#### HIDAYATALLAH MUNAWAR H

Form 4

January 19, 2006

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

**OMB APPROVAL** 

Expires:

January 31,

Estimated average

2005

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Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* HIDAYATALLAH MUNAWAR H

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

Allis Chalmers Energy Inc. [ALY]

(Check all applicable)

Chairman and CEO

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 12/16/2005

\_X\_\_ Director 10% Owner X\_ Officer (give title Other (specify

below)

5075 WESTHEIMER, SUITE 890

4. If Amendment, Date Original

(Instr. 8)

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

HOUSTON,, TX 77056

(City) (State) (Zip)

(Street)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T)

(A)

Following Reported Transaction(s)

(Instr. 3 and 4)

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

(Instr. 3, 4 and 5)

SEC 1474 (9-02)

(Instr. 4)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year	(Instr. 8)	Acquired (Disposed of (Instr. 3, 4, 5)	f(D)				
			Code V	7 (A)	(D)	Date Exercisable	Expiration Date	Title	Amount o Number o Shares
Option to Purchase Common Stock	\$ 10.85	12/16/2005	A	125,000		<u>(1)</u>	12/16/2015	Common Stock, par value \$.01 per share	125,000

# **Reporting Owners**

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
HIDAYATALLAH MUNAWAR H 5075 WESTHEIMER, SUITE 890 HOUSTON,, TX 77056	X		Chairman and CEO				

## **Signatures**

/s/ Munawar H.
Hidayatallah
01/19/2006

\*\*Signature of Reporting Person Date

### **Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The option is exercisable (a) immediately with respect to 41,667 shares, (b) on December 16, 2006 with respect to 41,667 shares, and (c) on December 16, 2007 with respect to 41,666 shares.
- (2) Grant under employee stock option plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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