UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): January 13, 2012

PARKER DRILLING COMPANY

(Exact name of Registrant as specified in its charter)

Delaware	**1-7573**	**73-0618660**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

5 Greenway Plaza, Suite 100, Houston, Texas
(Address of principal executive offices)

77046
(Zip Code)

Registrant’s telephone number, including area code: **(281) 406-2000**

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))

Item 7.01 - Regulation FD Disclosure.

Parker Drilling Arctic Operating, Inc., a wholly-owned subsidiary of Parker Drilling Company (the “Company”), is party to a drilling contract (the “Contract”) with BP Exploration (Alaska), Inc. (“BP”) for two new Arctic Alaska Drilling Units (“AADUs”) being constructed by the Company. Pursuant to the Contract, Rigs 272 and 273 are currently on Alaska’s North Slope undergoing commissioning activities in preparation for acceptance testing by BP and commencement of operations. On January 3, 2012, the Company received a letter from BP stating BP’s belief that the Company’s failure to supply operationally-ready rigs by December 31, 2011 constituted a default under the Contract. The letter also proposed a meeting between the parties. The Company disagrees that default is in effect under the Contract.

On January 11th and January 13th, the Company and BP met to discuss technical and schedule-related issues concerning the rigs. Talks are ongoing, including discussions regarding possible timeframes when the rigs could undergo acceptance testing. The Company continues to work diligently to complete commissioning of the rigs in preparation for acceptance testing. The AADUs are a new class of drilling rig incorporating some of the most advanced features available in the global land rig market. The recent schedule delay is to allow the Company to modify the rigs to meet their design and functional requirements. The need for the modifications was determined as a result of comprehensive safety, technical and operational reviews during the recent commissioning activities of these prototype rigs.

Item 2.02 - Results of Operations and Financial Condition and Item 2.06 - Material Impairments.

As a result of the extended construction and commissioning schedule and related increased costs, the current estimated cost of the two rigs combined is approximately $385 million, which includes capitalized interest of approximately $49 million. In accordance with the applicable accounting literature, the Company compared the fair value of the two rigs to their carrying value as of December 31, 2011, and on January 13, 2012 determined the rigs were impaired because their carrying value exceeded their fair value. As a result, the Company expects to incur a pre-tax, non-cash charge for the fourth quarter of 2011 of approximately $171 million, or $0.95 per share after tax, in order to record the two rigs at fair value.

SIGNATURE

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

PARKER DRILLING COMPANY

Dated: January 17, 2012

By: /s/ David C. Mannon
David C. Mannon
President and Chief Executive Officer

Parker Drilling Announces Delayed Completion of New Alaska Drilling Rigs and Increased Costs Result in Asset Impairment Charge

HOUSTON, Jan. 17, 2012 /PRNewswire/ -- Parker Drilling (NYSE: PKD) announced today that completion of its two new-design Arctic Alaska Drilling Units (AADUs) has been delayed to allow the Company to modify the rigs to meet their design and functional requirements. The need for the modifications was determined as a result of comprehensive safety, technical and operational reviews during recent commissioning activities of these prototype drilling rigs. The modification work will extend the commissioning activities and increase the rigs' total costs.

As a result of the extended construction and commissioning schedule and related increased costs, the two rigs' cost at completion is currently estimated to be $385 million, which includes capitalized interest of approximately $49 million. This cost exceeds the estimated fair value of the rigs based on their projected cash flows. In order to adjust the rigs' values to their estimated fair value, the Company expects to record a pre-tax, non-cash charge in the 2011 fourth quarter of approximately $171 million. This is expected to reduce 2011 fourth quarter after-tax earnings per share by approximately $0.95.

The AADUs represent a new class of drilling rig that incorporates some of the most advanced features available in the global land rig market, including a safety-engineered, state-of-the-art equipment package; a highly automated drilling system; zero-discharge capabilities; and a modular design allowing the entire rig to transport itself in three, fully-enclosed mobile units. "Our intent is to deliver to our customer and to Alaska's North Slope drilling market a more productive drilling rig than what is currently available. We expect the AADUs to establish a new standard of performance for arctic drilling programs," said Parker Drilling President and Chief Executive Officer, David Mannon. "The unique design for these new, technologically-advanced rigs posed engineering, construction and commissioning challenges that have resulted in unanticipated design modifications, delays and cost increases. The actions we are taking are important to meeting the operational and safety objectives we desire. We continue to work diligently toward completion of this project," said Mannon.

Conference Call
Parker Drilling has scheduled a conference call for 9:00 a.m. CST (10:00 a.m. EST) on Tuesday, January 17, 2012, to discuss these events. Those interested in listening to the call by telephone may do so by dialing (480) 629-9867. The call can also be accessed through the Investor Relations section of the Company's website at http://www.parkerdrilling.com. A replay of the call will be available on the Company's website for 12 months and by telephone from Jan. 17 through Jan. 24 by dialing (303) 590-3030 and using the access code 4507180#.

Parker Drilling (NYSE: PKD) provides high-performance contract drilling solutions, rental tools and project management services to the energy industry. Parker's international fleet includes 25 land rigs and two offshore barge rigs, and its U.S. fleet includes 13 barge rigs in the U.S. Gulf of Mexico. The Company's rental tools business supplies premium equipment to operators on land and offshore in the U.S. and select international markets. More information about Parker Drilling can be found at http://www.parkerdrilling.com. Included in the Investor Relations section of the Company's website are operating status reports for Parker Drilling's rental tools segment and its international and U.S. rig fleets, updated monthly.

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