



**Regulatory Circular RG04-54**

**DATE:** April 27, 2004

**TO:** Members and Member Firms

**FROM:** Market Operations Department

**RE:** Restrictions on Transactions in Certain  
Key Energy Services, Inc. ("KEG") Options

Trading in specific series of **Key Energy Services, Inc.** has been restricted. The KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series have been restricted to closing orders only.

Only closing transactions may be effected in the KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series, except for (i) opening transactions by market-makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d). The KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series will not be traded on RAES. Other KEG option series or KEG option symbols different than those listed above are not subject to these restrictions.

The execution of opening transactions in the KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action.

There are no restrictions in place with respect to the exercise of the KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series and the Options Clearing Corporation (OCC) has advised CBOE that the expiration of the KEG June 7 1/2, June 10, June 12 1/2 and June 15 option series will remain subject to OCC's Exercise-by-Exception Procedures.

Any questions regarding this circular may be directed to Kerry Winters at (312) 786-7312 or James Flynn at (312) 786-7070.