
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) October 26, 2005

PARKER DRILLING COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-7573

(Commission File Number)

73-0618660

(IRS Employer Identification No.)

1401 Enclave Parkway, Suite 600, Houston, Texas

(Address of Principal Executive Offices)

77077

(Zip Code)

(281) 406-2000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Amendment to Employment Agreement

On October 26, 2005, Parker Drilling Company (the "Registrant") and Ronald C. Potter, Vice President and General Counsel of the Registrant, agreed to amend certain provisions of the employment agreement of Mr. Potter, the form of which was filed as Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The material terms of the amendment are:

- (i) the agreement will automatically renew for two year periods,
- (ii) he will be eligible for a target bonus of 50% of annual salary, and
- (iii) in the event the agreement is terminated by the Registrant without Cause or he resigns for Good Reason (each as defined in the Agreement), he is entitled to receive (a) his salary for the remainder of the current month, (b) a severance equal to one and one-half times the higher of (i) the annual base salary as in effect immediately prior to the termination date plus his current annual incentive target bonus and (ii) the highest base salary plus bonus that he was paid during any of the three calendar years immediately preceding the year of the termination date, (c) the remainder of his vacation pay for the year, (d) continued health benefits for one and one-half years, and (e) his bonus for the prior year if accrued and unpaid.

Other Matters

The description of (a) the salary adjustment for W. Kirk Brassfield and the amendment to his employment agreement, (b) the consulting agreement for James W. Whalen, (c) the indemnification agreement for each of Robert W. Goldman and George J. Donnelly and (d) the employment agreement and indemnification agreement for Lynn Cullom set forth in Item 5.02 of this Current Report on Form 8-K are incorporated by reference into this Item 1.01.

The cash compensation to be paid to the new directors appointed by the Board of Directors on October 26, 2005, is specified in Item 5.02 below.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Appointment of New Chief Financial Officer

On October 26, 2005, the Registrant appointed W. Kirk Brassfield, Vice President, Finance and Accounting and principal accounting officer of the Registrant, as Senior Vice President and Chief Financial Officer of the Registrant, effective as of October 29, 2005. Mr. Brassfield relinquished his duties as principal accounting officer of the Registrant on October 29, 2005. He

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replaces James W. Whalen who, as discussed below, resigned as Senior Vice President and Chief Financial Officer of the Registrant effective as of October 29, 2005.

Mr. Brassfield, age 49, joined the Registrant in March 1998 as controller and principal accounting officer and became Vice President in 2001. He became Vice President, Finance and Accounting in 2005, and served as Controller until March 2005. From 1991 through March 1998, Mr. Brassfield served in various positions, including subsidiary controller and director of financial planning of MAPCO Inc., a diversified energy company. From 1979 through 1991, Mr. Brassfield served at the public accounting firm, KPMG.

Mr. Brassfield and the Registrant have previously entered into an employment agreement, the form of which was filed as Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The term of the Agreement is two years from November 2002 and automatically renews for two years at the end of the initial two-year term and each two year extension thereafter. In connection with his promotion, Mr. Brassfield's base salary has been increased to \$250,000.

In connection with Mr. Brassfield's new position, on October 26, 2005, Mr. Brassfield and the Registrant agreed to amend certain provisions of his employment agreement. The material terms of the amendment are as follows:

- (i) target bonus of 75% of annual salary, and
- (ii) in the event his employment agreement is terminated by the Registrant without Cause or he resigns for Good Reason (each as defined in the Agreement), he is entitled to receive (a) his salary for the remainder of the current month, (b) a severance equal to one and one-half times the higher of (i) the annual base salary as in effect immediately prior to the termination date plus his current annual incentive target bonus and (ii) the highest base salary plus bonus that he was paid during any of the three calendar years immediately preceding the year of the termination date, (c) the remainder of his vacation pay for the year, (d) continued health benefits for two years, and (e) his bonus for the prior year if accrued and unpaid.

Mr. Brassfield and the Registrant have previously entered into an Indemnification Agreement, the form of which was filed as Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The Indemnification Agreement provides indemnity to the officer against liabilities incurred in the performance of his duties to the extent allowed by Delaware law and the Registrant's By-laws.

Appointment of New Principal Accounting Officer

On October 26, 2005, the Registrant appointed Lynn Cullom, Controller of the Registrant, to the additional office of principal accounting officer of the Registrant, effective as of October 29, 2005. Ms. Cullom is replacing Mr. Brassfield as principal accounting officer.

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Lynn Cullom, age 51, has 27 years of experience in financial accounting. She joined the Registrant in 2004 as director of corporate planning. Previously, she held various accounting and reporting director positions with El Paso Corporation, a diversified energy company, which merged with Coastal Corporation, a diversified energy company in 2001. During her 21 years with Coastal, she held various accounting positions, including vice president of financial reporting and planning for Coastal Mart, a Coastal subsidiary. She holds a bachelor of arts degree in journalism and a master of business administration in accounting from Texas A & M University. In addition, she obtained a law degree from the University of Houston. She is a CPA in the State of Texas.

In connection with Ms. Cullom's new position, on October 26, 2005, Ms. Cullom and the Registrant agreed to enter into an employment agreement, the form of which has previously been filed as Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The material terms of the employment agreement are:

- (i) annual salary of \$165,000,
- (ii) she will be eligible for a target bonus of 40% of annual salary,
- (iii) initial term of two years with automatic one year renewals, and
- (iv) in the event her employment agreement is terminated by the Registrant without Cause or she resigns for Good Reason (each as defined in the Agreement), she is entitled to receive (a) her salary for the remainder of the current month, (b) a severance equal to the higher of (i) her annual base salary as in effect immediately prior to the termination date plus her current annual incentive target bonus and (ii) the highest base salary plus bonus that she was paid during any of the three calendar years immediately preceding the year of the termination date, (c) the remainder of her vacation pay for the year, (d) continued health benefits for one year, and (e) her bonus for the prior year if accrued and unpaid.

Also in conjunction with Ms. Cullom's appointment, on October 26, 2005, Ms. Cullom and the Registrant agreed to enter into an Indemnification Agreement, the form of which was filed as Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The Indemnification Agreement provides indemnity to the officer against liabilities incurred in the performance of her duties to the extent allowed by Delaware law and the Registrant's By-laws.

Election of New Director and Vice Chairman of the Board of Directors

James W. Whalen has submitted his resignation as Senior Vice President and Chief Financial Officer of the Registrant, effective as of October 29, 2005. The Board of Directors of the Registrant appointed him as a director of the Registrant on October 26, 2005, to serve as a Class I director of the Board of Directors, and he shall stand for re-election at the annual meeting of the stockholders of the Registrant in 2006 or until his successor has been duly elected or chosen and qualifies, unless he sooner dies, resigns or is removed. He has also been appointed as Vice Chairman of the Board of Directors. He has not been appointed to any committees of the Board of Directors. As a director, Mr. Whalen will receive cash compensation consistent with other directors, as reported in the Registrant's 2005 Proxy Statement filed on March 25, 2005.

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Also in conjunction with Mr. Whalen's appointment to the Board of Directors, Mr. Whalen and the Registrant entered into a consulting agreement effective October 29, 2005, whereby Mr. Whalen will report to the President and Chief Executive Officer of the Registrant and will be charged with assisting the Registrant with various projects related to the growth and restructuring of the Registrant. Mr. Whalen's compensation for the initial term of the consulting agreement through December 31, 2006, shall consist of cash compensation in an amount equal to the 2005 incentive compensation bonus which Mr. Whalen would have received had he remained an employee of the Registrant through the date such bonus was approved by the Compensation Committee of the Board of Directors and paid. In addition, the Registrant will provide Mr. Whalen with an office and computer/communications equipment to assist Mr. Whalen in performing his consulting duties and will pay certain costs of providing Mr. Whalen with continued medical benefits, pursuant to his COBRA election, through December 31, 2005. A copy of the consulting agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Mr. Whalen and the Registrant have previously entered into an Indemnification Agreement, the form of which was filed as Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The Indemnification Agreement provides indemnity to him against liabilities incurred in the performance of his duties to the extent allowed by Delaware law and the Registrant's By-laws.

Election of Two Additional New Directors

On October 26, 2005, the Board of Directors of the Registrant appointed Robert W. Goldman and George J. Donnelly as independent directors of the Registrant, in conjunction with the decision of the Board of Directors on that date to increase the number of directors from eight to ten. Mr. Goldman has been appointed as a Class I director and will stand for re-election at the annual meeting of the stockholders of the Registrant on 2006 or until his successor has been duly elected or chosen and qualifies, unless he sooner dies, resigns or is removed. Mr. Donnelly was appointed as a Class II director and will stand for re-election at the annual meeting of the stockholders of the Registrant in 2007 or until his successor has been duly elected or chosen and qualifies, unless he sooner dies, resigns or is removed. Messrs. Goldman and Donnelly will receive cash compensation consistent with other directors, as reported in the Registrant's 2005 Proxy Statement filed on March 25, 2005.

Mr. Goldman was appointed by the Board of Directors to serve on the Compensation Committee of the Board. Mr. Donnelly was appointed by the Board of Directors to serve on the Audit Committee of the Board.

Also in conjunction with their appointments, on October 26, 2005, the Registrant agreed to enter into an Indemnification Agreement with each of them, the form of which has been filed as Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003. The Indemnification Agreement provides indemnity to the director against liabilities incurred in the performance of his duties to the full extent allowed by Delaware law and the Registrant's By-laws.

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Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is filed herewith:

10.1 Consulting Agreement dated as of October 26, 2005, between the Registrant and James W. Whalen.

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 hereunto duly authorized.

Parker Drilling Company

Date: November 1, 2005

By: /s/ W. KIRK BRASSFIELD

W. Kirk Brassfield

Senior Vice President and Chief Financial Officer

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<u>Exhibit Number</u>	<u>Description</u>
10.1	Consulting Agreement dated as of October 26, 2005, between the Registrant and James W. Whalen.

AGREEMENT FOR PERSONAL CONSULTING SERVICES

AGREEMENT effective October 29, 2005, between Parker Drilling Company Management Services, Inc., a company organized and existing under the laws of the State of Texas (hereinafter "COMPANY"), and James W. Whalen, an individual residing in Houston, Texas (hereinafter "CONSULTANT").

WHEREAS, the CONSULTANT has elected to resign from his current position as Senior Vice President & Chief Financial Officer;

WHEREAS, the COMPANY desires to retain CONSULTANT's services as a board member and as a consultant to assist with special projects; and

WHEREAS, the CONSULTANT is willing to provide consulting services to the COMPANY in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein contained, COMPANY and CONSULTANT agree as follows:

1. Scope of Service

- (a) CONSULTANT has been retained by the COMPANY as a special assistant to the President and Chief Executive Officer.
- (b) During the term of this Agreement, CONSULTANT shall, to the best of CONSULTANT's ability and skill, render to COMPANY personal consulting services on special projects as requested by the President/CEO from time to time, including without limitation:
 - (i) Resolution of issues relating to the Split Dollar Agreement between the COMPANY and The Robert L. Parker Trust;
 - (ii) Corporate restructure of the COMPANY;
 - (iii) Completion of asset sale program;
 - (iv) Development and consummation of acquisitions;
 - (v) Assist CEO in strategic planning and career planning;
 - (vi) Assist CEO with management/board relations; and
 - (vii) Implementation of Hyperion.

- (c) During the term of this Agreement, CONSULTANT agrees not to perform services, directly or indirectly, of any kind for a company engaged in the business of oil and gas drilling or any other company or person directly or indirectly in competition with COMPANY or any subsidiary, parent or affiliate of COMPANY.

2. Compensation

- (a) In consideration for CONSULTANT's services to COMPANY for the period beginning October 27, 2005 and continuing through December 1, 2006, COMPANY agrees to:
 - (i) pay CONSULTANT an amount equal to the ICP distribution for 2005 that CONSULTANT would have otherwise been entitled to receive under the terms of CONSULTANT's current employment contract had CONSULTANT remained as an employee of the COMPANY through the date on which such distribution is made,
 - (ii) allow CONSULTANT to retain his stock options and restricted stock grants as a director of the COMPANY, which stock options and restricted stock grants shall continue to vest and expire in accordance with terms and conditions of the respective award agreements applicable to each stock option award and restricted stock grant, and
 - (iii) provide continuing medical coverage to CONSULTANT in accordance with existing medical coverage through December 31, 2005.
- (b) For the period from and after December 31, 2006, until such time as this Agreement is terminated, CONSULTANT's compensation shall be as mutually agreed between the COMPANY and CONSULTANT.
- (c) In addition to the above compensation, COMPANY will reimburse CONSULTANT for all out of pocket expenses incurred consistent with Company's policies on reimbursement of business expenses.

CONSULTANT will submit an itemized statement of expenses to COMPANY on a monthly basis for costs incurred incidental to the performance of his duties as a CONSULTANT.

CONSULTANT will also be provided with office access, computer, cellphone, blackberry and other reasonable support services during the period of this agreement.

3. Term

This Agreement shall commence as of the date hereof and shall continue in effect through December 31, 2006; provided, it shall be extended thereafter by mutual agreement of the parties.

4. Independent Contractor

- (a) The status of CONSULTANT shall be that of an independent contractor and CONSULTANT shall not be eligible for participation in benefit plans offered by COMPANY to its employees.
- (b) COMPANY acknowledges and agrees that CONSULTANT may engage directly or indirectly in other businesses and ventures, not otherwise proscribed by this Agreement.
- (c) CONSULTANT shall be solely responsible for satisfaction of all tax obligations with regard to compensation earned pursuant to this Agreement, and agrees to hold COMPANY harmless from any liability for unpaid taxes or penalties in conjunction with earnings hereunder.

5. Confidentiality

COMPANY may provide CONSULTANT with confidential information, and/or trade secrets, including but not limited to, customer lists, pricing information, technical data, market surveys, reports and documents considered by COMPANY to constitute proprietary information. CONSULTANT shall maintain such information confidential and shall not disclose same to any person or use same in operation of any business or the performance of services for others without first obtaining written consent from COMPANY.

6. Limitation of Liability/Indemnity

CONSULTANT represents and warrants that he will provide COMPANY with professional services to assist the COMPANY with special project as described herein. CONSULTANT makes no representations or warranties as to the results to be obtained from utilization of his services for which COMPANY assumes sole responsibility.

COMPANY shall defend, indemnify and hold CONSULTANT harmless from and against any claims, actions or causes of action that are brought against CONSULTANT by any person arising out of his performance of his duties as a CONSULTANT.

7. No Assignment or Subcontracting

CONSULTANT shall not assign or subcontract in whole or in part any of the services to be furnished under this Agreement nor shall CONSULTANT assign any payment due or to become due hereunder from COMPANY without the prior written consent of the COMPANY.

8. Entire Agreement

The promises and representations contained herein shall constitute the sole agreement between the parties and shall cancel and supersede any prior agreements between the parties.

9. Governing Law

This Agreement shall be governed and interpreted in accordance with the laws of the State of Texas, not including any choice-of-law rule of the State of Texas, which may direct or refer any such interpretation to the laws of any other state or county.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

PARKER DRILLING MANAGEMENT SERVICES,
INC.

By: /s/ David W. Tucker

Name: David W. Tucker

Title: President

Date: October 29, 2005

JAMES W. WHALEN

/s/ James W. Whalen

Date: October 29, 2005