

PIONEER DRILLING CO
Form 8-K
January 13, 2005

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): **November 30, 2004**

PIONEER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

1-8182
(Commission File Number)

74-2088619
(I.R.S. Employer
Identification No.)

9310 Broadway, Building I
San Antonio, Texas
(Address of principal executive offices)

78217
(Zip Code)

Registrant's telephone number, including area code: **(210) 828-7689**

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:

- **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 2.01. Completion of Acquisition of Disposition of Assets.

As previously reported, on November 30, 2004, our wholly owned indirect subsidiary, Pioneer Drilling Services, Ltd., entered into an Asset Purchase Agreement providing for the acquisition of five mechanical land drilling rigs and related assets, including trucks, trailers, vehicles, spare drill pipe and yard equipment, from Allen Drilling Company, which is based in Woodward, Oklahoma. We also entered into a purchase agreement for an approximately 17 acre tract of real property owned by Allen Drilling located in Woodward, Oklahoma. We completed the acquisition of those assets on December 15, 2004.

We paid total consideration of \$7,200,000 in cash for the assets and assumed various contracts and other liabilities of Allen. We are also obligated to make annual payments of \$100,000 each for five years beginning December 15, 2005 under a noncompetition agreement we entered into with Mr. Dixon Allen. In addition, Mr. Allen signed an employment agreement with us for a primary term of two years. We funded the payment of the \$7,200,000 consideration with a borrowing under the acquisition facility provided by our new credit agreement with Frost National Bank, the Bank of Scotland and Zions First National Bank.

Prior to entering into the Asset Purchase Agreement, no material relationship existed between us and either Allen or any of its affiliates, directors or officers.

The information set forth above is qualified by reference to the full text of the Asset Purchase Agreement, a copy of which was filed an exhibit to the Form 8-K we filed on December 2, 2004, and which we are incorporating by reference as an exhibit to this report.

Unless the context otherwise requires, all references in this report to we, us and our refer to Pioneer Drilling Company and its subsidiaries, collectively.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The financial statements required by this item will be filed by amendment not later than February 28, 2005.

(b) Pro forma financial information.

The pro forma financial information required by this item will be filed by amendment not later than February 28, 2005.

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

(c) Exhibits.

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.43e-4(c)).

**Exhibit
Number**

Exhibit

- 2.1 Asset Purchase Agreement dated November 30, 2004, by and among Allen Drilling Company, the Earl Allen Family Trust dated April 1, 1979, the sole shareholder of Allen Drilling Company, Dixon Allen, Paula K. Hoisington and Lisa D. Johonnesson, all of the beneficiaries of the Trust, and Pioneer Drilling Services, Ltd. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K dated November 30, 2004 filed by Pioneer Drilling Company with the SEC on December 2, 2004 (File No. 1-8182)).

SIGNATURE

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.

PIONEER DRILLING COMPANY

By: /s/ William D. Hibbetts
William D. Hibbetts
Senior Vice President and Chief Financial
Officer

Date: January 13, 2005

EXHIBIT INDEX

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