigs averaged 82% for the current nine-month period compared to 74% for the nine months ended September 30, 2000. The average dayrate increased approximately 35% during the current nine-month period as compared to the nine months ended September 30, 2000. Average dayrate for the jackup rigs increased approximately

62% and utilization increased from 86% to 87% during the current nine-month period when compared to the nine months ended September 30, 2000.

International drilling profit margin increased $19.0 million in the current nine-month period compared to the nine months ended September 30, 2000. International land drilling profit margin rose $11.1 million to $30.9 million during the current nine-month period due primarily to increased utilization in Kazakhstan, as previously discussed. The international offshore drilling profit margin increased $7.9 million to $20.8 million in the current nine-month period. This increase is primarily attributed to the four barge rigs in Nigeria on standby status at reduced dayrates during most of the first seven months of 2000 due to community unrest.

Rental tool profit margins increased $15.0 million to $33.2 million during the current nine-month period as compared to the nine months ended September 30, 2000. Profit margin was 65% during the current period as compared to 62% for the nine months ended September 30, 2000 due to a significant increase in customer base and revenues.

Depreciation and amortization expense increased $8.4 million to $71.4 million in the current nine-month period. Depreciation expense increased due to capital additions, principally from two newly built land rigs and major rig upgrades.

Interest expense decreased $2.5 million due primarily to the repurchase in the open market of $50.5 million principal amount of the 5.5% Convertible Subordinated Notes at an average price of 86.11 percent of face value during the fourth quarter of 2000.

Income tax expense consists of foreign tax expense and deferred tax expense. The consolidated effective income tax rate for the nine months ended September 30, 2001 was approximately 72% as compared to approximately 2% for the corresponding period in 2000. The increase in the effective tax rate was primarily due to increased foreign tax expense for which the Company will not receive a full U.S. tax credit.

LIQUIDITY AND CAPITAL RESOURCES
- -------------------------------

As of September 30, 2001, the Company had cash, cash equivalents and other short-term investments of $71.2 million, an increase of $7.9 million from December 31, 2000. The primary sources of cash for the nine-month period as reflected on the Consolidated Statement of Cash Flows were $95.4 million provided by operating activities and $5.8 million from the disposition of equipment.

The primary uses of cash for the nine-month period ended September 30, 2001 were $90.3 million for capital expenditures and $3.6 million for repayment of debt. Major projects during the current nine-month period included expenditures on three rigs in the Karachaganak field in Kazakhstan, the completion of new Rig 258 for the Tengiz field in Kazakhstan, and modifications to Rig 22J in the Gulf of Mexico, the latter a result of its scheduled five-year Coast Guard inspection.

The Company has total long-term debt, including the current portion, of $593.7 million at September 30, 2001. The Company entered into a $50.0 million revolving credit facility with a group of banks led by Bank of America on October 22, 1999. This facility is available for working capital requirements, general corporate purposes and to support letters of credit. The revolver is collateralized by accounts receivable, inventory and certain barge rigs located in the Gulf of Mexico. The facility contains customary affirmative and negative covenants. Availability under the revolving credit facility is subject to certain borrowing base limitations based on 80 percent of eligible receivables plus 50 percent of supplies in inventory. Currently, the borrowing base is $50.0 million, of which none has been drawn down, and $16.2 million in letters of credit have been issued. The revolver terminates on October 22, 2003.

The Company anticipates that working capital needs and funds required for capital spending in 2001 will be met from existing cash, other short-term investments and cash provided by operations. The Company anticipates cash requirements for capital spending will be approximately $110 million in 2001. Should new opportunities requiring additional capital arise, the Company may utilize the revolving credit facility. In addition, the Company may seek project financing or equity participation from outside alliance partners or customers. The Company cannot predict whether such financing or equity participation would be available on terms acceptable to the Company.

On July 6, 2001, the Ministry of State Revenues of Kazakhstan ("MSR") issued an Act of Audit to the Kazakhstan branch of Parker Drilling Company International Limited, a wholly owned subsidiary of the Company ("PDCIL"), assessing additional taxes in the amount of approximately $29,000,000 for the years 1998-2000. The assessment consists primarily of adjustments in corporate income tax based on a determination by the Kazakhstan tax authorities that payments by the customer, OKIOC, to PDCIL of $99,050,000, in reimbursement of costs for improvements to Rig 257, to facilitate drilling in the Caspian Sea in connection with the drilling contract between OKIOC and PDCIL are income, and therefore, taxable to PDCIL's Kazakhstan Branch. PDCIL filed an Act of Non-Agreement stating its position that such payment should not be taxable and requesting that the Act of Audit be revised accordingly. Initial discussions with the MSR have resulted in (1) the MSR determining that certain of the issues require reauditing, (2) that the MSR requires further information on certain items and (3) an invitation from the MSR to hold further discussions on other matters relating to the assessment. Management believes that it is too early to make a reasonable determination as to the probable outcome of this matter.

OTHER MATTERS

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued FAS No. 141, 142 and 143. FAS No. 141, "Business Combinations", requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. FAS No. 142, "Goodwill and Other Intangible Assets", changes the accounting for goodwill from an amortization method to an impairment-only approach and will be effective January 2002. FAS No. 143, "Accounting for Asset Retirement Obligations", requires the capitalization and accrual of the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. FAS No. 143 will be effective January 2003. In August 2001 the FASB issued FAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". FAS 144 supersedes FAS 121 and amends APB No. 30 for the accounting and reporting for discontinued operations as it relates to long-lived assets. FAS No. 144 will be effective January 2002.

The Company is presently evaluating the effect of these new pronouncements on its financial position and results of operations and believes FAS 142 will definitely impact the Company because it has recorded a significant amount of goodwill related to prior acquisitions.

Legal Proceeding

Legal Proceeding - Two subsidiaries of Parker Drilling Company ("Subsidiaries") are currently named defendants in the lawsuit, Verdin vs. R & B Falcon Drilling USA, Inc., et. al., Civil Action No. G-00-488, currently pending in the U.S. District Court for the Southern District of Texas, Houston Division. The plaintiff is a former employee of a drilling contractor engaged in offshore drilling operations in the Gulf of Mexico. The defendants are various drilling contractors, including the Subsidiaries, who conduct drilling operations in the Gulf of Mexico. Plaintiff alleges that the defendants have violated federal and state antitrust laws by agreeing with each other to depress wages and benefits paid to employees working for said defendants.

Plaintiff is seeking to bring this case as a "class action", i.e., on his behalf and a proposed class of other similarly situated employees of the defendants that have allegedly suffered similar damages from the alleged actions of defendants. Originally, the case was pending in U.S. District Court for the Southern District of Texas, Galveston Division. Recently, the case was transferred to the Houston Division. The subsidiaries and certain of the other defendants recently entered into a stipulation of settlement with the plaintiff, pursuant to which the subsidiaries will pay $625,000 for a full and complete release of all claims brought in the case. The settlement was preliminarily approved by the Court on November 8, 2001. The settlement amount and related fees were accrued during the third quarter 2001.

PART II. OTHER INFORMATION

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(a)	Exhibits:	
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Parker Drilling Company

Registrant

Date: November 13, 2001

By: /s/ James J. Davis

James J. Davis
Senior Vice President-Finance and
Chief Financial Officer

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield
Vice President and Controller

INDEX TO EXHIBITS

<TABLE>
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Exhibit Number	Description
<S>	<C>
15	Letter re Unaudited Interim Financial Information

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EXHIBIT 15

November 13, 2001

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 10549

Re: Parker Drilling Company Registration on Form S-8 and Form S-3

We are aware that our report dated October 31, 2001, on our review of the interim financial information of Parker Drilling Company for the three and nine month periods ended September 30, 2001 and 2000 and included in this Form 10-Q for the quarter ended September 30, 2001 is incorporated by reference in the Company's registration statements on Form S-8 (File No. 2-87944, 33-24155, 33-56698, 33-57345, 333-59132, 333-70444) and Form S-3 (File No. 333-36498).

/s/ PricewaterhouseCoopers LLP
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PricewaterhouseCoopers LLP